

**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 THE ATTORNEY GENERAL'S SECOND REQUEST FOR  
INFORMATION AND SUPPLEMENTAL REQUEST FOR 1-197**

---

FILED: August 25, 2021

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

VERIFICATION OF KIMRA COLE

COMMONWEALTH OF KENTUCKY )
)
COUNTY OF FAYETTE )

Kimra Cole, President of Columbia Gas of Kentucky, Inc., being duly sworn, states that she has supervised certain responses to Attorney General'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.

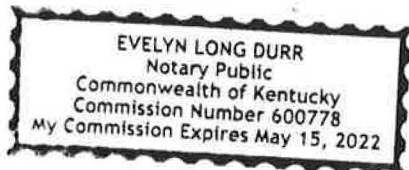
Kimra Cole
Kimra Cole

The foregoing Verification was signed, acknowledged and sworn to before me this 24th day of August, 2021, by Kimra Cole.

Evelyn Long Durr

Notary Commission No. 600778

Commission expiration: May 15, 2022



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

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 Attorney General'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.

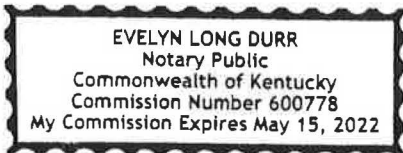
Judy M Cooper
Judy Cooper

The foregoing Verification was signed, acknowledged and sworn to before me this 24th day of August, 2021, by Judy Cooper.

Evelyn Long Durr

Notary Commission No. 600778

Commission expiration: May 15, 2022



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

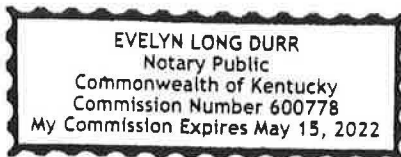
VERIFICATION OF DAVID ROY

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 Attorney General'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.

David Roy (with signature)

The foregoing Verification was signed, acknowledged and sworn to before me this 24th day of August, 2021, by David Roy.



Evelyn Long Durr (with signature)

Notary Commission No. 600778

Commission expiration: May 15, 2022

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 ) Case No. 2021-00183  
 REVISIONS; ISSUANCE OF A CERTIFICATE OF )  
 PUBLIC CONVENIENCE AND NECESSITY; AND )  
 OTHER RELIEF )

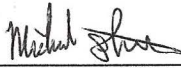
VERIFICATION OF CHUN-YI LAI

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 Attorney General'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

The foregoing Verification was signed, acknowledged and sworn to before me this 20 day of August, 2021, by Chun-Yi Lai.

  
 \_\_\_\_\_



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 )
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

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 Attorney General'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.

[Signature]
Jeffery Gore

The foregoing Verification was signed, acknowledged and sworn to before me this 13th day of August, 2021, by Jeffery Gore.

[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: )
)
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

VERIFICATION OF JENNIFER HARDING

STATE OF OHIO )
)
COUNTY OF FRANKLIN )

Jennifer Harding, Director, Income Tax Operations 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 Attorney General'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.

Jennifer Harding (with signature)

The foregoing Verification was signed, acknowledged and sworn to before me this 15th day of August, 2021, by Jennifer Harding.

(Signature of Notary)

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: )
)
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

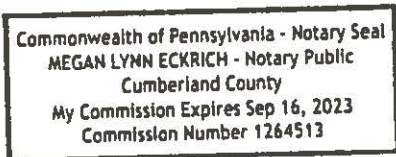
VERIFICATION OF JOHN SPANOS

COMMONWEALTH OF PENNSYLVANIA )
)
COUNTY OF CUMBERLAND )

John Spanos, President of Gannett Fleming Valuation and Rate Consultants, LLC, on behalf of Columbia Gas of Kentucky, Inc., being duly sworn, states that he has supervised the preparation of certain responses to Attorney General'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.

John J. Spanos
John Spanos

The foregoing Verification was signed, acknowledged and sworn to before me this 16th day of August, 2021, by John Spanos.



Megan Lynn Eckrich
Notary Commission No. 1264513

Commission expiration: Sep. 16, 2023



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

VERIFICATION OF JUDITH SIEGLER

STATE OF INDIANA )
COUNTY OF LAKE )

Judith Siegler, Lead Regulatory Studies Analyst 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 Attorney General'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.

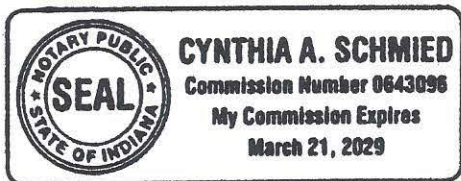
Judith Siegler (handwritten signature)

The foregoing Verification was signed, acknowledged and sworn to before me this 24 day of August, 2021, by Judith Siegler.

Cynthia A. Schmied (handwritten signature)

Notary Commission No. 0643096

Commission expiration: March 21, 2029



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

VERIFICATION OF KEVIN JOHNSON

STATE OF OHIO )  
)  
COUNTY OF FRANKLIN )

Kevin Johnson, Lead Regulatory Analyst 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 responses to Attorney General'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.

  
\_\_\_\_\_  
Kevin Johnson

The foregoing Verification was signed, acknowledged and sworn to before me this 20th day of August, 2021, by Kevin Johnson.

  
\_\_\_\_\_

Notary Commission No. n/a

Commission expiration: 18 April 2026



**SAMANTHA C WYNN**  
Notary Public State of Ohio  
My Comm. Expires April 18, 2026

**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 ) Case No. 2021-00183  
REVISIONS; ISSUANCE OF A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND NECESSITY; AND )  
OTHER RELIEF )

---

**VERIFICATION OF KIMBERLY CARTELLA**

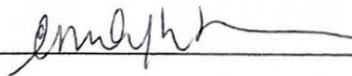
---

STATE OF OHIO )  
 )  
COUNTY OF LORAIN )

Kimberly Cartella, Director Compensation 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 Attorney General'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.

  
\_\_\_\_\_  
Kimberly Cartella

The foregoing Verification was signed, acknowledged and sworn to before me this 24<sup>th</sup> day of August, 2021, by Kimberly Cartella.

\_\_\_\_\_  


Notary Commission No. \_\_\_\_\_

Commission expiration: NO EXP.

Emily L. Brady, Attorney at Law  
Resident Summit County  
Notary Public, State of Ohio  
My Commission Has No Expiration Date  
Sec 147.03 RC



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

VERIFICATION OF MICHAEL ROZSA

STATE OF OHIO )
COUNTY OF FRANKLIN )

Michael Rozsa, Chief Information Officer 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 responses to Attorney General'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.

Michael Rozsa (signature)

The foregoing Verification was signed, acknowledged and sworn to before me this 25th day of August, 2021, by Michael Rozsa.



REBECCA J VANSICKLE (signature)
Notary Public
In and for the State of Ohio
My Commission Expires November 22, 2024
Notary Commission No.
Commission expiration: 11/22/2024

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

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 Attorney General’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 Taylor
Susan Taylor

The foregoing Verification was signed, acknowledged and sworn to before me this 18th day of August, 2021, by Susan Taylor.



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

Notary Commission No. N/A
Commission expiration: N/A

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

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 Attorney General'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 (handwritten signature)
Suzanne K. Surface

The foregoing Verification was signed, acknowledged and sworn to before me this 17th day of August, 2021, by Suzanne K. Surface.

(handwritten signature)



Notary Commission No. 2021-RE-830293

Commission expiration: 04/22/2026

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

VERIFICATION OF VINCENT REA

STATE OF NORTH CAROLINA )
)
COUNTY OF MOORE )

Vincent Rea, Managing Director of Regulatory Finance Associates, LLC, on behalf of Columbia Gas of Kentucky, Inc., being duly sworn, states that he has supervised the preparation of certain responses to Attorney General'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.

[Signature of Vincent Rea]
Vincent Rea

The foregoing Verification was signed, acknowledged and sworn to before me this 16 day of August, 2021, by Vincent Rea.

[Signature of Stephen W Sikes]

Notary Commission No.

STEPHEN W SIKES
Notary Public, North Carolina
Moore County
My Commission Expires
October 21, 2023

Commission expiration:

10-21-23

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

1. Refer to Columbia Kentucky's response to the Attorney General's First Request for Information ("Attorney General's First Request"), Items 3(a) and (b). Explain how Columbia Kentucky can properly rely upon the estimated cost for the proposed training facility project, if it is relying upon plans from other companies in other states.

**Response:**

A significant portion of Columbia's proposed training additions are virtually the exact same as what's already been constructed in three other states. Meticulous records of costs were kept on these projects to provide to local State Commissions. Columbia believes those plans can easily be relied upon for supporting cost estimates. Additionally, all structural work inside the Columbia headquarters is very commonplace and is consistent with other facility projects throughout the NiSource footprint. Columbia believes that based on recent NiSource facility projects and other pending ones throughout NiSource's service territory that the costs developed for the proposed work in Lexington is reasonable.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

2. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 3(d). Columbia Kentucky states that the proposed renovations to the existing headquarters are exclusively related to the training facility additions. However, Columbia Kentucky then states that "[a]ny work unrelated to the proposed training renovations would be charged to its' own separate and distinct work order." Explain what unrelated work to the existing headquarters is being proposed, if any.

**Response:**

What was meant by the statement in Attorney General's First Request, Item 3(d) was that Columbia will not co-mingle any other facility work that could happen to take place during the construction of the training facility additions. There is no planned facility work beyond the training facility additions at this time. If there was a need to perform

any facility work unrelated to the construction of the training facility additions, all of those charges would fall under a different work order and remain separate.

**COLUMBIA GAS OF KENTUCKY, INC.  
RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION  
DATED AUGUST 11, 2021**

3. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 4(b) and (c). Confirm that there are no employees for Nisource Gas Distribution Group, Inc. or for NiSource, Inc. If this cannot be confirmed, then provide an organizational chart for each company and designate whether each position is based in Kentucky or elsewhere.

**Response:**

Confirmed. There are no employees of NiSource Gas Distribution Group Inc. or NiSource, Inc.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

4. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 5. Columbia Kentucky referred to its response to Commission Staff's First Request for Information ("Staff's First Request"), Item 1-10, Attachment A.
  - a. Provide a breakdown and explanation as to why each entity listed in the attachment billed Columbia Kentucky.
  - b. Explain whether Columbia Kentucky charges any of the entities listed in the attachment for good, services, etc. If so, provide the billed amounts. If not, explain why not.

**Response:**

a.

Except for the Interest paid to NiSource Incorporated, most of the affiliate billings to the Company relate to invoices for Columbia Kentucky ("CKY") work that are paid by an

affiliate and then billed on the CKY so they can be reimbursed for funding the payment.

In these instances, the affiliate company is not providing services or materials to CKY.

Columbia of Ohio (“COH”) billed the company for the following:

- COH paid several items on behalf of the company to vendors that provided materials or services to the company. The vendors include Bermax, Inc, for meter reading services (\$178k), ARI Leasing for CKY vehicle leases (\$221k), multiple vendors for materials and supplies related to primarily CKY capital projects (\$111k).
- COH billed Labor with associated overheads, vehicle overheads related to work on capital projects and labor with associated overheads for GPS mapping services.

Columbia of Maryland (“CMD”) billed the company for the following:

- CMD paid outside vendors on the Company’s behalf including work for facility maintenance repair (\$2k), and materials and supplies to use for maintenance of services (\$1k).

Columbia of Pennsylvania (“CPA”) billed the company for the following:

- CPA paid outside vendors on the Company’s behalf including a work for maps and records (\$11k), and materials and supplies to use for both capital and O&M work (\$33k).

Columbia of Virginia (“CVA”) billed the company for the following:

- CVA billed Labor with associated overheads, vehicle overheads related to work on capital projects.

NiSource Incorporated provides all CKY’s debt financing. The interest billed reflects the long-term and short-term interest owed on the outstanding notes.

Northern Indiana Public Service Company (“NIPSCO”) billed the company for the following:

- NIPSCO paid outside vendors and the charge was to Account 183 (Preliminary & Survey charges).

Columbia of Massachusetts (“CMA”) billed CKY in error. These amounts were billed prior to the base period and have no impact on the base period O&M costs.

b.

The 2020 billings from CKY to other affiliates were provided in Attachment B to Columbia’s Response to Staff’s First Set of Requests for Information, No. 5. In a similar manner as was detailed in part a above, invoices are paid by CKY for services rendered for other affiliates. CKY will pay the vendor and bill the affiliate company for reimbursement.

Additionally, there were some labor and labor overheads for services provided to affiliates in 2020. Most of the labor related to CMA, which is no longer an affiliate, and these services would expect to be discontinued.

Overall, the services and associated labor and labor overheads billed to and from CKY are minimal. There are occasions when the various affiliates call for help from another affiliate due to convenience of location or some expertise/experience level that provides value.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

5. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 9(a).
- a. Confirm that Columbia Kentucky is proposing to roll in \$15,165,108 from the Safety Modification and Replacement Program ("SMRP") rider into base rates.
  - b. Confirm that the \$15,165,108 from the SMRP rider that the Company requests to be rolled-over into base rates is in addition to the \$26,694,986 revenue requirement increase, which would make the total requested base rate increase approximately \$41,860,094.
  - c. Provide a breakdown of each SMRP rider amount located in Schedule M2.2.
  - d. Confirm that each Columbia Kentucky customer currently pays an SMRP rider monthly charge, which is trued up annually.
  - e. Account for the funds that the Company has received from the customers through the SMRP rider monthly surcharge.

