

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
RESPONSES TO COMMISSION STAFF'S
POST HEARING REQUEST FOR INFORMATION
AND ERRATA SHEET**

COMMONWEALTH OF KENTUCKY

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OTHER RELIEF)

Case No. 2021-00183

VERIFICATION OF DAVID ROY

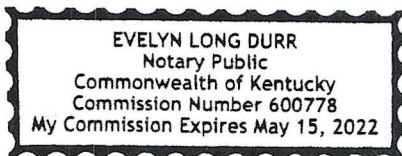
COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

David Roy, Vice President of Operations and Construction of Columbia Gas of Kentucky, Inc., being duly sworn, states that he has supervised the preparation of certain responses to Commission Staff's Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Handwritten signature of David Roy over a horizontal line, with the name 'David Roy' printed below.

The foregoing Verification was signed, acknowledged and sworn to before me this 11 day of November, 2021, by David Roy.

Handwritten signature of Evelyn Long Durr over a horizontal line.



Notary Commission No. 600778

Commission expiration: 5/15/2022

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
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REVISIONS; ISSUANCE OF A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY; AND)
OTHER RELIEF)

Case No. 2021-00183

VERIFICATION OF JEFFERY GORE

STATE OF OHIO)
COUNTY OF FRANKLIN)

Jeffery Gore, Regulatory Manager for NiSource Corporate Services Company, on behalf of Columbia Gas of Kentucky, Inc., being duly sworn, states that he has supervised the preparation of certain response to Commission Staff's Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Handwritten signature of Jeffery Gore above a horizontal line, with the name 'Jeffery Gore' printed below.

The foregoing Verification was signed, acknowledged and sworn to before me this 17th day of November, 2021, by Jeffery Gore.

Handwritten signature above a horizontal line, followed by 'Notary Commission No. NA' and 'Commission expiration: NA' on separate lines.



John R Ryan III
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec. 147.03 R.C.

COMMONWEALTH OF KENTUCKY

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 REVISIONS; ISSUANCE OF A CERTIFICATE OF)
 PUBLIC CONVENIENCE AND NECESSITY; AND)
 OTHER RELIEF)
)

VERIFICATION OF JUDY COOPER

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF FAYETTE)

Judy Cooper, Director of Regulatory Affairs of Columbia Gas of Kentucky, Inc., being duly sworn, states that she has supervised the preparation of certain responses to Commission Staff's Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

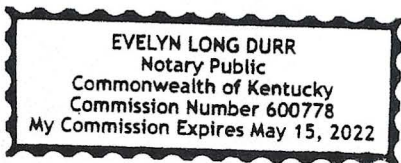
Judy Cooper
 Judy Cooper

The foregoing Verification was signed, acknowledged and sworn to before me this 17 day of November, 2021, by Judy Cooper.

Evelyn Long Durr

Notary Commission No. 600778

Commission expiration: 5/15/2022



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
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 ADJUSTMENT OF RATES; APPROVAL OF)
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 REVISIONS; ISSUANCE OF A CERTIFICATE OF)
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 OTHER RELIEF)

VERIFICATION OF CHUN-YI LAI

STATE OF OHIO)
)
 COUNTY OF FRANKLIN)

Chun-Yi Lai, Financial Planning Manager for NiSource Corporate Services Company, on behalf of Columbia Gas of Kentucky, Inc., being duly sworn, states that she has supervised the preparation of certain responses to Commission Staff's Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Chun Yi Lai
 Chun-Yi Lai

The foregoing Verification was signed, acknowledged and sworn to before me this 17 day of November, 2021, by Chun-Yi Lai.

Michael Shumate



MICHAEL SHUMATE
 Notary Public, State of Ohio
 My Commission Expires
 January 24, 2024

Notary Commission No. 2019-RE-765767

Commission expiration: 1-24-2024

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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

Case No. 2021-00183

VERIFICATION OF SUSAN TAYLOR

STATE OF OHIO)
COUNTY OF FRANKLIN)

Susan Taylor, Director of Financial Planning for NiSource Corporate Services Company, on behalf of Columbia Gas of Kentucky, Inc., being duly sworn, states that she has supervised the preparation of certain responses to Commission Staff's Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Susan M. Taylor
Susan Taylor

The foregoing Verification was signed, acknowledged and sworn to before me this 17th day of November, 2021, by Susan Taylor.

