

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED APRIL 13, 2020

1. Refer to the application generally and to the final Order of Case No. 2019-00257:

a. Provide an update on Phase II of the low-pressure gas distribution systems (LP Program), including all relevant information such as specific projects and projected costs.

b. Confirm that the submitted surcharge amounts in the pending case do not include any costs associated with the LP Program Phase II, or any LP Program costs incurred prior to the Commission's final Order in Case No. 2019-00257.

Response:

a. As discussed in Gary Sullivan's testimony in Case No. 2019-00257, Columbia's LP program primarily consists of installing automatic shut-off valves ("ASV") as the primary form of overpressure protection on its low pressure systems and installing electronic instrumentation at each district LP station. This work is described as "Phase I." While Columbia contemplated a Phase II of the

program which would eliminate by-pass valves altogether, Columbia is still assessing risk as part of its Safety Management System and has no current plans to begin Phase II work.

b. The pending case includes only a true-up of the projected and actual costs of Columbia's 2019 AMRP, now SMRP, construction plan as authorized by the Commission in Case No. 2018-00341, Order dated December 5, 2018 and Case No. 2019-00257, Order dated November 7, 2019. No costs are included for the LP Program Phase II, or any LP Program costs incurred prior to November 7, 2019.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED APRIL 13, 2020**

2. As Columbia Kentucky provided in Case No. 2019-00257, confirm that the estimated cost of the LP Program is still \$11.2 million. If not, provide the new estimated cost of the LP Program, and explain all changes. Also, include an explanation as to whether the estimated cost includes both Phase I and Phase II of the LP Program.

Response:

The current estimated cost of Phase I of the LP program is \$7.8M. This estimate has been revised downward from the early estimate based on information and experience learned since work began. Columbia is not currently contemplating any work on Phase II of the LP Program and no costs are included for Phase II in the current estimate.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED APRIL 13, 2020**

3. Provide the amount of pipeline mains, services, and facilities that Columbia Kentucky has replaced thus far to present date through the accelerated program.

Response:

As of December 31, 2019, Columbia has replaced 177.9 miles of bare steel and cast iron mains. Columbia has also replaced approximately 21,866 bare steel service lines eligible for the accelerated program. In addition, Columbia has retired 47 pressure control stations while only installing 6 as a result of the accelerated replacement program.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED APRIL 13, 2020**

4. Provide the amount of pipeline mains, services, and facilities that Columbia Kentucky will have left to replace by the end of 2020.

Response:

At the end of 2019, Columbia had 347.1 miles of bare steel and cast iron main left to replace. Columbia plans to retire 25 miles of bare steel and cast iron main in 2020 leaving 322.1 miles of main left to replace at the end of 2020. Columbia also had 43,154 eligible service lines left to replace at the end of 2019. Columbia reported in response to Staff's Data Request Set One No. 1 in PSC Case No. 2019-00383 that it planned to replace 2,532 services in 2020 so 40,622 service lines will be left to replace at the end of 2020.

However, on March 6, 2020 Governor Andy Beshear issued Executive Order 2020-215, declaring that a State of Emergency exists in the Commonwealth of Kentucky due to the novel coronavirus ("COVID-19"). Columbia has enacted changes in its work practices due to the declared State of Emergency, and in

compliance with directives of the Center for Disease Control, to mitigate COVID-19. The nature of these changes has been communicated with the Commission pursuant to its Order of March 16, 2020 in Case No. 2020-00085. The duration of this State of Emergency is unknown and may impact completion of some planned priority pipe and low-pressure projects; therefore, there may be some variation in the planned retirements and remaining amount to replace at the end of 2020.

Columbia is managing its work practices to concentrate its work on mains and projects least likely to result in the need to gain inside access to a customer premise in order to best protect customers, employees and the public. In the event the stay on service line replacements extends to a point where all planned replacements cannot be completed in 2020, Columbia plans to shift those remaining dollars, as well as a projected underrun of the LP Program to bare steel and cast iron main line replacements. At this time, the anticipated shift is approximately \$2.4M in work to main line replacements. Any service lines not replaced in 2020 will be replaced when it is determined that it is safe to do so.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED APRIL 13, 2020**

5. Explain how long Phase I and Phase II of the LP Program will take to complete.

Response:

Phase I of the LP Program is expected to be completed by the end of 2020. As stated in response to Data Request 1, Columbia currently does not have plans to begin Phase II work. If Columbia decides to begin Phase II in the future, Columbia will file all relevant information as part of its October 15th annual filing of work and projected costs for the upcoming calendar year.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED APRIL 13, 2020**

6. Refer to the application, SMRP Form 1.1, line 3, and Case No. 2018-00341, AMRP Form 1.1, line 3. Explain the 62 percent increase in "Accumulated Reserve for Depreciation."

Response:

The 62 percent increase in Accumulated Reserve for Depreciation from Case No. 2018-00341 to SMRP Form 1.1, line 3, is driven by the increase in the 2019 ending balance of Total Retirements. The table below will provide a breakdown of the Accumulated Reserve for Depreciation in the respective filings.

	2018-00341	2020-00099	Variance
Depreciation Expense	\$ (1,756,347)	\$ (1,683,963)	\$ 72,384
Retirements	\$ 5,575,718	\$ 7,879,194	\$ 2,303,475
Accum. Reserve for Depreciation	\$ 3,819,371	\$ 6,195,231	\$ 2,375,859

In Case No. 2018-00341, the September 2018 through December 2019 retirements were determined by using a 3 year historical average percentage of actual

retirements compared to plant in-service by Gas Plant Account. These percentages were applied to the September 2018 through December 2019 forecasted plant to determine the annual retirements. In the current filing, the actual retirements and plant in-service are provided. The 2019 actual retirement data provided in the table below represents the SMRP projects that had the highest retirement cost.

Project ID	Cost
7514.32150266012	279,361
0558.32180267925	169,018
0558.32180267770	162,911
0558.32170267150	147,773
0558.32180268438	135,180
7514.32180268426	118,657
7806.32170267301	110,688

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED APRIL 13, 2020

7. Refer to the application, SMRP Form 2.0, page 1 of 2, line 16, and Case No. 2018-00341, AMRP Form 2.0, page 1 of 2, line 14. Explain the 41 percent increase in ending Total Retirements.

Response:

The 41 percent increase in ending Total Retirements from Case No. 2018-00341 to SMRP Form 2.0, page 1 of 2, line 16, is driven by the difference in using estimated retirements in Case No. 2018-00341 and actual retirements in the current filing. In Case No. 2018-00341, the September 2018 through December 2019 retirements were determined by using a 3 year historical average percentage of actual retirements compared to plant in-service by Gas Plant Account. These percentages were applied to the September 2018 through December 2019 forecasted plant to determine the annual retirements. In the current filing, the actual retirements and plant in-service are provided. The 2019 actual retirement data provided in the table below represents the SMRP projects that had the highest retirement cost.

Project ID	Cost
7514.32150266012	279,361
0558.32180267925	169,018
0558.32180267770	162,911
0558.32170267150	147,773
0558.32180268438	135,180
7514.32180268426	118,657
7806.32170267301	110,688