**Response:**



a. The proposed new base rates include the roll-in of SMRP rider revenues, as the SMRP rider will be reset to bill a zero rate (\$0.00) at the same time new approved base rates become effective on customer bills. In addition to the SMRP rider revenues, the fixed and variable customer billing rates related to the federal income tax rate reduction that were approved subsequent to the last base rate case will also reset to bill a zero rate (\$0.00)

b. As filed, the base rates are designed to generate:

- \$38.2 million incremental revenues from base rate billing parameters;
- \$3.6 million incremental revenues from the reset of the federal tax reduction factors; and
- \$15.1 million reduced revenues from the reset of the SMRP riders.

The net impact to customers is the net of all of these factors or \$26.7 million.

c. Refer to Columbia's Response to the Attorney General's First Set of Requests for Information, No. 9, Part a.

d. Refer to Sheet No. 58 in the Company's tariff, which describes the customers type being billed the SMRP tariff rider and the true-up to actual costs.

e. The SMRP rider includes recovery of property taxes, a return of (depreciation), and a return on investment (includes interest on debt and investor funded return).

The cash received for property taxes and interest on debt was used to pay for these

cash requirements. As the Company has not paid a dividend in several years, the funds received for the return of and investor funded return have been used as a source of funding for capital expenditures.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

6. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 9(d).

Explain in detail what is meant by "[t]he \$26,694,986 revenue requirement increase reflects the net impact of the increase in base rates offset by the reduction in SMRP revenues."

**Response:** The \$26,694,986 revenue requirement increase is the total increased revenue to be collected from customers.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

7. Refer to Columbia Kentucky's response to the Attorney General's First Request, Items 11(a) – (c).
- a. Explain whether Columbia Kentucky is proposing to include the total monetary amount of waived fees associated with PayPal, PayPal Credit, Amazon Pay, and Venmo in base rates.
- b. If so, provide the monetary amount of fees associated with PayPal, PayPal Credit, Amazon Pay, and Venmo that Columbia is requesting to include in base rates.
- c. Identify all regulated utilities in Kentucky that have received approval by the Commission to include PayPal, PayPal Credit, Amazon Pay, and Venmo fees in base rates..”

**Response:**

- a. Columbia's residential credit card fee initiative proposal in this case is to eliminate the charge for *all* credit card transactions, including PayPal, PayPal Credit, Amazon Pay, and Venmo. As the methods for making payments proliferate due to technological advances, it is important that Columbia remain current and stay attuned to customer expectations for service.
- b. As provided in the Company's response to AG-1.11, Columbia's credit card fee initiative shown on Adjustment 11 of Schedule D-2.4, also supported by Attachment JTG-3 of Columbia Witness Gore's direct testimony, includes a projected on-going level expense for residential customer payment processing fees associated with PayPal and PayPal Credit based on historical experience for the period twelve-months ended March 30, 2020 of 453 transactions at \$1.35 per transaction totaling \$612. Note, PayPal became available as a payment option, and Columbia customers began utilizing this payment method, in December 2019. Transactions for Amazon Pay and Venmo were not included in Columbia's pro forma calculation in this case as these options did not become available to customers until June 2020, and October 2020, respectively. It is not Columbia's intent to exclude Amazon Pay and Venmo processing fees from inclusion in base rates, rather known and measurable costs of the program will be eligible for recovery in the Company's subsequent rate case with the approval of the credit card initiative proposal in this case.

c. Objection. Orders of the Public Service Commission speak for themselves and are publicly available for review by the Office of the Attorney General.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

8. Refer to Columbia Kentucky's response to the Attorney General's First Request, Items 11(e) – (f).
  - a. Explain why there is a monetary amount charged for walk-in transactions, and whether it is currently included in base rates.
  - b. Explain which of the following already have the associated costs included in base rates for Columbia Kentucky: credit cards, debit cards, ACH, check transactions, and walk-in transactions.
  - c. Identify all regulated utilities in Kentucky that have received approval by the Commission to include fees for credit cards, debit cards, and ACH in base rates.

**Response:**

- a. NiSource has partnered with two vendors (Western Union and FiServe) who have numerous locations across the state that allow customers to make payments in person. Columbia customers who elect to walk into a local authorized contracted

retailer to make a payment are not assessed a convenience fee by the retailer. Columbia is charged a fee when customers elect to walk-in to an authorized retailer to make a payment, therefore these fees are included in the Company's current base rates.

- b. Please see the table below for a listing of customer transaction fees, by payment channel, included in Columbia's current base rates, and the cost to the customer.

<u>Payment Channel</u>	<u>Description</u>	<u>Cost to Columbia</u>	<u>Cost to Customer</u>
Mail (lockbox)	Check or Money order mailed to the Company's Lockbox provider	\$0.16	\$0.00
Walk-in	Authorized Walk-In payment agent locations	\$0.55 (Fiserv) \$0.75 (Western Union)	\$0.00
Autopay	Customer signs up for monthly recurring auto draft payment	\$0.05	\$0.00
E-lockbox 1_/	Payments are consolidated from various web and bank bill payer services	\$0.02-\$0.07	\$0.00
Web Self Service 1x	Customer registers on Company websites for one-time payment option	\$0.05	\$0.00
ACH/Wire/EDI 1_/	Electronic funds transfer (EFT) between banking systems (Commercial & Industrial only)	\$0.25-\$30	\$30 (Wires)
Credit or Debit Card 2_/	Link to 3rd Party Agent's payment platform from company websites, IVR, and Paymentus Agent Dashboard portal	\$0.00	\$1.75
Guest Pay ACH	Link to 3rd Party Agent's payment platform from company websites, IVR, and Paymentus Agent Dashboard portal	\$0.00	\$1.75

1\_/ The customer's bank may charge a fee.

2\_/ In affiliate jurisdictions where this has been absorbed, the company's fee is currently \$1.35.



- c. Objection. Orders of the Public Service Commission speak for themselves and are publicly available for review by the Office of the Attorney General.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

9. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 12.

Explain how Columbia Kentucky determined that it has four miles of "other" type of pipeline.

**Response:**

Columbia generated a report from its Geographic Information System ("GIS") to determine the mileage of "other" pipe.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

10. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item

15(a). This response is not responsive to the original question posed. As originally requested, provide a detailed breakdown of the \$300,000 proposed expenditure associated with the pilot Picarro system for three months in 2022.

**Response:**

The original response to Attorney General's First Request, Item 15(a) is responsive in that it points to a question the Commission Staff asked that contains the same information requested, which is repeated below:

1. **Unit – \$75,000...**Will be rented from Columbia Gas of Ohio for use in Kentucky; Cost of unit is \$1.2M new. Spread over its 5-year useful life, cost to rent unit would be \$20,000 a month. Additionally, Picarro annual application costs are \$60,000 a year. Three months of this cost is \$15,000
2. **Driver - ~\$22,000...**Costs for 3 months of individual driving the vehicle

3. **Analyst** – ~\$13,000...Cost for 3 months of individual doing analytics.
4. **Indication Investigation** - ~\$40,000...These costs involve investigating the various leak indications found from data collected during the field driving surveys. It's an approximate cost based on similar investigative work in other Columbia affiliates.
5. **Leak Repair** – ~\$150,000...Based on Columbia Gas of Ohio leak findings and expected condition of facilities in Kentucky.
6. **Total O&M Costs** - ~\$300,000

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

11. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item

15(b).

a. Provide a breakdown of the \$100,000 per 100 mile estimate for the Picarro system.

b. Identify how many miles of pipeline per 100 miles that Columbia Kentucky

estimated would need repairs, and how those estimates were produced.

c. Explain whether the Pipeline and Hazardous Materials Safety Administration

("PHMSA") has created or proposed rules to require the use of advanced leak

detection equipment yet. If so, provide a copy of the same.

d. Identify the timetable that the PIPES Act of 2020 provided to PHMSA to create the

aforementioned rules.

**Response:**

a. The three month pilot is estimated to cost \$300,000. This number was never intended to be used as a ratio and therefore isn't developed in such a way to show costs per 100 miles. For the overall breakdown of cost for the three month pilot please see Columbia's response to Attorney General's Second Request, Item 10.

b. Columbia Kentucky expects to need to make expedited repairs on approximately 54 leaks within the 300-mile pilot. This is based on finding an average of approximately 2 gradable leaks per mile surveyed and approximately 9% (54 leaks) of those being a Grade 1 or 2+ type leak. These leaks would require an immediate or expedited repairs to make the situation safe. The average expected cost to repair a leak is ~\$2,400. Additional grade 2 leaks would also be found and expected to be repaired within fifteen months.

Columbia Gas of Ohio is piloting the Picarro system in a similar manner that Columbia Kentucky is proposing. The average number of gradable leaks per mile and percentage of grade 1 & 2+ leaks, is based on their initial results

c. The PIPES Act of 2020, Section 113, mandates that the Secretary of Transportation to promulgate a final rule requiring the use of advance leak detection technologies, within one year of passage of the PIPES Act of 2020.

d. The PIPES Act of 2020 gave PHMSA one year from the passage of the PIPES Act of 2020, to promulgate a final rule. Please see Attachment A for the Pipes Act of 2020.



SEC. 113. LEAK DETECTION AND REPAIR.

Section 60102 of title 49, United States Code, is amended by adding at the end the following:

“(q) Gas Pipeline Leak Detection and Repair.--

“(1) In general.--Not later than 1 year after the date of enactment of this subsection, the Secretary shall promulgate final regulations that require operators of regulated gathering lines (as defined pursuant to subsection (b) of section 60101 for purposes of subsection (a)(21) of that section) in a Class 2 location, Class 3 location, or Class 4 location, as determined under section 192.5 of title 49, Code of Federal Regulations, operators of new and existing gas transmission pipeline facilities, and operators of new and existing gas distribution pipeline facilities to conduct leak detection and repair programs--

“(A) to meet the need for gas pipeline safety, as determined by the Secretary; and

“(B) to protect the environment.

“(2) Leak detection and repair programs.--

“(A) Minimum performance standards.--The final regulations promulgated under paragraph (1) shall include, for the leak detection and repair programs described in that paragraph, minimum performance standards that reflect the capabilities of commercially available advanced technologies that, with respect to each pipeline covered by the programs, are appropriate for--

“(i) the type of pipeline;

“(ii) the location of the pipeline;

“(iii) the material of which the pipeline is constructed; and

“(iv) the materials transported by the pipeline.



“(B) Requirement.--The leak detection and repair programs described in paragraph (1) shall be able to identify, locate, and categorize all leaks that--

“(i) are hazardous to human safety or the environment;

or

“(ii) have the potential to become explosive or otherwise hazardous to human safety.

“(3) Advanced leak detection technologies and practices.--

“(A) In general.--The final regulations promulgated under paragraph (1) shall--

“(i) require the use of advanced leak detection technologies and practices described in subparagraph (B);

“(ii) identify any scenarios where operators may use leak detection practices that depend on human senses; and

“(iii) include a schedule for repairing or replacing each leaking pipe, except a pipe with a leak so small that it poses no potential hazard, with appropriate deadlines.

“(B) Advanced leak detection technologies and practices described.--The advanced leak detection technologies and practices referred to in subparagraph (A)(i) include--

“(i) for new and existing gas distribution pipeline facilities, technologies and practices to detect pipeline leaks--

“(I) through continuous monitoring on or along the pipeline; or

“(II) through periodic surveys with handheld equipment, equipment mounted on mobile platforms, or other means using commercially available technology;

“(ii) for new and existing gas transmission pipeline facilities, technologies and practices to detect pipeline leaks through--

“(I) equipment that is capable of continuous monitoring; or

“(II) periodic surveys with handheld equipment, equipment mounted on mobile platforms, or other means using commercially available technology; and

“(iii) for regulated gathering lines in Class 2 locations, Class 3 locations, or Class 4 locations, technologies and practices to detect pipeline leaks through--

“(I) equipment that is capable of continuous monitoring; or

“(II) periodic surveys with handheld equipment, equipment mounted on mobile platforms, or other means using commercially available technology.

“(4) Rules of construction.--

“(A) Surveys and timelines.--In promulgating regulations under this subsection, the Secretary--

“(i) may not reduce the frequency of surveys required under any other provision of this chapter or stipulated by regulation as of the date of enactment of this subsection; and

“(ii) may not extend the duration of any timelines for the repair or remediation of leaks that are stipulated by regulation as of the date of enactment of this subsection.

“(B) Application.--The limitations in this paragraph do not restrict the Secretary's ability to modify any regulations through proceedings separate from or subsequent to the final regulations required under paragraph (1).

“(C) Existing authority.--Nothing in this subsection may be construed to alter the authority of the Secretary to regulate gathering lines as defined pursuant to section 60101.”.

#### SEC. 114. INSPECTION AND MAINTENANCE PLANS.

(a) In General.--Section 60108 of title 49, United States Code, is amended--

(1) in subsection (a)--

(A) in paragraph (2)--

(i) in the matter preceding subparagraph (A), by inserting “, must meet the requirements of any regulations promulgated under section 60102(q),” after “the need for pipeline safety”;

(ii) in subparagraph (C), by striking “and” at the end; and

(iii) by striking subparagraph (D) and inserting the following:

“(D) the extent to which the plan will contribute to--

“(i) public safety;

“(ii) eliminating hazardous leaks and minimizing releases of natural gas from pipeline facilities; and

“(iii) the protection of the environment; and

“(E) the extent to which the plan addresses the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline.”; and

(B) by striking paragraph (3) and inserting the following:

“(3) Review of plans.--

“(A) In general.--Not later than 2 years after the date of enactment of this subparagraph, and not less frequently than once every 5 years thereafter, the Secretary or relevant State authority with a certification in effect under section 60105 shall review each plan described in this subsection.