[Signature]

Notary Commission No. N/A

Commission expiration: N/A



John R Ryan III
Attorney At Law
Notary Public, State of Ohio
My commission has no expiration date
Sec. 147.03 R.C.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
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REVISIONS; ISSUANCE OF A CERTIFICATE OF)
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OTHER RELIEF)

Case No. 2021-00183

VERIFICATION OF SUZANNE K. SURFACE

STATE OF OHIO)
COUNTY OF FRANKLIN)

Suzanne K. Surface, Senior Vice President for NiSource Corporate Services Company, on behalf of Columbia Gas of Kentucky, Inc., being duly sworn, states that she has supervised the preparation of certain responses to Commission Staff's Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Suzanne K. Surface
Suzanne K. Surface

The foregoing Verification was signed, acknowledged and sworn to before me this 18th day of November, 2021, by Suzanne K. Surface.

William Lapeus Simpson



Notary Commission No. 2021-RE-830571

Commission expiration: 4/27/2026

KY PSC Case No. 2021-00183
Response to Staff's Post-Hearing Request No. 1
Respondent: Vincent Rea

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Refer to the Rebuttal Testimony of Vincent R. Rea (Rea Rebuttal Testimony), page 71.

Provide support for the proposed 1.30 percent short-term cost of debt.

Response:

Please see KY PSC Case No. 2021-00183, Staff 6-1, Attachment A for the requested information.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Refer to the Direct Testimony of Vincent V. Rea (Rea Direct Testimony), page 49. Provide an update to Table VVR-5 based upon the most recent Value Line Investment Survey.

Response:

The information provided in Table VVR-5 is based upon the most recent Value Line Ratings & Reports publication. A new publication is not due to be published until later this month since the reports are only published quarterly.

KY PSC Case No. 2021-00183
Response to Staff's Post-Hearing Request No. 3
Respondent: Vincent Rea

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021**

Refer to the Rea Rebuttal Testimony, Attachment Rebuttal VVR-6R. Provide support for the proposed cost of long-term debt of 3.30 percent for the forecasted March 2022 and June 2022 issuances.

Response:

Please see KY PSC Case No. 2021-00183, Staff 6-3, Attachment A for the requested information.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
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SEPARATELY

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Refer to Columbia Kentucky's response to Commission Staff's Third Request for Information (Staff's Third Request), Item 4, Attachment C. Provide the supporting documentation to support the cost-per-mile estimates.

Response:

Please see Columbia's Response to Commission Staff's Fifth request for Information, No. 5, part C as well as the accompanying attachment, KY PSC Case No. 2021-00183, Staff 5-5, Attachment A.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Refer to Columbia Kentucky's response to Staff's Third Request, Item 31. Provide the discretionary percentage selected by the Benefits Committee for the past five years.

Response:

Calendar Year ¹	% of Eligible Earnings ²
2020	0
2019	0.5
2018	1.0
2017	1.5
2016	1.0

¹deposited into employee retirement savings plan account early the following year

²base salary, overtime pay, and shift premium pay

Example: If an employee earned \$50,000 in base wages and overtime in 2019, then \$250 (0.5%) of those earnings were deposited into that employee's retirement savings account.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Provide in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible, the effect on rate base and revenue requirement for removing the Line DE ILI Project from the test year.

Response:

Refer to KY PSC Case No. 2021-00183, Staff 5-6, Attachment A for the requested calculation. Within this Attachment, the rate base impacts, depreciation expense and property tax expense for capital investments in 2020 and 2021 are detailed separately. Additionally, the revenue requirement impact is provided based on two rate of returns; (1) per the Company's rebuttal position, and (2) per the Stipulation Agreement.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Refer to the Direct Testimony of David A. Roy (Roy Direct Testimony), page 24 through page 27. For each year from 2017 through 2020, provide the number of crossbores found and the average cost of a cross-bore repair.

