

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
THE ELECTRONIC APPLICATION OF)
COLUMBIA GAS OF KENTUCKY, INC. FOR AN)
ADJUSTMENT OF RATES; APPROVAL OF)
DEPRECIATION STUDY; APPROVAL OF TARIFF)
REVISIONS; ISSUANCE OF A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY; AND)
OTHER RELIEF)
)

Case No. 2021-00183

**COLUMBIA GAS OF KENTUCKY, INC.'S
SEPTEMBER UPDATE TO 807 KAR 5.001 SECTION 16-(7)(o)**

FILED: October 27, 2021

Columbia Gas of Kentucky, Inc.
CASE NO. 2021-00183
Forecasted Test Period Filing Requirements
807 KAR 5:001 Section 16-(7)(o)

Description of Filing Requirement:

Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available;

Supplemental Response:

Please refer to the attached which includes monthly budget variance report for September 2021.

Response:

Please refer to the attached which includes monthly budget variance reports for September 2019 through March 2021. Any subsequent months will be provided as they become available.

Responsible Witness:

Chun-Yi Lai

Columbia Gas of Kentucky
Monthly Financial Results - September 2021

NET OPERATING EARNINGS (\$M)	MTD ACTUAL	MTD Plan	MTD VAR TO Plan	YTD ACTUAL	YTD Plan	YTD VAR TO Plan
Net Revenue	\$ 5.4	\$ 5.5	\$ (0.1)	\$ 70.2	\$ 70.3	\$ (0.1)
O&M Expense	\$ (2.2)	\$ (2.0)	\$ (0.2)	\$ (15.8)	\$ (18.2)	\$ 2.4
Depreciation	\$ (1.4)	\$ (1.4)	\$ (0.0)	\$ (12.3)	\$ (12.3)	\$ (0.0)
Other Taxes	\$ (0.6)	\$ (0.7)	\$ 0.0	\$ (5.3)	\$ (5.9)	\$ 0.6
Loss (Gain) on Sale or Impairment Assets	\$ -	\$ -	\$ -	\$ (0.0)	\$ -	\$ (0.0)
Operating Earnings	\$ 1.2	\$ 1.5	\$ (0.3)	\$ 36.7	\$ 33.8	\$ 2.8

O&M (\$M)	MTD ACTUAL	MTD Plan	MTD VAR TO Plan	YTD ACTUAL	YTD Plan	YTD VAR TO Plan
Field Operations	\$ (1.8)	\$ (1.6)	\$ (0.2)	\$ (12.2)	\$ (14.0)	\$ 1.9
Presidents	\$ (0.2)	\$ (0.2)	\$ 0.0	\$ (1.7)	\$ (2.2)	\$ 0.4
Utilities Operations Support	\$ (0.2)	\$ (0.1)	\$ (0.0)	\$ (1.5)	\$ (1.5)	\$ (0.0)
Environmental, Sustainability and Gov Affairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regulatory & Utility Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Transformation	\$ (0.1)	\$ (0.1)	\$ (0.0)	\$ (0.4)	\$ (0.5)	\$ 0.1
O&M Expense	\$ (2.2)	\$ (2.0)	\$ (0.2)	\$ (15.8)	\$ (18.2)	\$ 2.4

CAPITAL (\$M)	MTD ACTUAL	MTD Plan	MTD VAR TO Plan	YTD ACTUAL	YTD Plan	YTD VAR TO Plan
CKY	\$ 6.4	\$ 6.1	\$ 0.3	\$ 49.7	\$ 48.3	\$ 1.4

NET OPERATING EARNINGS-REC TO CORP (\$M)	MTD ACTUAL	MTD Plan	MTD VAR TO Plan	YTD ACTUAL	YTD Plan	YTD VAR TO Plan
O&M EXPENSE	\$ (2.3)	\$ (2.8)	\$ 0.4	\$ (19.5)	\$ (24.6)	\$ 5.2
Operating Earnings	\$ (1.2)	\$ (1.3)	\$ 0.1	\$ 17.2	\$ 9.2	\$ 8.0

Variance Highlights:

1. O&M Expense

A. Field Operations

MTD (\$0.2M): Driven by M&R (\$0.14M), Corrosion (\$0.076M), Crossbore (\$0.1M), Offset by Leak Repair \$0.04, Locates \$0.08M

YTD \$1.9M: Primarily driven by Leak Repair \$0.4M, Locating \$0.7M, Regulation Inspections \$0.3, Meter Work \$0.3M, Leakage Survey \$0.1, Collections \$0.1, Corrosion \$0.1, Employee Expenses \$0.1, Tooling (\$0.1), Training (\$0.1)

B. Presidents

YTD \$0.4M: Labor and expenses \$0.4M

C. O&M - Other Direct & Indirects \$5.2M: Please see next page

Columbia Gas of Kentucky
Monthly Financial Results - September 2021

O&M - Other Direct & Indirects (\$M)	MTD ACTUAL	MTD Plan	MTD VAR TO Plan	YTD ACTUAL	YTD Plan	YTD VAR TO Plan
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O&M - Other Direct & Indirects						
Other Direct Expenses						
Utility Support Functions	\$ 0.2	\$ 0.4	\$ 0.1	\$ 2.3	\$ 3.4	\$ 1.1
Finance	\$ 0.2	\$ 0.7	\$ 0.5	\$ 6.0	\$ 6.4	\$ 0.4
General Counsel	\$ 0.1	\$ 0.1	\$ (0.0)	\$ 0.4	\$ 0.4	\$ 0.0
Cust Ex, Comm, and HR	\$ 0.2	\$ 0.4	\$ 0.2	\$ 1.1	\$ 4.7	\$ 3.5
Office of Strategy & Risk	\$ 0.2	\$ 0.3	\$ 0.0	\$ 2.1	\$ 2.3	\$ 0.2
Safety Services	\$ 0.1	\$ 0.1	\$ (0.0)	\$ 0.5	\$ 0.6	\$ 0.1
Executive	\$ 0.0	\$ 0.0	\$ (0.0)	\$ 0.0	\$ 0.0	\$ 0.0
Other G&A	\$ 0.1	\$ 0.3	\$ 0.3	\$ 0.5	\$ (0.6)	\$ (1.1)
Total Other Direct Expenses	\$ 1.2	\$ 2.2	\$ 1.1	\$ 12.9	\$ 17.2	\$ 4.3
Indirect Expenses						
Corporate Incentive Program	\$ 0.5	\$ 0.2	\$ (0.3)	\$ 1.5	\$ 1.5	\$ (0.0)
Stock Compensation	\$ 0.2	\$ 0.1	\$ (0.1)	\$ 0.7	\$ 0.7	\$ 0.0
Employee Benefits	\$ 0.3	\$ 0.3	\$ 0.0	\$ 2.9	\$ 4.0	\$ 1.1
External Services Indirect	\$ 0.0	\$ 0.0	\$ (0.0)	\$ 0.2	\$ 0.1	\$ (0.0)
Rents & Leases Indirect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other O&M Expenses Indirect	\$ 0.0	\$ (0.0)	\$ (0.0)	\$ 0.0	\$ (0.2)	\$ (0.2)
Total Indirect Expenses	\$ 1.0	\$ 0.6	\$ (0.4)	\$ 5.2	\$ 6.1	\$ 0.9
Non O&M NCS Items	\$ 0.2	\$ (0.0)	\$ (0.2)	\$ 1.3	\$ 1.3	\$ 0.0
Total O&M - Other Direct & Indirects	\$ 2.3	\$ 2.8	\$ 0.5	\$ 19.5	\$ 24.7	\$ 5.2

YTD Variance Highlights:

2C. O&M - Other Direct & Indirects \$5.2M

1. Utility Support Functions \$1.1M: Favorability driven by labor and safety Budget
2. Cust Ex, Comm, and HR \$3.5M: Primarily driven by favorability related to uncollectible expense estimated for COVID-19 impact
3. Employee Benefits \$1.1M: Postponed medical care due to COVID-19 and lower rates of sickness due to COVID-19 protocols