“(B) Context of review.--The Secretary may conduct a review under this paragraph as an element of the inspection of the operator carried out by the Secretary under subsection (b).

“(C) Inadequate programs.--If the Secretary determines that a plan reviewed under this paragraph does not comply with the requirements of this chapter (including any regulations promulgated under this chapter), has not been adequately implemented, is inadequate for the safe operation of a pipeline facility, or is otherwise inadequate, the Secretary may conduct enforcement proceedings under this chapter.”; and

(2) in subsection (b)(1)(B), by inserting “construction material,” after “method of construction,”.

(b) Deadline.--Not later than 1 year after the date of enactment of this Act, each pipeline operator shall update the inspection and maintenance plan prepared by the operator under section 60108(a) of title 49, United States Code, to address the elements described in the

amendments to that section made by subsection (a).

(c) Inspection and Maintenance Plan Oversight.--

(1) Study.--The Comptroller General of the United States shall conduct a study to evaluate the procedures used by the Secretary and States in reviewing plans prepared by pipeline operators under section 60108(a) of title 49, United States Code, pursuant to subsection (b) in minimizing releases of natural gas from pipeline facilities.

(2) Report of the comptroller general of the united states.-- Not later than 1 year after the Secretary's review of the operator plans prepared under section 60108(a) of title 49, United States Code, the Comptroller General of the United States shall submit to the Secretary, the Committee on Commerce, Science, and Transportation of the Senate, and the Committees on Transportation and Infrastructure and Energy and Commerce of the House of Representatives a report that--

(A) describes the results of the study conducted under paragraph (1), including an evaluation of the procedures used by the Secretary and States in reviewing the effectiveness of the plans prepared by pipeline operators under section 60108(a) of title 49, United States Code, pursuant to subsection (b) in minimizing releases of natural gas from pipeline facilities; and

(B) provides recommendations for how to further minimize releases of natural gas from pipeline facilities without compromising pipeline safety based on observations and information obtained through the study conducted under paragraph (1).

(3) Response of the secretary.--Not later than 90 days after

the date on which the report under paragraph (2) is published, the Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committees on Transportation and Infrastructure and Energy and Commerce of the House of Representatives a report that includes a response to the results of the study conducted under paragraph (1) and the recommendations contained in the report submitted under paragraph (2).

(d) Best Available Technologies or Practices.--

(1) Report of the secretary.--Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committees on Transportation and Infrastructure and Energy and Commerce of the House of Representatives a report--

(A) discussing--

(i) the best available technologies or practices to prevent or minimize, without compromising pipeline safety, the release of natural gas when making planned repairs, replacements, or maintenance to a pipeline facility;

(ii) the best available technologies or practices to prevent or minimize, without compromising pipeline safety, the release of natural gas when the operator intentionally vents or releases natural gas, including blowdowns; and

(iii) pipeline facility designs that, without compromising pipeline safety, mitigate the need to intentionally vent natural gas; and

(B) recommending a timeline for updating pipeline safety regulations, as the Secretary determines to be appropriate, to address the matters described in subparagraph (A).

(2) Rulemaking.--Not later than 180 days after the date on

which the Secretary submits the report under this subsection, the Secretary shall update pipeline safety regulations that the Secretary has determined are necessary to protect the environment without compromising pipeline safety.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

12. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item

15(c). a. Confirm that the estimated cost for one Picarro system for the first year is approximately \$1,488,500, and approximately \$187,500 in operations and maintenance ("O&M") expense for each additional year. If not, provide the

estimated cost for one Picarro system for the first year and each year afterward.

b. Provide a breakdown of the costs associated with the Picarro system including but not limited to the following: \$1,200,000 one-time capital cost, \$60,000 O&M per year of service charge, \$4,000 per year for the vehicle lease, \$1,000 per year for the annual vehicle maintenance costs, \$100,000 for a driver, and \$22,500 for analysis.

c. If the Commission were to approve the Picarro system pilot project, explain how many Picarro systems Columbia Kentucky envisions purchasing and operating.

**Response:**



- a. The cost for the first year of one Picarro system is approximately \$1,387,500.  
\$1,200,000 in capital and \$187,500 in O&M. The cost for each additional year is \$187,500 in O&M
  
- b. The cost breakdown is as follows
  - i. \$1,200,000 one-time capital cost – Cost of the equipment that make up the Picarro Surveyor system. Includes a cavity ring down spectroscopy unit, a computer processing unit, an anemometer, a tablet, a GPS antenna, a wifi router, an LTE router, and all wiring and tubing required for operation.
  - ii. \$60,000 O&M per year of service charge – Annual charge from Picarro for access to software, training, unit maintenance, and support.
  - iii. \$4,000 per year for vehicle lease – Cost to lease the vehicle that the Picarro unit is mounted in.
  - iv. \$1,000 per year for annual vehicle maintenance costs – Annual costs associated to upkeep of vehicle that Picarro unit is mounted in.
  - v. \$100,000 per driver per unit – Cost of a person to drive the Picarro equipped unit to investigate indications.

vi. \$22,500 per year for analysis – Cost of an employee to pull completed drive data, process information, generate a report, send indications to be investigated to integration center for dispatch, and compile completed indication investigations.

c. Columbia Kentucky would purchase 1 Picarro system

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

13. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 15(d). Columbia Kentucky asserts that the Picarro system will only work accurately for 5 years, at which time, per the service agreement, Picarro requires the replacement of the system at the end of its 5-year useful life.

a. Explain whether Columbia Kentucky finds an expenditure of approximately \$2,238,500 for one Picarro system over the course of 5 years to be reasonable.

b. Explain whether Columbia Kentucky has consulted with its sister companies as to whether there are negative issues associated with the Picarro system. If not, explain why not. If so, identify the negative issues regarding the same.

c. Provide alternative leak detection equipment and/or processes that are more economical than the Picarro system.

**Response:**

- a. The total cost over 5 years is \$2,137,500. This equipment has the potential to enhance Columbia Kentucky's ability to find 2 to 3 times the number of leaks as are found during traditional leak survey, because the equipment is 1000 times more sensitive than traditional equipment. Finding these additional leaks significantly mitigates additional risk that is present in the Communities Columbia serves.
- b. Columbia Gas of Ohio is currently piloting one Picarro system in a manner that is similar to how Columbia Gas of Kentucky is planning to pilot. Columbia Gas of Ohio is still in the process of gathering data to be able to outline positive and negative issues regarding the Picarro system. The initial results of the pilot point to promising data, but not all details have been compiled. The benefit of Columbia of Kentucky piloting Picarro as well is that the Commission will have the ability to review all pertinent data collected from the pilot to help determine whether there is enough value to deploy on a broader scale for Columbia and other natural gas operating utilities.
- c. The following equipment are available to perform leak detection at a lower cost per unit, than the Picarro system, but require more time and resources to operate the equipment in a comparable time frame. They also have a reduced sensitivity to methane.

- a. Detecto Pak-Infrared (DP-IR)
- b. Remote Methane Leak Detector
- c. Flame Ionization Gas Leak Detector

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

14. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 16(a). Explain why there is a significant amount of contract labor opposed to internal labor that would be expended on the proposed cross bore program.

**Response:**

The cross bore program requires specialized equipment, tooling, and labor that Columbia Gas of Kentucky does not personally own nor currently have access to outside of contract labor (i.e., vacuum excavation vehicles, sewer cleanout vehicles, camera launching vehicles and operators of said equipment). Because of the capital investments that are required to own and operate such highly specialized equipment Columbia Gas of Kentucky primarily contracts this work out to contractors who own and are experts in the operation of this type of equipment/work. Even if Columbia were to purchase the equipment, additional labor would need to be hired to support the program.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

15. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item

16(b). Explain why Columbia Kentucky has not requested for any of the storm and sanitary sewer owners to contribute funds towards the cross bore program.

**Response:**

Thus far Columbia has been piloting a scaled down cross-bore program to evaluate whether a broader program is prudent based on findings. As Columbia moves forward with its' broader program in 2022, Columbia will seek payment for damages caused by storm & sanitary sewer owners. As far as requesting storm and sanitary sewer owners to help pay for assessing the lines, Columbia has no jurisdiction over those entities that obligates them to assist. Further, it is the responsibility of Columbia to maintain the safe operation of its facilities.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

16. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 17(c) and (d).

a. Explain why training costs are "not tracked in such a way that can be easily pulled as requested."

b. With regard to the chart entitled "2017-2021 Estimated Cost to Send Employees to Training Facilities," as originally requested, provide a breakdown of the total cost to send Columbia Kentucky's employees to the out of state training facilities for 2017, 2018, 2019, 2020, and 2021.

c. Explain why there will be an "enhanced operator qualification training" implemented in 2022 that will cause the costs of training to substantially climb to approximately \$460,000 per year for travel expenses.

**Response:**



- a. Columbia does not differentiate expenses in such a way that there is an identifier linking training expenses to location. In order to provide all training costs associated with traveling to other States, Columbia would need to manually review all invoices, receipts and labor charges and correlate them to a list of employees who attended training in another State.
- b. Based on the response in part (a.) of this item, manually reviewing five years of expenses is overly burdensome and not possible to be completed in the time allotted for this response.
- c. The enhanced operator qualification program that Columbia intends to shift to in 2022 will bring additional rigor to the qualifications process. NiSource has separated formal training and on the job training programs from Operator Qualifications. For most covered tasks, this change requires employees return to the training center to demonstrate both knowledge and skills sometime after training. This approach provides deeper assurance that the employees have retained what was taught and able to apply what they learned in earlier training. Employees will spend time being trained and reviewing tasks in a secure lab or simulated environment. At the conclusion of the session employees will be released to On the Job Training ("OJT"). When ready, the employee will return for Operator Qualifications testing which typically

includes both a knowledge test and a skill evaluation. If the employees fail the required test for a task, they are not allowed to perform that task independently until they return and pass the test. A Trainer or OJT Coach will work with the employee to prepare them to take the test at a later date. Columbia's legacy operator qualification ("OQ") program has many tasks grouped together. The new program is structured around ASME B31Q definition of covered tasks. The definition includes over 150 detailed covered tasks. The increased costs are due to the additional trips out of State to support the more rigorous training and testing requirements and additional tasks that will be required to be qualified on.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 18(b). Provide a breakdown of the O&M expense including \$125,000 for internal labor and \$15,000 for utilities.

**Response:**

There is no further breakdown to provide for the two estimated expenses. The \$125,000 is an estimated cost for one full time trainer and the \$15,000 for utilities is an estimate for the substantial use of natural gas during training activities and incremental power use from new equipment.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

18. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 19(a)– (c).

a. Columbia Kentucky admits that its initial estimated cost of the accelerated main replacement program ("AMRP") was profoundly underestimated. Explain why

Columbia Kentucky has not attempted to determine the estimated cost to replace the remaining 326 miles of priority pipe.

b. Columbia Kentucky initially estimated that the AMRP would cost \$120 million to replace 525 miles of priority pipe. Thus far, Columbia Kentucky has replaced 199

miles of priority pipe and 7,412 steel service lines for approximately \$220 million.

If the cost to replace each mile of priority pipe within the SMRP does not continue to drastically increase, as it has in the past few years, confirm that the total cost of replacing the 525 miles of priority pipe could potentially be at least five times the

original estimated amount.

c. Provide the estimated date of completion to replace the remaining 326 miles of priority pipe.

d. Identify how many miles of each specific type of pipe is left to be replaced in the 326 miles of priority pipe.

e. Explain whether Columbia Kentucky is prioritizing the replacement of one type of pipe over another in the remaining 326 miles of priority pipe.

**Response:**

a. Any estimated cost to retire the remaining 326 miles of priority pipe would have to be in current day dollars. Contractor, material and municipal design/permitting requirements, amongst other things, have increased materially over the years since the program was started. An estimate developed in today's dollars is not likely to be reliable at predicting costs for a program that ends in 2037. Because of these factors and issues, Columbia has not attempted to determine the estimated cost to replace the remaining 326 miles of priority pipe.

b. Columbia did not originally estimate its' SMRP program to cost \$120 million over 30 years. The original cost was estimated to be \$210 million over 30 years as shown in David A. Roy's Prepared Direct Testimony from Case No. 2021-00183 on page

47. Therefore, Columbia cannot confirm that the total cost of replacing the 525 miles of priority pipe could potentially be at least five times the original estimated amount.

- c. The estimated date of completion for the remaining 326 miles is the end of calendar year 2037.
- d. As of the beginning of 2021, Columbia's inventory of priority pipe consisted of approximately 321.5 miles of bare steel main and approximately 4 miles of cast iron main.
- e. Columbia has committed to retiring all known mileage of cast iron by the end of calendar year 2022. Beyond that, the remaining mileage of bare steel is prioritized based on risk.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

19. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 19(d). Explain in detail why the Low Pressure Program, Phase 1, that is included in SMRP, has gone over budget.