Response:

Please see the table below for the average cross-bore cost data for the pilot program from 2017 through 2020:

Crossbores	2017	2018	2019	2020	Total
Average Cost to Repair:	\$ 2,786	\$ 6,460	\$ 3,158	\$ 2,264	\$ 4,088
CKY Related Cross-bores:	4	15	15	12	46
*Cross-bores Unrelated to CKY:		7	2	1	10
Total Found:	4	22	17	13	56

*Cross-bores Unrelated to CKY are not Columbia's facilities to remediate and not included in the unit cost calculation.

Repair costs can vary greatly and could substantially differ from those shown in the table above.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

For each replacement of first generation plastic pipe completed by Columbia Kentucky in the last five years, provide the location, reason for replacement, and cost to replace.

Response:

Please see KY PSC Case No. 2021-00183, Staff 6-8, Attachment A for the data requested.

The first tab in the spreadsheet "First Gen Pivot" provides a streamlined view of the job order number, a brief explanation for the project and associated costs. The second tab in the spreadsheet "FirstGenPipe" provides the base data used for the first tab.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Explain what changes in costs in the forecasted test year were based on the new union contract expectations.

Response:

The Company assumed a 3.0 percent annual merit increase to wages in the forecasted test period as the negotiations had not yet begun at the time of the preparation of this case.

The new union contract was recently ratified¹ and includes the forecasted 3.0 percent increase as well as changes to the hourly rate in certain job families and an unforeseen expense related to the timing explained below.

While the O&M budget used for the forecasted test period included an assumption for the 3.0 percent annual merit increase, it did not include the compensation changes related to the increase in hourly rate for certain job families. The Company has estimated an incremental increase to O&M of \$91,799, or an increase to revenue requirement of \$92,379, based on the new hourly rates and the associated impact to merit increase and

¹ The contact has been ratified, but not signed. However, at this point in the process, negotiation has been finalized and signature is merely a ministerial act.

payroll tax. This value also accounts for a change from the forecast in the timing of the 3.0 percent increase. The forecast used in this case assumed that the increase would take effect on March 1, 2022. The actual 3.0 percent increase will take place on December 1, 2021 and another 2.5 percent on December 1, 2022. For a breakdown of these estimated costs, please see the table below.

Incremental O&M Increase			
Job Family Increase & Impact to Annual Increase	Timing	Payroll Tax	Total
\$67,119	\$18,157	\$6,524	\$91,799

KY PSC Case No. 2021-00183
Response to Staff's Post-Hearing Request No. 10
Respondent: Chun-Yi Lai, Susan Taylor, Suzanne Surface

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

For all efficiencies related to O&M identified for the test-year, state whether the efficiency relates to costs that are allocated to Columbia Kentucky by NiSource or whether the efficiency relates to costs originating with Columbia Kentucky. For each identified efficiency, also state whether Columbia Kentucky expects it to be ongoing.

Response:

The budgeted cost of service included in Columbia's test period of December 31, 2022 has been reduced \$3,758,276 as a result of the NiSource Next transformation program. Of this amount, \$2,916,758 are allocated NCSC savings, and \$841,519 are direct Columbia savings. Please see Columbia's Response to the AG's Second Request for Information, No. 48 and the rebuttal testimony of Suzanne Surface, as well as CONFIDENTIAL KY PSC Case No. 2021-00183, Response 6-10, Attachment A for further detail.

The structural changes identified in the attachment that drive the identified savings are meant to be ongoing. While the identified efficiencies are meant to be ongoing, Columbia is subject to the same inflationary and other factors that increase costs across our industry.

Columbia will also be continuing to make investments in our system to provide safe and reliable service to our customers.