**Response:**

Phase 1 of the Low Pressure Program is not over budget, it is currently under budget. The original cost provided to the Commission, in Case 2019-00257, was \$11.2 million. On page 48 of the prepared direct testimony of David A. Roy for KY PSC Case No. 2021-00183 it is stated that "Columbia has installed ASV's and pressure monitoring equipment on 168 low pressure stations throughout the Commonwealth for a total cost of approximately \$8.8 million." That statement was providing a current status update with associated costs. The statement did not insinuate that the \$8.8 million was the budgeted cost.

In reviewing the response to the Attorney General's First Request, Item 19(d), Columbia misunderstood the intent of the question. Columbia assumed the Attorney General was

asking whether \$8.8 million was still the cost of Phase 1 or whether Columbia had updated cost information. Updated cost information was subsequently provided in the response to 19(d).

Ultimately, Columbia is currently under budget for Phase 1 of its' Low Pressure Program by \$1.9 million.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

20. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 20, Attachment A. For each of the ten (10) categories identified therein, and as copied in below, provide the case number in which the Commission granted approval for each type of spend to be included in, and recovered through the SMRP:

1. Replacement Mains
2. Replacement Services
3. Meters
4. Meter Install
5. House Regulators Replace
6. Plant Regulators Replace
7. Regulator Structures Replace Large Volume Excess
8. Pressure Measuring Stations

9. Corrosion Mitigation, and

10. Intercompany Transfers.

**Response:**

1. Replacement Mains – Case No. 2009-00141 allowed AMRP|SMRP inclusion for replacement projects that included the retirement of bare steel, cast iron, or ineffectively coated mains.

2. Replacement Services - Case No. 2009-00141 allowed AMRP|SMRP inclusion for the replacement of scattered bare steel and/or cast iron services, services associated with the replacement of bare steel services and those pre-1989 service lines, still belonging to customers, installed by plumbers that do not meet current construction and installation safety standards to function in a new distribution systems.

3. Meters – Meters have not been approved for inclusion in the AMRP|SMRP.

4. Meter Install - Case No. 2009-00141 granted approval for meter installations on replacement projects.

5. House Regulators Replace - Case No. 2009-00141 allowed inclusion of house regulator replacements in the AMRP|SMRP.

6. Plant Regulators Replace - Case No. 2009-00141 allowed inclusion of plant regulator replacements in the AMRP|SMRP insofar as such project was necessary to

retire bare steel or cast iron pipe. Additionally, Case No. 2019-00257 allowed for inclusion of replacement plant regulators to be included in the SMRP insofar as such replacement was related to the low-pressure over protection project.

7. Regulator Structures Replace - Case No. 2009-00141 would allow AMRP|SMRP inclusion only if such a replacement was a necessary activity to retire bare steel, cast iron, or ineffectively coated mains.

8. Large Volume Excess Pressure Measuring Stations - Case No. 2009-00141 would allow AMRP|SMRP inclusion only if such a replacement was a necessary activity to retire bare steel, cast iron, or ineffectively coated mains or services.

9. Corrosion Mitigation - Case No. 2009-00141 would allow AMRP|SMRP inclusion for corrosion mitigation only if such a replacement either retired bare steel, cast iron, or ineffectively coated main, or was a necessary activity to retire bare steel, cast iron, or ineffectively coated mains.

10. Intercompany Transfers - Case No. 2009-00141 would allow AMRP|SMRP inclusion for intercompany transfers only if such a transfer was a necessary activity to retire bare steel, cast iron, or ineffectively coated mains.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

21. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 20, Attachment A. Explain why Columbia Kentucky is forecasting to spend over \$5,000,000 more on pipeline replacement projects than in 2021 and 2022.

**Response:**

In 2023, the additional \$5,000,000 was allocated to replace the Irvine point of delivery (POD) station and eliminate two aging PODs by extending off existing Columbia distribution main. These facilities are reaching the end of their useful life and this was the cheapest option to both address customer and facility needs.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

22. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 20, Attachment B.

a. Confirm that in 2020 the cost associated to replace each mile of pipe was approximately \$1,900,000. If this is not confirmed, provide the approximate cost to replace each mile of pipe in 2020.

b. Provide an explanation for the drastic increase in the cost associated to replace each mile of pipe when compared to even 2016 – 2019.

c. Explain why Columbia Kentucky went from spending approximately \$4.7 million in 2010 on pipeline replacements through the AMRP/SMRP, to approximately \$41 million in 2020.

d. Explain how the Company believes that its customers will be able to afford both an approximately \$27 million rate increase, \$15 million in SMRP roll-in revenue increase, as well as a drastic increase in forecasted SMRP spending that the customers will pay through both a monthly surcharge and future roll-in revenues.

**Response:**

a. If the cost of the low pressure over pressure protection project is excluded from the SMRP spend identified in Set 1 No. 20, the total cost to replace a mile of main in 2020 is approximately \$1.7 million including service line replacements and other necessary activities.

b. There isn't an unreasonably drastic increase in SMRP cost per mile of pipe retired when considering that in 2014 the cost per mile replaced was \$1.23 million and in 2015 the cost per mile replaced was also \$1.23 million. 2016 had an exceptionally low replacement cost due to the mix of projects completed that year. When using the \$1.7 million average cost per replaced mile as shown in Part a and comparing it to the \$1.23 million cost per replaced mile in 2014 you get an average compound inflation rate of approximately 5.5%. Columbia would not consider this a drastic increase. Base labor rates alone account for a 3% annual adjustment. Material prices are somewhat similar with the exception of any steel product. Columbia experienced its' largest increase in permitting fees and design requirements imposed by local municipalities and communities. Restoration costs, inclusive of paving, sidewalks, greenspace, etc. now can account for roughly 40-50% of the overall project costs for many replacement projects.

c. In case number 2009-00141, company witness Mueller stated "that future projects and annual budgets will vary somewhat as we replace the highest priority pipe based on

system condition and performance. While public safety and potential risk are always the primary considerations of project selection, the timing and extent of replacement cost recovery can impact the scope of replacement projects in any given year.” Beyond upward cost pressures discussed in part b of this request, the project mix selected on any given year plays a substantial role in the mileage of pipe that can be retired. Larger diameter replacement projects are orders of magnitude more expensive than smaller 2” or 3” main replacement projects. Additionally, overall program costs have increased to begin replacing enough priority pipe to meet our 2022 cast iron elimination date and the 2037 bare steel elimination date.

d. The decision to file for this rate adjustment was not made lightly. However, Columbia has a responsibility to continue the safe and reliable operation of its natural gas system, and that includes assessing the financial needs to continue its critical infrastructure replacement program to maintain safe operations across its entire service area. As noted by Columbia Gas witness Cole in her direct testimony, the Company is aware that rate increases directly impact our customers, and we will continue to educate and provide support for customers struggling with their monthly utility payments. While Columbia recognizes the impact of rate increases for its customers, the Company must continue to make investments in order to provide safe and reliable service. For the past five years, the Company has managed to continue to replace aging infrastructure consistent with the SMRP, and make the other necessary investments to enable Columbia to continue to

provide safe and reliable service to its customers without a base rate case. In addition to the safety and reliability benefits provided by the Company's pipeline replacement program, the Company's investments in its infrastructure modernization program benefit the local economies across Columbia's service territory through the wages paid to Columbia employees, taxes, and to contractors that work on our system that are necessary to complete the work.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

23. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 21(b). Explain why Columbia Kentucky does not comply with the PHMSA advisory bulletin recommendations by closely monitoring and analyzing the older plastic pipe, instead of proposing to accelerate its replacement.

**Response:**

Columbia fulfills the recommendations of closely monitoring and analyzing older plastic pipe by examining the risk scores of the plastic and comparing them to the bare steel risk and prioritizes accordingly. Additionally, Columbia's DIMP team is engaged in the first generation plastic evaluations. Columbia seeks to minimize risk of first generation plastic leaks by proactively accelerating and targeting segments that have shown vulnerability for leakage. The leak repairs themselves have the propensity to increase that vulnerability due to the application of squeeze off tools.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

24. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 21(d). Columbia Kentucky is already accelerating the replacement of 525 miles of pipeline, and is now requesting to also accelerate an additional 241 miles of pre-1982 first generation plastic pipe. Explain how requiring Columbia Kentucky's current captive ratepayers to pay to accelerate the replacement of approximately 1/3 of the Company's pipelines can possibly lead to fair, just, and reasonable rates.

**Response:**

As a regulated utility, Columbia is obligated to provide safe and reliable service to its customers. Columbia takes this obligation seriously, as delivering natural gas both safely and reliably is critical for our customers, our employees, and the communities we serve. Columbia is aware that the costs to provide this service is borne by our customers, and attempts to balance obligations and expectations with value for both them and the public at-large. Therefore, Columbia seeks to continuously improve its operations, while continuing to make necessary investments in its system.

To this end, by allowing the inclusion of pre-1982 first generation plastic pipe within the eligible pipe to be prioritized for replacement will permit the most risky pipe to be replaced, regardless of material, and that offers a reduction in operational risk. Further, replacing first generation plastic pipe will reduce associated maintenance costs, which will lead to long-term savings, and a safer system for the benefit of customers and the public at-large.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

25. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 22.

a. Explain what is meant by "[s]ome of these increases have been a reaction to higher expectations from permitting agencies or changes in municipal ordinances."

b. Explain whether flagging costs increased due the need to hire more flaggers due to the increased work zone intrusions.

**Response:**

- a. When Columbia first began its' replacement program, permitting and restoration requirements were pretty simple and minimal in cost. However, over the last several years, these requirements have increased substantially. Municipalities and other entities have often increased their fees or added fees where there were none. Even bigger of an impact are the requirements to receive a permit. Full or substantial street paving, sidewalk replacements and beautification elements are

all somewhat normal requests now. Restoration for certain replacement projects can reach upwards to 50% of the overall project cost.

- b. Flagging costs have definitely increased due the need to hire more flaggers because of higher volumes of work zone intrusions. In fact Columbia has been hiring off duty police officers at some locations due to issues with work zone intrusions. The police officers' presence helps to diffuse the frustration of drivers and prevents most drivers from thinking about intruding on a work zone.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

26. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 23.

a. Provide the total cost that Columbia Kentucky was responsible to pay for Optimain DS, as well as the year that it was purchased and the date that it became used and useful.

b. Provide the total cost that Columbia Kentucky is responsible to pay for Uptime MRP, as well as the year that it was purchased and the date it will become used and useful.

**Response:**

A. The Optimain asset totaling \$60,621 was placed into service in November 2015.

B. Uptime MRP was purchased in 2020 and should go live in September 2021.

Columbia Gas of Kentucky is responsible for \$25,000 for the implementation of it and

will be responsible for \$5,000 per year for the annual license agreement. The annual license costs are subject to a 3% maximum increase per year.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

27. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 24(b). Explain whether the amounts that Columbia Kentucky charges to NICOR-AGL and Columbia Service Partners cover all associated costs related to the billing services.

**Response:** Yes, the fees charged to NICOR-AGL and Columbia Service Partners cover all associated costs related to the billing services.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

28. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 24(c). Explain whether the revenues from the billing services act as a credit for the ratepayers. If not, why not. If so, explain how the revenues are applied.

**Response:** Yes, the revenues are recorded in Account 495 and reduce the revenue requirement needed to be collected through base rates.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

29. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 30(c).

a. Explain why making the negative \$7 million cash working capital adjustment would create a "disincentive to effectively manage its cash and does not encourage efficiency and cost minimization."

b. Confirm or deny, that whether the negative \$7 million cash working capital adjustment were made or not, Columbia Kentucky would still have a duty to its customers to continue to effectively manage its cash and encourage efficiency and cost minimization

**Response:**

- a. Please see Columbia's response to Staff's Third Set of Requests for Information No. 35 for a detailed explanation of how Columbia Kentucky effectively manages the cash related to its Budget Plan by resetting the plan each year in April.
- b. Yes.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

30. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 31(a) and (b).

a. According to the Company's submitted cost of service study ("COSS"), provide the result for the General Service Residential ("GSR") monthly customer charge.

b. Explain whether Columbia Kentucky intends to continuously increase the monthly customer charge in the future.

c. Explain whether there is any monetary amount that the Company believes would be too high for a residential monthly customer charge.

**Response:**

a. Attachment KLJ-ACOS-3, Page 53, Line 16, Column E to Witness Johnson's Direct Testimony shows the cost of service that supports the minimum customer charge for the General Service Residential (GSR) class based on monthly customer costs of

\$41.84. Detailed calculations are shown in Attachment KLJ-ACOS-3 to Witness Johnson's Direct Testimony.

- b. Although Columbia cannot say with certainty what it will propose in regard to the monthly customer charge in future rate cases, Columbia is expected to propose a rate design that will gradually move toward the elimination of intra-class subsidies resulting from a portion of Columbia's fixed customer-related costs being recovered through a volumetric base rate.
- c. The maximum level of the residential customer charge should be the amount required to recover the total allocated revenue requirement assigned to the residential rate class and approved by the Commission (the actual amount to recover cost of service and approved return) divided by the total number of residential bills in the test year.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

30. Refer to Columbia Kentucky's response to the Attorney General's First Request, Items

44(a) and (b). Confirm that from December 31, 2015 to December 31, 2021, Columbia Kentucky's total plant is expected to increase by 82.4755%.

**Response:**

The depreciable and amortizable plant provided in Columbia's Response to the Attorney General's First Set of Requests for Information, No. 44 related to historical December 31, 2015 and projected December 31, 2022 balances (not, as stated above, December 31, 2021) which is summarized as follows:

Columbia Gas of Kentucky - Plant Information					
	12/31/2022		12/31/2015	Difference	%
Depreciable Plant	703,323,333.69 ( A )		388,144,462.24 ( D )	315,178,871.45	81.20%
Amortizable Plant	13,746,600.60 ( A )		4,823,336.41 ( C )	8,923,264.19	185.00%
Total Plant	717,069,934.29 ( A )		392,967,798.65 ( B )	324,102,135.64	82.48%

- ( A ) - described in AG-1-44 Part A
- ( B ) - described in AG-1-44 Part B
- ( C ) - described in AG-1-44 Part G
- ( D ) - calculated

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

32. Refer to Columbia Kentucky's response to the Attorney General's First Request, Items 44(f) and (g). Confirm that from December 31, 2015 to December 31, 2021, Columbia Kentucky's total amortizable plant is expected to increase by 185.002%.

**Response:**

Please refer to Columbia's Response to the Attorney General's Second Set of Requests for Information, No 31.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

33. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 58. Columbia Kentucky asserts that the refundable employee retention credit ("ERC") is equal to 50% of qualified wages and benefit costs paid to employees after March 12, 2020, and before January 1, 2021, with a maximum of \$10,000 in qualified wages for each employee for the calendar year to be counted.

- a. Explain whether Columbia Kentucky qualified for \$4,686 of ERCs for each employee, or if Columbia Kentucky only qualified for a total of \$4,686 of ERCs.
- b. If Columbia Kentucky only qualified for \$4,686 of ERCs, explain why it did not qualify for ERCs for each employee.
- c. If Columbia Kentucky qualified for a refundable ERC for each employee, provide the total amount of refundable ERCs that Columbia Kentucky received.

**Response:**

- a. Columbia Kentucky qualified for a total ERC of \$4,686, which is based on qualified wages paid to those employees not providing services due to the suspension of



operations. This represents twenty-eight (28) Columbia Kentucky employees that were identified to have qualified wages due to idle or quarantined time for which the employees were not providing services due to the suspension of business operation because of governmental orders due to COVID-19. Please see KY PSC Case No. 2021-00183, AG 2-33, Attachment A for the computation of the credit by employee for Columbia Kentucky.

b. See response above

c. See response above

### NiSource ERC Calculation

Entity					
Number	Entity	Total Qualifying Wages	Credit amount (50%)	Consulting Fees	Net ERC Benefit
032	CKY	9,373	4,686	506	4,181
Various		5,904,213	2,952,107	318,494	2,633,612
<b>TOTAL ERC</b>			<b>2,956,793</b>	<b>319,000</b>	<b>2,637,793</b>



**QYV ERC Calculation**

Total Qualifying wages (capped at \$10k/eng) 27,862.80  
 Total number of employees using absence time 9  
 Total Absent Days 68  
 Total Capable Absence Qualifying Wages 28,861.76  
 Total Capable Absence Qualifying Wages reduced by 80% and side time overage 18,345.41  
 Total Capable Absence Qualifying Wages reduced by 80% and side time overage (G) & (2) 4,739.02

Employee Details				ERC Calculation Factors										ERC Calculation			ID day data				March 01 - June 30									
Co ID	Co Name	Union Code	State	Employee #	Job Function	First Day Off (Absence)	Date of Return (Absence)	Days Absence	Absence Reason	Hourly Rate (Wage)	Daily Wage (Lessening # Hours)	Daily Medical Insurance Benefit	Daily Dental Insurance Benefit	Daily Vision Insurance Benefit	Daily Total Benefits (Health, Dental, Vision)	Daily Wage + Daily Benefits	Total Wage + Total Benefits	Total Qualifying Wages	Qualifying wages (up to \$10,000 of wages)	Did the employee lose 80% time and absence time?	Capped Absence Days	Capped Absence Wages	% Paid	Qualifying Wages	Removed wages	Total Qualifying Wages	Notes	Diagnosis	Absence Before 6/1/2020?	Total Qualifying wages
32	QYV	C11	KY	13444	Customer Service B	8/1/2020	8/18/2020	11	Quarantine Self/Doctor	31.25	250.00	188.55	1.80	0.38	110.73	360.73	3,968.05	3,968.05	3,968.05	10	3,607.32	80%	2,885.85		2,885.85			N		
32	QYV	KY	461345	Cost Programs Operator 1	7/9/2020	8/11/2020	20	Quarantine Self/Doctor	19.49	155.92	74.14	6.75	1.08	81.98	237.90	2,379.97	4,759.95	4,759.95	10	2,379.97	80%	1,903.18		1,903.18			N			
32	QYV	C11	KY	132293	Utility B	8/1/2020	8/27/2020	10	Quarantine Self/Doctor	19.49	155.92	74.14	6.75	1.08	81.98	237.90	2,379.97	2,379.97	2,379.97	2	417.68	80%	334.14		334.14		0	N		
32	QYV	C11	KY	132279	Utility B	8/1/2020	8/15/2020	2	Quarantine Self/Doctor	22.02	184.16	22.81	1.80	0.06	24.68	208.84	417.68	417.68	417.68	10	2,113.94	80%	1,691.15		1,691.15		Close Contract	Y	184.14	
32	QYV	C11	KY	130809	Customer Service A	7/29/2020	8/11/2020	6	Quarantine Self/Doctor	25.74	188.52	26.80	0.91	0.00	21.47	210.39	3,113.94	3,113.94	3,113.94	6	2,066.26	80%	1,653.01		1,653.01		0	N		
32	QYV	C11	KY	130762	Plant/Service Combination	6/21/2020	6/29/2020	6	Quarantine Self/Doctor	22.80	182.40	74.14	6.75	1.08	81.98	244.28	2,066.26	2,066.26	2,066.26	10	2,066.26	80%	1,653.01		1,653.01		0	Y	1,653.01	
32	QYV	C11	KY	130758	Plant/Service Combination	7/26/2020	8/11/2020	16	Quarantine Self/Doctor	25.70	205.60	22.81	1.80	0.00	25.00	233.60	3,105.98	3,105.98	3,105.98	10	2,484.78	80%	2,484.78		2,484.78		Close Contract	N		
32	QYV	C11	KY	130758	Plant/Service Combination	7/26/2020	8/11/2020	16	Quarantine Self/Doctor	24.42	195.36	74.14	6.75	1.08	81.98	261.34	3,613.37	3,613.37	3,613.37	10	2,890.70	80%	2,890.70		2,890.70		Close Contract	N		
32	QYV	C11	KY	130558	M&E Tech 2	7/14/2020	7/20/2020	20	Quarantine Self/Doctor	32.50	300.40	74.14	5.86	1.08	81.08	344.48	3,444.84	3,444.84	3,444.84	10	2,755.87	80%	2,755.87		2,755.87		Close Contract	Y	2,755.87	
32	QYV	C11	KY	130558	M&E Tech 2	7/14/2020	7/20/2020	10	Quarantine Self/Doctor	32.50	300.40	74.14	5.86	1.08	81.08	344.48	3,444.84	3,444.84	3,444.84	10	2,755.87	80%	2,755.87		2,755.87		Close Contract	N		
32	QYV	C11	KY	130552	Street Service A	7/28/2020	8/11/2020	10	Quarantine Self/Doctor	33.35	266.80	50.19	3.61	0.75	54.54	321.34	3,213.40	3,213.40	3,213.40	10	2,570.72	80%	2,570.72		2,570.72		Close Contract	N		

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

34. Refer to the Cole testimony, pages 13 and 14.

a. Provide the initial budget documents submitted for management approval related to the field mobility initiative. These documents should provide the rationale for approving this project.

b. Provide the monthly costs to date in developing the project.

c. Identify the costs of this initiative included in the current filing.

d. Identify the expected cost savings resulting from the project, including the anticipated date such savings will occur and how they were incorporated into this filing.

**Response:**

- a) Please see CONFIDENTIAL KY PSC Case No. 2021-00183, AG 2-34, Attachment A.

- b) The monthly costs for developing the field mobility initiative can be found on tab “YTD Actual” in CONFIDENTIAL KY PSC Case No. 2021-00183, AG 2-34, Attachment B (“Attachment B”). All costs for the field mobility initiative are recorded at NCSC. Attachment B reflects the NiSource Corporate Service Company (“NCSC”) costs and the amounts in the actual results year to date and an amount allocated to Columbia Kentucky by month. The month of July is the latest costs incurred that are available. While the July YTD costs are lower than the July YTD budget it is anticipated that the actual costs will more closely approximate the budget by end of year.
- c) The costs of this initiative were budgeted to occur from January 2021 – December 2022. Budgets for the field mobility initiative are recorded at both NCSC and Columbia Kentucky. The information found at Attachment B, tab “c. Budget (Costs)” documents the costs included in NCSC budget allocated to Columbia Kentucky and the costs included in the Columbia Kentucky budget by month for January 2021 – December 2022.
- d) The savings for the field mobility initiative are shown by month starting in January 2021 continuing through December 2022 in Attachment B tab “d. Budget (Savings)”. The information found at Attachment B tab “d. Budget (Savings)” documents the costs included in NCSC budget allocated to Columbia Kentucky and the costs included in the Columbia Kentucky budget.

ATTACHMENT  
FILED UNDER SEAL  
PURSUANT TO A  
MOTION FOR  
CONFIDENTIAL  
TREATMENT

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

35. Refer to the Roy testimony on page 20 and specifically to Figure 4.
- a. Identify the number of line-locate tickets received by the month in 2021.
- b. Discuss to the extent, if any, that the installation of Google Fiber projects has impacted recent line-locate tickets.

**Response:**

- a. The following table provides the number of line-locate tickets received by month in 2021.

<b>2021 Ticket Volumes by Month</b>	
<b>Month</b>	<b>Tickets</b>
January	6192
February	4920
March	8909
April	8869
May	8452
June	7767
July	7283
Total	52392



b. Google Fiber projects have not impacted line-locate tickets in the Columbia Gas of Kentucky service territory. However, a different fiber optic company – Metronet – has had a large impact on ticket volumes in our service territory. Metronet began building their fiber optic network in Lexington, KY in 2018.

The table below provides the ticket volumes related to fiber optic installation prior to Metronet beginning their fiber build (2015 through 2017) and details the rapid increase in line locating attributable to fiber optic work types since.

<b>Tickets that have installing fiber optic as the work type by year</b>							
Year	2015	2016	2017	2018	2019	2020	2021
Tickets	98	237	323	8,306	4,779	4,425	2,704

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL’S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

36. Refer to the Roy testimony page 20 related to causes of third-party damages. Identify the number and costs associated with third-party damages caused by mapping errors for the period January 2016 through the most recent monthly information available. Annual information should be provided for calendar years 2016 – 2020, while monthly information should be provided for 2021.

**Response:**

The following tables provide the number and costs associated with third-party damages caused by inaccurate records (mapping errors) for the period of January 2016 through the most recent monthly information.

<b>Annual Third-Party Damages Related to Inaccurate Records Costs</b>						
<i>Year</i>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<i>Cost of Damages</i>	\$60,212.04	\$36,824.52	\$49,302.88	\$33,860.32	\$58,955.48	\$13,407.41
<i>Number of Third-Party Damages</i>	25	20	17	21	26	10

<b>2021 Third-Party Damages Related to Inaccurate Records Costs</b>					
<i>Month</i>	January	February	March	April	May
<i>Cost of Damages</i>	\$3,508.68	\$1,108.42	\$1,284.47	\$4,472.38	\$3,033.46
<i>Number of Third-Party Damages</i>	2	1	1	3	3

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

37. Refer to the Roy testimony on page 28 and indicate whether the cross-bore program would be accomplished with internal labor or third-party vendors.

**Response:**

The majority of all investigative work will be completed by third party vendors. However; any cross-bores found will generally be remedied by internal labor.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

38. Refer to the Roy testimony beginning on page 53. Identify the mileage of Columbia Kentucky's transmission line considered within i) high consequence area and ii) non-high consequence area..

**Response:**

- i.) Approximately 2.5 miles of Line DE is located in high consequence areas. Additionally, there is approximately 2.8 miles of Line DE located in moderate consequence areas.
- ii.) Approximately 50 miles of Line DE are located in non-high consequence areas.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

39. Refer to the Gore testimony page 12 related to the statement that CWIP has been excluded from the requested Rate Base. Provide a comprehensive explanation differentiating the statement that CWIP is not in rate base from the inclusion in rate base of \$2.6 million in 2020 capital expenditures that did not get placed into service (see testimony page 10).

**Response:**

Refer to Columbia's Response to Staff's Third Set of Requests for Information, No 7 for a detailed explanation of the CWIP and plant-in-service relationship for calculation of rate base.

The \$2.6 capital expenditures were in CWIP at the end of calendar year 2020. These amounts are budgeted to be in service by end of calendar year 2021.

In the forecasted test year, the 13 month plant balance averages include only plant-in-service amounts. Amounts budgeted in CWIP in the forecasted test year are not included in rate base.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

40. Refer to the Gore testimony and specifically Attachment JTG-2 and provide the following:

a. Provide an overview of the transaction activity and accounting entries to record the charges to reserve, credits to reserve and current year provision.

b. Provide an update to JTG-2 for the period January 1, 2021, through the most recent month available.

**Response:**

a.

The Company accounts for credit losses in compliance with ASC 326, *Measurement of Credit Losses on Financial Instruments*, which requires financial assets (or a portion thereof) to be written-off in the period in which a determination is made that they are uncollectible. The company's provision of bad debts is detailed out in JTG-2.