CONFIDENTIAL

NiNext Transformation Initiative	2022 NiNext Savings - Allocated to Columbia Gas of Kentucky in the Forecasted Period	Efficiency Adjustments per ST-3 included as an adjustment to Forecasted Period	2022 NiNext Savings - Total Allocated to Columbia Gas of Kentucky in the Forecasted Period	2022 NiNext Savings - Direct to Columbia Gas of Kentucky	2022 NiNext Savings - Total Allocated and Direct to Columbia Gas of Kentucky in the Forecasted Period
	\$	\$	\$	\$	\$
Optimize Organization & Talent – This workstream included a voluntary separation program, enforces managerial spans and layers across the organization, simplifies the organizational structure across operating segments, and reduces administrative costs.	█		█	█	█
Connected Customer Experience – Initiatives creating digital service solutions for customers to enhance convenience and accessibility while reducing call volumes	█	█	█		█
Operational Work Standardization – Key programs focus on updated Capital Policy and changing our work management system to capture supporting data, modifying the way NiSource performs maintenance operations, and enabling strategies to allow front line leaders to work more effectively.	█		█	█	█
Evolution of Business Services – Contracted with a third party provider of select finance, supply chain, HR and tax services to drive efficiencies ¹ / ₁		█	█		█
IT Functional Initiatives – Initiatives to improve cost structures from managed service providers, software and hardware, and moving to a more variable staffing model	█		█		█
Other Functional Initiatives – Initiatives across corporate services (HR, Communications, Legal and Supply Chain) designed to improve cost structures by managing demand, enhancing technology, and standardizing internal practices	█		█		█
Total Efficiencies Reflected in 2022 Test Period	█	█	█	█	█

¹/₁The contract with Tata Consulting Services (TCS) was signed after the 2021 budget was finalized. The Columbia allocated portion of the 2022 savings was reflected as an efficiency adjustment to reduce CKY’s cost of service; see Ms. Taylor’s direct testimony.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Identify the legal basis used by the American Gas Association to distinguish what percentage of dues paid to it are not deductible for tax purposes.

Response:

After consulting with the American Gas Association, the legal basis it used to distinguish the portion of dues stated on its invoices as not deductible for tax purposes is Internal Revenue Code 162(e).

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Identify and the provision of NiSource Corporate Services Company's service agreement with Columbia Kentucky that permits Columbia Kentucky to dispute the magnitude of an allocation expense made to Columbia Kentucky by NiSource.

Response:

Per Attachment ST-2 filed with Witness Taylor's testimony, please refer to Article 2, Section 2.3 which states: "Client shall undertake a review of the charges and identify all questions or concerns regarding the charges". Further, in Article 4, 4.1: "[u]pon the request of the Client, the Company shall meet with the Client to review and assess the quality, costs, and/or allocations of the services being provided pursuant to the Service Agreement. The Client also has the right to amend the scope of services as it determines to be necessary or desirable."

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Provide the specific federal regulation or regulations which Columbia Kentucky contends require it to change the method of inspection it uses on Line DE. Include in your response a citation to the regulation or regulations as well as a legal analysis of how the regulation requires a change in inspection method for Line DE.

Response:

It is not the contention of Columbia that one specific change to federal regulations required the use of in-line inspection (ILI) for Line DE. Generally speaking, the federal pipeline safety requirements contained in 49 CFR 192 empower natural gas system operators to make safety-related decisions about the inspection of transmission facilities using the operator's professional judgment. Certain changes to federal regulations contributed to the decision to utilize the ILI method for Line DE. These changes, among other items previously outlined in the record of this case, contributed to this decision.

On October 1, 2019, PHMSA promulgated 84 FR 52180, entitled "Pipeline Safety: Safety of Gas Transmission Pipelines: MAOP Reconfirmation, Expansion of Assessment

Requirements, and Other Related Amendments” (commonly referred to as the “Mega-Rule”), which amended several sections of 49 CFR Part 192. 49 CFR 192.917 mandates the identification and evaluation of all threats to each covered pipeline identified in the industry standards incorporated by reference in 49 CFR 192.7. Section 192.921 identifies the methods that can be used to identify and assess these threats. The Mega Rule amended the types of threat that can be assessed by each method listed in 192.921(a) (including ILI, pressure tests, and direct assessments, among others). Prior to these federal regulatory changes, Columbia utilized a combination of several methods to assess potential threats on Line DE. However, certain threats to this line can no longer be identified or assessed using certain of the current assessment methods such as direct assessment. For example, direct assessment is no longer appropriate as a primary assessment method for manufacturer defects, dents or other forms of mechanical damage. See 49 CFR 192.923. ILI on the other hand, provides Columbia with a method that detects all of the potential threats facing Line DE, without the previously identified downsides of using other methods (in hearing, Witness Roy identified several of the reasons pressure testing would have significant adverse impacts on customers of all classes served by the line).