- Line 1 is the carried over credit balance in the provision for bad debts account from the previous year.
- Line 2 includes the charged off amounts in the year as a result of disconnection of service, the account entries are:

Debit - Provision for Bad Debts

Credit - Accounts Receivable

- Line 3 includes recoveries of previously charge off accounts in correlation to line 2, the accounting entries are:

Debit - Cash

Credit - Provision for Bad Debts

- Line 4 includes the provision estimate of bad debts of accounts receivable, the accounting entries are:

Debit - Bad Debt Expense

Credit - Provision for Bad Debts

b.

The year-to-date July 2021 provision for bad debts is provided below. The expense is negative reflecting collection of delinquent balances from 2020 has been at higher levels than expected.

Provision for Bad Debts		
Line #	Description	YTD July 2021
1	Reserve account balance at the beginning of the year	\$2,835,420
2	Charges to reserve (accounts charged off)	(\$1,135,188)
3	Credits to reserve account	\$226,153
4	Current year provision	(\$540,605)
5	Reserve account balance at the end of the year	\$1,385,780
6	Total Company Revenue (Excludes Unbilled)	95,675,190
7	Percent of provision to total revenue (Line 4/6)	-0.5650%



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

41. Refer to Columbia Kentucky's responses to Staff's first request, items 45, Attachment A, and the input translation file within the Confidential response to Staff request 54. Provide a comprehensive explanation for the distinction between costs in the Annualized Base period column of Attachment A with the base period costs included within the InputTranslate tab.

**Response:**

The Annualized Base Period column in Staff's First Request, Item 45, Attachment A, represents a total gross amount calculated based on the annualization of eight months of actual data from September 2020 through April 2021. The base period information included within the Input-Translate tab in Staff's First Request, Item 54, Attachment A, represents the net O&M costs based on six months of actual (September 2020 – February 2021) and six months of budget (March 2021 – August 2021). In addition, the employee benefits category within the Input-Translate tab does not include costs associated with stock compensation, discretionary bonus, corporate incentive compensation, or workers compensation.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

42. Refer to Columbia Kentucky's responses to Staff's First Request, Items 45 Attachment A and 54 the Input- Translate tab. Reconcile the Annualized Base Period costs as reflected in Attachment A by benefit type with the corresponding benefit costs listed within the Input-Translate tab. This response should be supplied in excel format with cell references intact..

**Response:**

The Annualized Base Period column in Staff's First Request, Item 45, Attachment A, represents a total gross amount calculated based on the annualization of eight months of actual data from September 2020 through April 2021. The base period information included within the Input-Translate tab in Staff's First Request, Item 54, Attachment A, represents the net O&M costs based on six months of actual (September 2020 – February 2021) and six months of budget (March 2021 – August 2021). Therefore, a reconciliation is not possible between the two sources. However, Columbia is providing an attachment reflecting base period information based on six months of actual and six months of budget, for total gross and net O&M, by the benefit types originally provided in Staff's

First Request, Item 45, Attachment A. Additionally, Columbia has included a column indicating the category to which each one of these benefit types reside within the Input-Translate tab.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

43. Refer to Columbia Kentucky's response to Staff's First Request, Item 45; Attachment A. Provide the support for the balances in the Annualized Base Period column within Attachment A. This support should include a breakdown of these costs by month, further split between amounts charged to O&M Expense and those capitalized. This response should be supplied in excel format with cell references intact.

**Response:**

Please refer to Attachment A for the support for the Annualized Base Period column in Staff's First Request, Item 45, Attachment A.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

44. Refer to Columbia Kentucky's response to Staff's First Request, Item 45, Attachment A. Provide the total cost and net O&M costs by employee benefits category for i) the annual periods 2017 – 2020, ii) the base period (annualized), and iii) forecasted test period. This response should be supplied in excel format with cell references intact.

**Response:**

Please refer to KY PSC Case No. 2021-00183, AG 2-44, Attachment A for the total cost and net O&M costs by employee benefits category for years 2017 through 2020, the base period (six months of actual and six months of budget), and the forecasted test period. Columbia has included a column based on the methodology used for the annualized base period from Staff's First Request, Item 45, Attachment A.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

45. Refer to Columbia Kentucky's response to Staff's First Request, Confidential Item 54, Schedule D-1. Reconcile the Employee benefit amounts contained in cells D 94 with those found in D 121, including identifying all benefit types and amounts not incorporated in D 121. Provide a comprehensive explanation of why not all employee benefit costs were annualized within Adjustment 2 found on Schedule D-2.2. This response should be supplied in excel format with cell references intact.

**Response:**

In consultation with counsel for the Attorney General, it was discovered that the above reference to "cells D 94" contained an error. For purposes of this response, this error has been corrected to read "cell D 95".

Please refer to KY PSC Case No. 2021-00183, AG 2-45, Attachment A for a reconciliation between the amount of \$4,006,532 reflected in Account 926 (cell D 95) and employee benefits amount of \$2,135,684 (cell D 121). Account 926 (cell D 95) includes amounts

related to corporate insurance, corporate service bill, labor, outside services and stock compensation that are not incorporated in cell D 121.

Columbia does not annualize employee benefit costs in Adjustment 2 on Schedule D-2.2.

The actual data in the base period is as recorded, and the budget portion of the base period and the forecasted test period is based on information provided by AON.

NiSource engages AON to help determine the estimated cost of employee benefits except for flex spending health and moving expense.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

46. Refer to Columbia Kentucky's response to Staff's First Request, Confidential Item 54, Schedule D-2. Provide all underlying workpapers and assumptions supporting the forecasted increase in Adjustment 13. This response should be supplied in excel format with cell references intact..

**Response:**

Miscellaneous revenue trackers represent the amounts to be recovered through Columbia's approved O&M tracker mechanisms. The budget portion of the base period and forecasted test period include budgeted expense associated with Energy Efficiency Conservation Program, Energy Assistance Program, research and development, and gas cost uncollectible tracker. The actual portion of the base period include expense associated with Energy Efficiency Conservation Program, Energy Assistance Program and gas cost uncollectible tracker are recorded. There is no operating income impact to the forecasted test period as Columbia has made a subsequent ratemaking adjustment in WPD2.4e to ensure matching of tracker revenue and expense for Energy Efficiency Conservation Program, Energy Assistance Program, and research and development.

Furthermore, Columbia has made a subsequent ratemaking adjustment in WPD2.4a to adjust its gas cost uncollectible expense amount based on current revenues calculated at the proposed net charge-off rate. Ratemaking adjustments WPD2.4a and WPD2.4e can be located in KY PSC Case No. 2021-00183, Staff 1-54, CONFIDENTIAL Attachment A.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

47. Refer to Attachment ST-3. Provide all supporting workpapers and underlying assumptions made in Excel format with cell references intact for each adjustment identified in arriving at the 2022 normalized forecasted test year adjustments to the NCSC budget. Each identified adjustment should be supported with the underlying calculations.

**Response:**

Please refer to KY PSC Case No. 2021-00183, AG 1-153, Supplemental Attachments A through B for the supporting documentation in excel format for 2022 normalized forecasted test year adjustments.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

48. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 34. Concerning this response provide the following:

a. Based upon the estimated savings identified for 2021 and 2022, provide the estimated savings in allocated costs to Columbia Kentucky for these periods, along with an explanation of how such savings were computed. This response should be supplied in Excel format with cell references intact.

b. Indicate whether such cost savings were incorporated into the forecast period budget costs allocated to Columbia Kentucky and if so, provide underlying support for this statement.

**Response:**

In consultation with counsel for the Attorney General, it was discovered that the above reference to "Attorney General's First Request, Item 34" contained an error. For purposes of this response, this error has been corrected to read "Attorney General's First Request,



Item 128(G) page 7/27.” The applicable portion of the savings attributable to Columbia Kentucky were included in the case.

CONFIDENTIAL KY PSC Case No. 2021-00183, AG 2-48, Attachment A summarizes the total for O&M Savings included in the case for Columbia Kentucky. The total Columbia Kentucky O&M savings for 2022 is \$3,758,276. This total consists of \$3,092,260 included in the budget and \$666,016 added into the case as an efficiency adjustment once savings were identified for Columbia Kentucky. See testimony of witness S. Taylor. The total 2022 savings of \$3,758,276, consisting of \$3,092,260 included in the budget and \$666,016 add in the case, were incorporated into the forecast period costs.

The total Columbia Kentucky O&M savings for 2021 is \$2,585,697. The efficiency adjustments was not included as the savings were not realized during the base period. The total 2021 savings of \$2,585,697 were incorporated into the forecast period costs.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

49. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 25.

- a. Identify the monthly CWIP balances budgeted by month for the period January 2021 through December 2022. This response should be supplied in Excel format with cell references intact.
- b. Provide a comprehensive explanation of how these forecasted CWIP balances impact the capital expenditure budget incorporated in this case.
- c. Confirm that the budgeted capital expenditures included within the forecast period are net of the forecasted CWIP balances.

**Response:**

Please refer to Columbia's Response to Staff's Third Set of Requests for Information, No 7.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

50. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 56, and provide the following:

a. Identify the effective profit-sharing percentages authorized in the years 2018 – 2020 and the assumed percentage incorporated into the forecast period.

b. Identify the total labor costs incorporated into the forecasted test period covered under a defined benefit pension plan and the total labor costs that are not eligible for the defined benefit pension plan. This response should be supplied in Excel format with cell references intact.

c. The response to 1-56 d indicated the amount of profit-sharing costs incorporated in the filing could be found within tab D-2-2; however, a specific amount exclusive to this item could not be located. Provide the amount of profit-sharing costs incorporated into the filing.

**Response:**

- a. Please see below for the profit-sharing percentages authorized in the years 2018, 2019 and 2020, and the assumed percentage for the forecasted test period.

<b>Year</b>	<b>Profit-sharing Contribution</b>
2018	1.0%
2019	0.5%
2020	0.0%
2022 (Forecasted Test Period)	1.0%

- b. Please see KY PSC Case No. 2021-00183, AG 2-50, Attachment A for the total gross and net (O&M) labor costs incorporated into the forecasted test period by eligibility for Columbia employees.
- c. The amount of profit-sharing costs for Columbia employees in the forecasted test period is \$142,679, which is included as part of the total employee benefits of \$3,317,059 shown on Schedule D-2.2, Adjustment 2. Please note the amounts reflected on Schedule D-2.2 is on a net, or O&M, basis. Also, please refer to the response to KY PSC Case No. 2021-00183 AG DR Set 1 No. 221 for the breakdown of the employee benefits in the forecasted test period.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

KY PSC Case No. 2021-00183  
Response to the Attorney General's Data Request Set Two No. 51  
Respondent: Judith Siegler

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

51. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 95, and provide the annual level of Forfeited Discount revenue for the period 2015 – 2017.

This response should be supplied in Excel format with cell references intact.

**Response:**

Please refer to KY PSC Case No. 2021-00183, AG 2-51, Attachment A.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

52. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 115, and respond to the following:

a. Confirm that the impact of the state tax rate change on balances of the Company's ADIT was not addressed in Case No. 2021-00183. If this is not confirmed, provide the workpaper supporting where and how such tax change was incorporated into the resulting excess ADIT calculation. This response should be supplied in Excel format with cell references intact.

b. Confirm that the impact from the state tax rate change on the company's calculated Income Tax expense associated with revenue collected through base rates has not been addressed in a prior commission order.

c. Identify the annual reduction in the company's income tax expense resulting from the state tax rate change since the date such rate reduction became effective, including the underlying calculations. This response should be supplied in Excel format with cell references intact.

**Response:**

- a. The Company did capture the impact of the Kentucky state income tax rate change on revised Schedule B-6 ADIT & EDIT (Forecast) Page 2, Lines 144 to 148 presented in KY PSC Case No. 2021-00183, AG 1-101, Attachment A. As indicated in my direct testimony (Page 9 Line 15), the Company recorded a reserve for the amount of the state rate change (grossed up for taxes) depicted in Attachment JH-2. The Company proposed amortization periods for the net excess ADIT to be passed back to customers and reflected the amortization on KY PSC Case No. 2021-00183, AG 1-101, Attachment A, Page 2, Column 20, Lines 145-147, including Excess deferred income tax amortization for property attributed to the prior Kentucky income tax rate change.
- b. I confirm that the impact from the Kentucky income tax rate change on the Company's calculated income tax expense associated with revenue collected through base rates has not been addressed in a prior commission order.
- c. The Company recorded the reserve for the Kentucky income tax rate change, but has not reduced tax expense as it was expected to be addressed in the next rate case. Consequently, the Company has submitted JH-2 with proposed amortization periods to be included rates effective for Case No. 2021-00183.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

53. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 133. Provide the number of third-party damages credited to O&M annually for the periods 2018 – 2020. Further, provide the amounts credited (actual and estimated) in the base and forecasted periods.

**Response:**

The annual amounts of third party damages credited to O&M for the periods 2018-2020, as well as, the base and forecasted periods are shown below.