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Provide the number of feet of pipe of Line DE by diameter.

Response:

Line DE's nominal diameter is 12". All 277,716 feet of the steel pipeline is 12". During the hearing with the Commission on November 3rd, 2021, witness David Roy was asked whether the entire length of Line DE was one diameter. Mr. Roy responded in the negative and indicated that there were some cut-out locations that were being removed primarily at station locations. Witness Roy was correct in stating that there were some cut-outs at station locations that vary in size. However, these cut-outs occurred on tees and inlet station piping, not specifically on Line DE. To clarify, Line DE's nominal diameter is entirely 12".

KY PSC Case No. 2021-00183
Response to Staff's Post-Hearing Request No. 15
Respondent: David Roy

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

For the most recently completed SMRP, provide a breakout to show the restoration costs associated with each project completed.

Response:

Please see KY PSC Case No. 2021-00183, Staff 6-15, Attachment A for the list of the project job orders and associated restoration costs from the 2020 SMRP. Some projects with no specified restoration costs are carryover from the 2019 SMRP. Those projects' restoration charges were accounted for in the 2019 SMRP.

Job Orders	Sum of Amount
0557.32170266869	\$67
0557.32170266896	\$1,033,349
3092 - Paving Restoration Svcs-Dist	\$368,541
0557.32170267089	\$17,458
3092 - Paving Restoration Svcs-Dist	\$37,092
0557.32170267149	\$233
0557.32170267224	\$2,657
0557.32170267265	\$142,784
0557.32170267282	\$72,059
0557.32170267288	\$6,237
0557.32170267307	\$35,404
0557.32170267309	\$773,407
3092 - Paving Restoration Svcs-Dist	\$3,016
0557.32170267342	\$15,086
0557.32170267356	\$376,629
0557.32170267393	\$278
0557.32170267396	\$10,794
0557.32180267568	\$808
0557.32180267630	\$68,852
3092 - Paving Restoration Svcs-Dist	\$7,851
0557.32180267644	\$91,427
3092 - Paving Restoration Svcs-Dist	\$20,129
0557.32180267686	\$703
0557.32180267765	\$1,854,964
0557.32180267769	\$1,765
0557.32180267859	\$279,635
3092 - Paving Restoration Svcs-Dist	\$97,799
0557.32180267924	\$188
0557.32180267931	\$758,010
3092 - Paving Restoration Svcs-Dist	\$337,402
0557.32180267941	\$30,730
3092 - Paving Restoration Svcs-Dist	\$2,890
0557.32180267960	\$53,008
3092 - Paving Restoration Svcs-Dist	\$38,377
0557.32180267962	\$1,264,512
3092 - Paving Restoration Svcs-Dist	\$236,221
0557.32180267964	\$16,422
3092 - Paving Restoration Svcs-Dist	\$388
0557.32180267967	\$395,427
3092 - Paving Restoration Svcs-Dist	\$138,160
0557.32180267974	\$889,865

3092 - Paving Restoration Svcs-Dist	\$438,134
0557.32180267979	\$236,489
3092 - Paving Restoration Svcs-Dist	\$110,082
0557.32180268417	\$55,062
0557.32180268430	\$123
0557.32180268437	\$8,515
0557.32180268442	\$559
0557.32180268445	\$590,568
3092 - Paving Restoration Svcs-Dist	\$214,397
0557.32190268556	\$650,194
3092 - Paving Restoration Svcs-Dist	\$293,070
0557.32190268565	\$10,756
0557.32190268626	\$88,782
3092 - Paving Restoration Svcs-Dist	\$86,455
0557.32190268744	\$6,771
3092 - Paving Restoration Svcs-Dist	\$3,006
0557.32190268749	\$553,095
3092 - Paving Restoration Svcs-Dist	\$179,803
0557.32190268751	\$23,502
0557.32190268767	\$273,054
0557.32190268782	\$62
0557.32190268805	\$6,843
0557.32190268810	\$592
0557.32190268816	\$303,485
0557.32190268823	\$36,138
0557.32190268853	\$3,197
0557.32190268865	-\$1,260
3092 - Paving Restoration Svcs-Dist	-\$2,948
0557.32190268869	\$226,946
3092 - Paving Restoration Svcs-Dist	\$114,771
0557.32190268875	\$1,853
0557.32190268895	\$188,850
3092 - Paving Restoration Svcs-Dist	\$85,366
0557.32190268930	\$121,976
3092 - Paving Restoration Svcs-Dist	\$39,016
0557.32190268936	\$684,076
3092 - Paving Restoration Svcs-Dist	\$151,223
0557.32190268938	\$300
0557.32190268953	\$478,397
0557.32190268978	\$2,215,342
3092 - Paving Restoration Svcs-Dist	\$806,853
0557.32190268980	\$314,798
3092 - Paving Restoration Svcs-Dist	\$61,463

0557.32190268987	\$194
0557.32190269000	\$2,144,151
3092 - Paving Restoration Svcs-Dist	\$635,523
0557.32190269002	\$363,998
3092 - Paving Restoration Svcs-Dist	\$146,566
0557.32190269041	\$165,351
3092 - Paving Restoration Svcs-Dist	\$184
0557.32190269143	\$80,773
3092 - Paving Restoration Svcs-Dist	\$31,959
0557.32190269149	\$171,595
0557.32190269152	\$1,611,215
3092 - Paving Restoration Svcs-Dist	\$665,153
0557.32200269199	\$90,333
3092 - Paving Restoration Svcs-Dist	\$17,522
0557.32200269221	\$80,322
0557.32200269223	\$261
0557.32200269233	\$69,774
3092 - Paving Restoration Svcs-Dist	\$5,955
0557.32200269248	\$2,536
0557.32200269254	\$209,004
3092 - Paving Restoration Svcs-Dist	\$76,983
0557.32200269331	\$112,976
0557.32200269441	\$178,843
3092 - Paving Restoration Svcs-Dist	\$92,690
0557.32200269447	\$142,099
3092 - Paving Restoration Svcs-Dist	\$57,557
0557.32200269461	\$408,437
3092 - Paving Restoration Svcs-Dist	\$155,989
0557.32200269465	\$68,484
0557.32200269497	\$5,177
0557.32200269513	\$12,685
0557.32200269518	\$6,824
0557.32200269641	\$117,303
0557.32200269646	\$487
0557.32200269661	\$111,357
0557.32200269667	\$340,773
0557.32200269812	\$3,574
0559.32170267437	\$24,250
0559.32180267731	\$7,486
0559.32190268690	\$38,941
3092 - Paving Restoration Svcs-Dist	\$2,675
0559.32190268812	\$2,462
0559.32190268842	\$29,990

0559.32190268861	\$338
0559.32200269167	\$44,020
3092 - Paving Restoration Svcs-Dist	\$6,510
0559.32200269542	\$84,305
0559.32200269633	\$36,805
0559.32200269796	\$125
0561.32140265313	\$73,136
3092 - Paving Restoration Svcs-Dist	\$3,589
0561.32170266899	\$1,416
0561.32170267124	\$907,953
3092 - Paving Restoration Svcs-Dist	\$286,085
0561.32170267427	\$76
0561.32180267545	\$6,425
3092 - Paving Restoration Svcs-Dist	\$4,168
0561.32180267957	\$4,631
0561.32190268738	\$142
0561.32190268890	\$14
0561.32190269078	\$10,975
0561.32190269084	\$87,055
3092 - Paving Restoration Svcs-Dist	\$15,307
0561.32190269099	\$367,203
3092 - Paving Restoration Svcs-Dist	\$98,950
0561.32200269214	\$47,514
0561.32200269238	\$108,800
0561.32200269258	\$1,392,892
3092 - Paving Restoration Svcs-Dist	\$193,605
0561.32200269316	\$128,486
3092 - Paving Restoration Svcs-Dist	\$13,579
0561.32200269326	\$82,276
3092 - Paving Restoration Svcs-Dist	\$21,688
0561.32200269363	\$8,858
0561.32200269365	\$992
0561.32200269455	\$74,175
0561.32200269583	\$288,522
3092 - Paving Restoration Svcs-Dist	\$115,721
0561.32200269591	\$27,396