<b>Account</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Base Period</b>	<b>Forecasted Test Period</b>
874	\$ -	\$ -	\$ -	\$ (2,039)	\$ (1,713)
878	\$ (31,417)	\$ (40,843)	\$ (59,712)	\$ (27,073)	\$ (47,033)
879	\$ (756)	\$ (733)	\$ (546)	\$ (21,445)	\$ (1,374)
887	\$ (126,623)	\$ (149,050)	\$ (46,959)	\$ (25,590)	\$ 31,623
892	\$ (131,863)	\$ (194,537)	\$ (176,501)	\$ (258,438)	\$ (330,823)
903	\$ (2,087)	\$ (1,966)	\$ (998)	\$ 405	\$ 949
<b>Total</b>	<b>\$ (292,746)</b>	<b>\$ (387,129)</b>	<b>\$ (284,716)</b>	<b>\$ (334,181)</b>	<b>\$ (348,372)</b>

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

54. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 135. Are carrying costs on NCSC assets included within this response? If so, indicate the line item where such charges are reflected as well as the respective amounts. Further, regardless of whether such costs are included in this analysis, provide such amounts for the base period and forecast periods.

**Response:**

Carrying costs on NCSC assets are included within the Other O&M Expenses Direct line for the cost of equity as well as the Interest Expense line for the cost of debt. For cost of equity, the Base Period is \$46,057; the Forecasted Period is \$69,086. For cost of debt, the Base Period is \$65,249; the Forecasted Period is \$165,878.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

55. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 136. Provide the actual Total Corporate Service costs for NCSC annually for 2018 - 2020 in the same format provided in response 136. Further, identify the portion of such costs billed to Columbia, Kentucky. This response should be supplied in excel format with cell references intact.

**Response:**

Please refer to KY PSC Case No. 2021-00183, AG 2-55, Attachment A for the actual Total Corporate Service costs for NCSC annually for 2018 - 2020 in the same format provided in response 136, along with the portion of such costs billed to Columbia. Note that this data has also been provided in Columbia's Responses to Attorney General's First Set of Requests for Information, Nos 137 and 161, which are also included on Attachment A to this request, as Pages 1 and 2, respectively. Pages 3 through 24 are supporting details.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

56. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 159.

a. Provide any existing evidence that the NCSC budget related to Professional Services for the forecast period does not contain costs associated with professional tax services.

b. Identify the vendor providing professional tax services.

**Response:**

a. The budget methodology used trending based on historical expense. Since the actual costs related to these professional tax services were recorded to the cost category of audit fee, the budget related to these services are forecasted in the same category.

b. The vendors providing profession tax services are KPMG and PricewaterhouseCoopers

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

57. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 184. Provide the underlying accounting entries for the most recent two true-up recordings whereby the estimated property tax expense is synchronized with the finalized assessment. Provide the amounts and dates of such recordings.

**Response:**

The most recent true-up entries for the estimated property tax expense for 2019 and 2020 were recorded on November 30, 2019 and April 30, 2021, respectfully.

2019 True-up and Entry:

Estimated Property Tax Expense	\$4,588,700
Property Tax per Assessment	<u>4,636,866</u>
True-up – Expense	<u>\$ 48,166</u>

Dr. 40813200 – Property Tax Expense \$48,166  
Cr. 23603300 – Property Tax Accrued \$48,166



2020 True-up and Entry:

Estimated Property Tax Expense	\$5,710,900
Property Tax per Assessment	<u>5,407,855</u>
True-up – Expense	<u>\$ 303,045</u>

Dr. 23603300 – Property Tax Accrued \$303,045

Cr. 40813200 – Property Tax Expense \$303,045

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

58. Provide the assumed MACRS depreciation rates utilized in the forecasted test period ADIT computation by plant account.

**Response:**

The MACRS depreciation rates utilized in the forecasted test period are as follows:

[Table on next page]

<b>TAX CLASS</b>	<b>MACRS DEPRECIATION RATES</b>
303 INTANGIBLE	SL 3 SL 5
374 RIGHTS OF WAY	SL 35 SL 28
375 OTHER STRUCTURES	MACRS 39 MACRS 15 MACRS 20 MACRS 31.5 MACRS 7 SL 7
376 MAINS	MACRS 20 MACRS 15
378 M&R EQUIP-GENERAL	MACRS 20 MACRS 15
379 M&R EQUIP-CG-CHECK STA	MACRS 20
380 SERVICES	MACRS 20 MACRS 15
381 METERS	MACRS 20 MACRS 15
382 METER INSTALLATIONS	MACRS 20 MACRS 15
383 HOUSE REGULATORS	MACRS 20 MACRS 15
384 HOUSE REG INSTALLATIONS	MACRS 20
385 IND M&R EQUIPMENT	MACRS 20 MACRS 15
387 OTHER EQ-OTHER COMM	MACRS 20 MACRS 15 MACRS 7
391 OFF FUR & EQ UNSPECIF	MACRS 5 MACRS 7
394 TOOLS & OTHER EQUIP	MACRS 20 MACRS 15
395 LABORATORY EQUIPMENT	MACRS 20
396 POWER OP EQ-GEN TOOLS	MACRS 20
398 MISC EQUIPMENT	MACRS 20 MACRS 15

KY PSC Case No. 2021-00183  
Response to the Attorney General's Data Request Set Two No. 59  
Respondent: Chun-Yi Lai/Kimberly Cartella

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

59. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 7. Provide the annual average number of Columbia Kentucky employees for the period 2010 through 2017.

**Response:**

Please refer to the response to 2021-00183 AG DR Set 1 No. 7B Supplemental submitted on August 11, 2021.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

60. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 221. Provide all supporting workpapers and assumptions underlying Adjustment 2 related to forecasted employee benefit costs as contained in Schedule D-2.2 within the Confidential response to Staff request 1-54. This response should include the assumptions embedded within each forecasted employee benefit costs. This response should be supplied in Excel format with cell references intact.

**Response:**

Please refer to CONFIDENTIAL KY PSC Case No. 2021-00183, AG 2-60, Attachment A for the assumptions used by AON to help determine the estimated cost of employee benefits except for moving expense and flex spending health. The attachment includes selected pages from the AON report that are applicable to Columbia. Please refer to CONFIDENTIAL KY PSC Case No. 2021-00183, AG 2-60, Attachment B, Page 1 for an Excel format of the benefit plan estimates from AON. Please refer to CONFIDENTIAL KY PSC Case No. 2021-00183, AG 2-60,

Attachment B, Page 2 for a walkthrough of the estimates provided by AON to the forecasted test period information provided in KY PSC Case No. 2021-00183 AG 1-221. The forecasted level of moving expense was based on a two-year average of 2018 and 2019. The forecasted level of flex health spend was based on a three-year average of 2018, 2019 and 2020.

ATTACHMENT  
FILED UNDER SEAL  
PURSUANT TO A  
MOTION FOR  
CONFIDENTIAL  
TREATMENT

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

61. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 176. Identify all vendors whose 2020 costs were direct charged to Columbia Kentucky over \$75,000 and provide the following information:

- a. A description of the services performed.
- b. Identify the amount and account(s) charged.
- c. An explanation of how the costs benefit Columbia Kentucky customers.
- d. If such costs were not incorporated into the forecast period expenses, provide supporting evidence that such costs were explicitly excluded.

**Response:**

Refer to KY PSC No. 2021-00183, AG 2-61, Attachment A for a listing of the vendors paid by Columbia of Kentucky that exceeded \$75,000 in calendar year 2020. The listing includes a description of the services performed and the total amounts charged by

account. The types of services provided were related to Columbia's capital and operations work such as:

- Safety of Columbia's systems and its employees and contractors
- 811, reduction of risk of damage during excavation, and restoration of roads after excavation
- Modernization of Columbia's systems through pipe replacement, and provide service to new customers
- Right-of-way to prevent pipe damage and perform leak inspections
- Protection of Columbia's systems from damage or corrosion

As well as service reimbursements and membership for approved regulatory programs.

Columbia's forecasted test period capital and operations budgets are based on the work to be completed in 2022, and anticipates these types of costs to occur.

Sum of Distribution Amt								
Vendor Name	Address 1	City	St	Postal	Acct	Total	Description of Services	
ACADIAN AMBULANCE SERVICE INC	1585 SAWDUST RD STE 150	SPRING	TX	77380	107	118,804.42	Engineering and technical services - pipe	
					108	3,276.28	inspection	
<b>ACADIAN AMBULANCE SERVICE INC Total</b>						<b>122,080.70</b>		
ADVANCED CONTROL PANELS INC	1845 WILLOWCREEK ROAD	PORTAGE	IN	46368	107	1,074,482.72		
					108	680.00		
					871	5,820.00		
					876	4,403.75	Monitoring pressure or equipment of	
					886	350.00	Columbia systems	
					887	2,847.50		
					890	1,500.00		
					894	3,236.25		
	3380 ANTHONY DR	PORTAGE	IN	46368	107	80,696.02		
<b>ADVANCED CONTROL PANELS INC Total</b>						<b>1,174,016.24</b>		
AEROTEK	3689 COLLECTION CENTER DR	CHICAGO	IL	60693	107	42,730.50	Temporary labor	
	PO BOX 198531	ATLANTA	GA	30384-8531	107	122,684.10		
<b>AEROTEK Total</b>						<b>165,414.60</b>		
AREA WIDE PROTECTIVE	PO BOX 636219	CINCINNATI	OH	45263-6219	107	56,200.08		
					108	45,358.96		
					874	6,623.08		
					878	608.50	Traffic control	
					879	419.38		
					886	389.52		
					887	40,139.67		
					892	1,136.10		
<b>AREA WIDE PROTECTIVE Total</b>						<b>150,875.29</b>		
BADGER DAYLIGHTING CORP	75 REMITTANCE DR	CHICAGO	IL	60675-3185	107	14,418.75		
					108	10,202.50		
					183	36,427.50	Vacuum excavation	
					874	109,097.50		
					889	9,905.00		
					892	2,827.50		
<b>BADGER DAYLIGHTING CORP Total</b>						<b>182,878.75</b>		
BUCHANAN CONTRACTING INCORPORATED	128 SILVER MAPLE LN	STANTON	KY	40380	107	968,788.97		
					108	53,919.33		
					183	11,259.03		
					874	884,490.86	Vacuum excavation/turnbacks	
					880	1,122.00		
					887	20,992.32		
					892	54,135.17		
					923	78,278.83		
<b>BUCHANAN CONTRACTING INCORPORATED Total</b>						<b>2,072,986.51</b>		
CAMPOS EPC, LLC	1401 BLAKE ST	DENVER	CO	80202	183	539,909.26	In-line inspection	
					186	108,000.00		
<b>CAMPOS EPC, LLC Total</b>						<b>647,909.26</b>		
CENERGY LLC	PO BOX 455	MILTON	WV	25541	107	1,146,209.00	Instrumentation and control	
					108	61,292.00		
<b>CENERGY LLC Total</b>						<b>1,207,501.00</b>		
CITIZENS ENERGY	88 BLACK FALCON AVE STE 34	BOSTON	MA	02210	232	90,000.00	Reimbursement for services related to	
<b>CITIZENS ENERGY Total</b>						<b>90,000.00</b>	Wintercare	

Sum of Distribution Amt	Vendor Name	Address 1	City	St	Postal	Acct	Total	Description of Services	
	CITY OF FRANKFORT	PO BOX 697	FRANKFORT	KY	40602-0697	107	42,903.70		
						108	21,495.85	Paving/sidewalk repair	
						887	19,999.83		
	CITY OF FRANKFORT Total							84,399.38	
	CITY OF MAYSVILLE	216 BRIDGE ST	MAYSVILLE	KY	41056	107	75,546.94		
						108	7,199.25	Paving/sidewalk repair	
						887	7,199.25		
	CITY OF MAYSVILLE Total							89,945.44	
	COLUMBIA GAS TRANSMISSION LLC	700 LOUISIANA ST STE 700	HOUSTON	TX	77002-2700	107	322,000.00	Gas supply	
						232	115,596.00		
	COLUMBIA GAS TRANSMISSION LLC Total							437,596.00	
	COMMUNITY ACTION COUNCIL FOR	LEXINGTON FAYETTE BOURBO	LEXINGTON	KY	40576	182	116,003.20	Reimbursement for services related to the administration of Columbia's Home Energy Assistance (HEA) program	
	COMMUNITY ACTION COUNCIL FOR Total							116,003.20	
	CORE APPALACHIA MIDSTREAM LLC	414 SUMMERS ST	CHARLESTON	WV	25301	232	104,757.34	Gas supply	
	CORE APPALACHIA MIDSTREAM LLC Total							104,757.34	
	CYPRESS ENERGY PARTNERS LP	5727 S LEWIS AVE STE 300	TULSA	OK	74105	107	379,809.14	Engineering and technical services - gas testing and inspection	
						183	4,010.58		
	CYPRESS ENERGY PARTNERS LP Total							383,819.72	
	DUKE ENGINEERING COMPANY	PO BOX 868	MT. STERLING	KY	40353-0000	107	45,416.00	Engineering design services	
						183	82,600.00		
	DUKE ENGINEERING COMPANY Total							128,016.00	
	FISHEL COMPANY	1366 DUBLIN RD	COLUMBUS	OH	43215-0000	107	9,718,852.18		
						108	78,311.95		
						183	681,724.14		
						186	15,992.23		
						874	36,996.59		
						875	2,693.89		
						878	1,044.16	Construction work, new and replacement mains and services, abandonments	
						880	3,594.22		
						886	1,276.16		
						887	9,673.76		
						889	11,316.00		
						890	1,044.16		
						892	5,094.86		
	FISHEL COMPANY Total							10,567,614.30	
	FORELL INNOVATION	1178 SARVEY MILL RD	LUCINDA	PA	16235	107	314,297.67		
						108	2,400.30		
						183	174,487.26		
						186	2,847.02	Right-of-way clearing	
						874	106,262.46		
						886	3,048.24		
						889	1,016.08		
	FORELL INNOVATION Total							604,359.03	
	HUGHES, C J CONSTRUCTION CO	P O BOX 7305	HUNTINGTON	WV	25776-7305	107	2,695,884.34		
						108	250,709.28	Construction work, new and replacement mains and services, abandonments	
						887	75,054.04		
						892	277.00		
	HUGHES, C J CONSTRUCTION CO Total							3,021,924.66	
	KENTUCKY UNDERGROUND PROTECTION INC	PO BOX 78000	DETROIT	MI	48278-0712	874	142,705.50	811 One Call subscription	
	KENTUCKY UNDERGROUND PROTECTION INC Total							142,705.50	