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Explain how Columbia Kentucky is prioritizing projects for inclusion in its SMRP each year. In your response, address whether Columbia Kentucky has a holistic plan to address what is included in the SMRP.

Response:

For bare steel and cast iron projects, Columbia's Gas System Planning department provides an annual system assessment that identifies areas of risk concentration. This assessment is developed by taking system and leak data from the prior year assessment, removing all risk information associated with projects completed within the past twelve months and adding back all new relevant leakage data collected since the prior assessment was developed. Columbia's local engineering department then develops preliminary projects based on the highest areas of risk concentration. The preliminary projects are then reviewed with local Operations leadership to validate and determine whether any other areas should be evaluated based on system performance. A final proposed project list is then generated to begin designing for the next year.

Additionally, Columbia uses information collected from DIMP, TIMP and State Risk meetings to evaluate whether any other projects should be proposed for inclusion within the SMRP. This information goes beyond leakage data and takes into account many different data types like new federal requirements, incidents occurring on similar assets in other States and industry learnings or best practices.

Columbia does holistically evaluate all threat types on its' system to prioritize asset types and programs of work. Due to the specificity of the bare steel and cast iron replacement programs, leakage is the primary statistic that currently drives selection along with other environmental and system characteristics. However, Columbia does holistically evaluate those characteristics across its' entire system to develop areas of risk concentration for the support of project selection.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 5, 2021

Refer to Columbia Kentucky's responses to Commission Staff's First Request for Information, Items 52 and 53. Also, refer to Columbia Kentucky's response to Commission Staff's Second Request for Information, Item 47.

a. Explain why the amount for OMO/OFO Demand Penalty was \$0 in Calendar Year 2020.

b. Explain why no adjustments were made to the nonrecurring charges in the forecasted test-year to normalize the late-payment penalty and the reconnection charge revenue given that there was a moratorium on those items for most of 2020, causing those items to be significantly lower in 2020 when compared to years that are more typical.

c. Provide separately by year, from 2016 to the current date, the number of reconnections attributed to:

(1) Customers who had been disconnected for nonpayment of bills or for violation of Columbia Kentucky's rules and regulations;

(2) Residential customers who request disconnection for which the customer is reconnected within eight months; and

(3) Commercial customers who request disconnection for which the customer is reconnected within eight months.

Response:

(a) In November 2019, Columbia began reporting OMO/OFO penalties on a more consolidated level on the Company's books. As a result, beginning in November 2019 OMO/OFO penalties are included in the Account 495 – Other Revenue category, which was previously provided in KY PSC Case No. 2021-00183, Staff 1-52, Attachment A . KY PSC Case No. 2021-00183, Staff 6-17, Attachment A compares the original categorization of Account 495 as shown in KY PSC Case No. 2021-00183, Staff 1-52, Attachment A to the categories after moving the November 2019 – February 2021 OMO/OFO penalties from the Account 495 – Other Revenue into the Account 495 OMO/OFO Demand Penalty category. The total Account 495 was unchanged.

(b) The Company traditionally uses the most recent 3 year average to forecast late payment penalties and reconnection charges for the Budget. The Company used the years 2018 through 2020 for the average to determine forecasted 2022 year. Comparing the resulting \$390,077.64 for late payment charges and \$117,501.35 reconnection charges to the last four years, the average used to forecast 2022 fell within the range experienced by the Company

since 2016. See table below. The Company did not make any additional adjustments because it did not have a clear understanding what the impact of COVID-19 would be to the accounts going forward.

Year	Late Payment Account 487	Reconnection Charge Account 488	Return Check Account 488	Miscellaneous Charges Account 488	Total Account 488
2016	373,252.42	89,961.00	14,010.00	4,495.37	108,466.37
2017	474,103.53	103,573.00	19,245.00	(259.60)	122,558.40
2018	496,801.89	98,801.41	20,100.00	6,824.93	125,726.34
2019	479,024.75	114,400.00	21,225.00	11,435.51	147,060.51
2020	194,406.28	35,965.00	16,050.00	27,702.19	79,717.19
2022	390,077.64	83,055.47	19,125.00	15,320.88	117,501.35

(c) Please see KY PSC Case No. 2021-00183, Staff 6-17, Attachment B for year 2020 and January through October 2021. The detailed data is only available for two years because reconnect charges are billed to customers through a sub-system called Miscellaneous Revenue Accounting or (“MRA”). MRA only retains detailed activity for a 24 month period. The main billing system, DIS, receives MRA billing amounts in aggregate by account and keeps that information essentially forever. Because MRA does not retain the detail activity that is requested beyond the most recent 24 month

period, the detailed reconnection billing information for the years 2016 – 2019 is not available.

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL’S FIRST REQUEST FOR INFORMATION
DATED JULY 7, 2021

Refer to the Taylor Testimony, page 14, lines 8 – 16, discussing adjustments to operating company budgets. With respect to the NSCS budget costs applicable to Columbia Kentucky, provide the amount of adjustments contained in the forecast period for i) specific allocation of one-time items, ii) future planned work, and iii) strategic initiatives.

Response:

Please refer to the table below for NCSC budget adjustments in the forecasted period related to NiSource Next initiatives ~~with impact to direct, indirect and related payroll tax savings~~. Additional detail surrounding NiSource Next is included in Columbia’s Response to the Attorney General’s First Set of Requests for Information, No. 128. In addition, costs related to the Safety Management System and future planned Safety work ~~was \$443,397 is included below~~.

FY2022 Strategic Initiatives		
	Total NCS	CKY Allocation
Direct	(16,347,883)	(834,518)
Indirect	(3,539,596)	(131,841)
Payroll Tax	(954,452)	(46,868)
Total Savings	(20,841,930)	(1,013,226)
Safety Plan	7,490,000	443,397
Net Savings	(13,351,930)	(569,829)

Transformation Initiatives included in NCSC Budget	2022 NiNext Savings - Allocated to Columbia Gas of Kentucky included the Forecasted Period	Efficiency Adjustments per ST-3 included as an adjustment to Forecasted Period	2022 NiNext Savings - Total allocated to Columbia Gas of Kentucky in the Forecasted Period
	\$	\$	\$
Optimize Organization & Talent – This workstream included a voluntary separation program, enforces managerial spans and layers across the organization, simplifies the organizational structure across operating segments, and reduces administrative costs.	█		█
Connected Customer Experience – Initiatives creating digital service solutions for customers to enhance convenience and accessibility while reducing call volumes	█	█	█
Operational Work Standardization – Key programs focus on updated Capital Policy and changing our work management system to capture supporting data, modifying the way NiSource performs maintenance operations, and enabling strategies to allow front line leaders to work more effectively.	█		█
Evolution of Business Services – Contracted with a third party provider of select finance, supply chain, HR and tax services to drive efficiencies 1_/_	█	█	█
IT Functional Initiatives – Initiatives to improve cost structures from managed service providers, software and hardware, and moving to a more variable staffing model	█		█
Other Functional Initiatives – Initiatives across corporate services (HR, Communications, Legal and Supply Chain) designed to improve cost structures by managing demand, enhancing technology, and standardizing internal practices	█		█
Total Efficiencies Reflected in 2022 Test Period	█	█	█

1_/_The contract with Tata Consulting Services (TCS) was signed after the 2021 budget was finalized. The Columbia allocated portion of the 2022 savings was reflected as an efficiency adjustment to reduce CKY’s cost of service; see Ms. Taylor’s direct testimony.