Vendor Name	Address 1	City	St	Postal	Acct	Total	Description of Services
Sum of Distribution Amt							
KERAMI DA ENVIRONMENTAL INC	401 N COLLEGE AVE	INDIANAPOLIS	IN	46202	107	186,166.75	Engineering and technical services -
					879	606.32	environmental inspection services
KERAMI DA ENVIRONMENTAL INC Total						186,773.07	
METAL BUILDING ERECTORS INC	P O BOX 472	ELANOR	WV	25070-0000	107	68,932.00	Building and facility maintenance for
	PO BOX 472	ELEANOR	WV	25070	107	212,774.00	regulatory stations
METAL BUILDING ERECTORS INC Total						281,706.00	
MILLER PIPELINE CORP	8850 CRAWFORDSVILLE RD	INDIANAPOLIS	IL	46234	107	5,941,208.80	Construction work, new and replacement
					108	77,619.96	mains and services, abandonments
					887	678.84	
MILLER PIPELINE CORP Total						6,019,507.60	
OPERATIONS TECHNOLOGY DEVELOPMENT	1700 S MT PROSPECT RD	DES PLAINES	IL	60018	232	600,000.00	Natural gas research and development
OPERATIONS TECHNOLOGY DEVELOPMENT Total						600,000.00	
PRIME NDT SERVICES	4345 INDEPENDENCE DR	SCHNECKSVILLE	PA	18078	107	105,599.25	Engineering and technical services - non-
					108	11,218.03	destructive testing of steel pipelines
PRIME NDT SERVICES Total						116,817.28	
PRINCE PIPELINE INTEGRITY LLC	1275 ROSEDALE DR	MANSFIELD	OH	44906	886	10,468.16	Corrosion work, regulator station
					887	193,181.00	maintenance
PRINCE PIPELINE INTEGRITY LLC Total						203,649.16	
RECONN HOLDINGS LLC	9045 N RIVER RD STE 300	INDIANAPOLIS	IN	46240	874	413,130.95	
					879	136,682.81	Locating
					880	96.16	
					887	49,659.20	
RECONN HOLDINGS LLC Total						599,569.12	
RLA INVESTMENTS INC	389 S WAYNE AVE	CINCINNATI	OH	45215-0000	107	9,484,777.35	
					108	808,588.21	
					874	28,233.75	
					878	1,158.90	
					879	24,589.57	Construction work, new and replacement
					887	582,601.55	mains and services, abandonments
					889	1,238.60	
					892	129,896.15	
					893	619.30	
					923	11,240.96	
RLA INVESTMENTS INC Total						11,072,944.34	
STANLEY PIPELINE INC	PO BOX 4656	WINCHESTER	KY	40392-4656	107	6,254,628.19	
					108	37,817.57	
					874	265.14	Construction work, new and replacement
					887	96,707.40	mains and services, abandonments
					889	430.50	
					892	4,826.09	
STANLEY PIPELINE INC Total						6,394,674.89	
SURVEYING AND MAPPING LLC	4801 SOUTHWEST PKWY	AUSTIN	TX	78735	107	341,606.40	GPS data collection
SURVEYING AND MAPPING LLC Total						341,606.40	
Thoroughbred Traffic Design, LLC.	408 Glenwood Dr	GEORGETOWN	KY	40324	107	43,701.32	
					108	25,955.13	
					183	1,072.00	
					874	2,442.64	Traffic control
					879	335.00	
					887	33,325.29	
					892	335.00	
Thoroughbred Traffic Design, LLC. Total						107,166.38	
URG ACQUISITION COMPANY LLC	6808 NINETEEN AND ONE HALF	STERLING HEIGHTS	MI	48314	874	1,708,699.74	Locating
URG ACQUISITION COMPANY LLC Total						1,708,699.74	
Grand Total						49,127,916.90	

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

62. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 177. Identify all vendors whose 2020 costs were allocated to Columbia Kentucky over \$75,000 and provide the following information:

- a. The amount and account(s) charged.
- b. A description of the services performed.
- c. An explanation of how such costs benefit Columbia Kentucky customers.
- d. If such costs were not incorporated into the forecast period expenses, provide supporting evidence that such costs were explicitly excluded.

**Response:**

Refer to KY PSC Case No. 2021-00183, AG 2-62, Attachment A for a listing of vendors paid by NiSource Corporate Services that charged Columbia of Kentucky more than \$75,000. The information includes the amount and account charged.

The following is a description of the primary services performed by these vendors and an explanation of how the associated costs benefit Columbia of Kentucky customers:

- NiSource partners with leading IT Service Providers to support and deliver modern technologies that enable Columbia Gas of Kentucky to safely and efficiently serve our customers, manage our system and assets, and enable our customers and stakeholders to interact with the company via their preferred communication or information? channel.
  - *Tata* (TCS), *F1* and *HMB* provide services to support our portfolio of applications including our Customer Information Systems, Work Management, External Websites and many others.
  - *WiPro* and *IBM* provide services that support our technology infrastructure and data centers, and *Verizon* provides support for our network, cyber security, and communication services.
  - *Sogeti* supports system integration testing for customer facing website projects that enhance customer experience by enabling targeted, timely communications, improving web experience, and enhancing internal systems. These systems are leveraged by customers to interact with the company via their information channel of choice and it is critical they are delivered with quality to support customer needs.

- *SAP* provides a data platform that consists of various SAP tools/software (Information Steward, Data Services) as well as an SAP's in-memory Database (HANA). Critical data elements from various enterprise source systems are moved to the SAP Data Platform for purposes of governance, data quality assessment/remediation, and to support risk models to ensure safe gas operations. These technologies enable the company to better plan investments that will ensure gas delivery systems reliability for customers.
- *KPMG* serves as implementation partner for the Human Capital Management System Transformation project to transition from PeopleSoft to Workday allowing for more efficient, effective, and proactive management of human capital to support our customers.
- *Accenture* serves as the system integration for various projects enhancing IT security and increasing automation for certifications and access requests to safeguard IT systems. This includes enhancing security protocols on systems that contain customer data as well as customer facing systems that customers and stakeholders use to transact with the company.
- *Axia Consulting* supports the value assurance capability for all IT projects creating a consistent, repeatable, scalable enterprise-wide governance



model and ensuring projects meet approved business objectives that benefit customers. Columbia's Project Management Office framework enables the company to ensure that business technology projects are delivered on-time, on budget, and with quality for customers and stakeholders.

- *PWC* serves as an implementation partner for NiSource Next which is a multi-year program to standardize processes and create organization focus on safety, operational rigor and continuous improvement. NiSource leverages technology as an enabler of these programs that drive new capabilities for our customers to interact with the company and drive efficiencies and new capabilities to service customers.
- *Allied Universal* provides Guard service and staffs our 24/7 Security Operations Center. These services help keep our facilities safe and allows Columbia of Kentucky to serve its customers.
- *Keramida* is an environmental consulting firm that provides services to ensure the capital construction program benefitting customers meets regulatory requirements for environmental inspection activities and support during construction. These services ensure that projects are constructed in compliance with environmental regulations and supports the completion of construction projects on budget and on schedule for our customers Additionally, customers

can be assured that Columbia Gas of Kentucky places a priority on environmental protection as part of its construction practices.

- *McKinsey Consulting* was engaged in 2020 to evaluate the regulated utility landscape with focus on long-term value creation for customers, employees, and communities through the energy transition facing the United States. The primary focus for Columbia Gas of Kentucky involved preparations for how the utility could withstand or adapt to a changing energy future, including its ability to continue to deliver service to its customers amidst potential impacts from federal policy, emerging technology, or shifts in customer behavior.
  - *McKinsey Consulting was not budgeted in the forecast period (future test year). As evidence this item was excluded, we can review total spend in 2020 for the Office of the CEO department which incurred expense of \$148,608 inclusive of the \$80,740 for McKinsey. In 2022, the budget for Office of the CEO is only \$74,970.*
- *PNC* provides services that enable electronic payment for customers and ACH/Domestic wire payments for Columbia. These services benefit Columbia customers by allowing customers to pay their monthly bills in a variety of ways including paper check, ACH auto debit, credit card, and other third party payment platforms. The ability of Columbia to make ACH/Domestic Wire

payments allows the Treasury department to make payments in a timely manner to avoid any late payment penalties.

- *Remitco LLC* provides checks and money order processing for our customers who choose to mail their payments to our remit address.

**2021-00183**  
**AG Set 2 No 62**  
**Attachment A**  
**Page 1 of 2**

AP - Name1	Account	Total
ACCENTURE LLP	10700001	\$ 77,090.13
ACCENTURE LLP Total		<u>\$ 77,090.13</u>
ALLIED UNIVERSAL SECURITY SERVICES	92100000	\$ 4,580.56
ALLIED UNIVERSAL SECURITY SERVICES	92300000	\$ 75,764.16
ALLIED UNIVERSAL SECURITY SERVICES Total		<u>\$ 80,344.72</u>
AXIA CONSULTING, INC	10700001	\$ 42,064.96
AXIA CONSULTING, INC	16591000	\$ 98.50
AXIA CONSULTING, INC	87000000	\$ 16,918.48
AXIA CONSULTING, INC	92000000	\$ 2,260.47
AXIA CONSULTING, INC	92300000	\$ 71,950.13
AXIA CONSULTING, INC Total		<u>\$ 133,292.54</u>
KERAMIDA INC	10700001	\$ 82,867.62
KERAMIDA INC	92300000	\$ 301.75
KERAMIDA INC Total		<u>\$ 83,169.37</u>
KPMG LLP	16591000	\$ 90,108.35
KPMG LLP	92300000	\$ 33,901.60
KPMG LLP Total		<u>\$ 124,009.95</u>
MCKINSEY & COMPANY INC, UNITED STATES	92300000	\$ 80,740.00
MCKINSEY & COMPANY INC, UNITED STATES Total		<u>\$ 80,740.00</u>
PNC BANK NA	92100000	\$ 79,641.37
PNC BANK NA Total		<u>\$ 79,641.37</u>
PRICEWATERHOUSECOOPERS LLP	10700001	\$ 229,521.39
PRICEWATERHOUSECOOPERS LLP	16591000	\$ 13,104.08
PRICEWATERHOUSECOOPERS LLP	87000000	\$ 28,736.13
PRICEWATERHOUSECOOPERS LLP	92101000	\$ 37.26
PRICEWATERHOUSECOOPERS LLP	92300000	\$ 140,549.00
PRICEWATERHOUSECOOPERS LLP Total		<u>\$ 411,947.86</u>
REMITCO LLC	90300000	\$ 96,597.64
REMITCO LLC Total		<u>\$ 96,597.64</u>
SAP INDUSTRIES, INC.	10700001	\$ 166,960.15
SAP INDUSTRIES, INC.	93200000	\$ (1,816.15)
SAP INDUSTRIES, INC. Total		<u>\$ 165,144.00</u>
SOGETI USA LLC	10700001	\$ 67,524.89
SOGETI USA LLC	10740001	\$ 1,103.76
SOGETI USA LLC	16591000	\$ 11,373.03
SOGETI USA LLC	92300000	\$ 8,521.41
SOGETI USA LLC Total		<u>\$ 88,523.09</u>

**2021-00183**  
**AG Set 2 No 62**  
**Attachment A**  
**Page 1 of 2**

<b>F1 Inc.</b>	Account	Total
	10700001	20,763.99
	16591000	187.60
	92100000	2,885.46
	92300000	51,189.02
	Grand Total	<u>75,026.07</u>
<b>TCS</b>	Account	Total
	10700001	172,034.08
	10740001	2,185.55
	16591000	33,647.21
	92100000	54.62
	92300000	418,203.59
Grand Total	<u>626,125.05</u>	
<b>HMB Inc.</b>	Account	Total
	10700001	138,372.78
	16591000	2,697.32
	92100000	1,963.64
	92300000	229,887.18
	93100000	(5,780.47)
Grand Total	<u>367,140.45</u>	
<b>Verizon</b>	Account	Total
	10700001	28,075.03
	16591000	180.31
	92100000	592.87
	92300000	384,308.15
	Grand Total	<u>413,156.36</u>
<b>PWC</b>	Account	Total
	10700001	10,490
	10740001	20,981
	92300000	475,051
	Grand Total	<u>506,522</u>
<b>WiPro</b>	Account	Total
	10700001	21,360.96
	92300000	616,868.81
	Grand Total	<u>638,229.77</u>
<b>IBM</b>	Account	Total
	93200000	198,105.00
	Grand Total	<u>198,105.00</u>

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

63. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 197. In addition to an explanation, the request seeks supporting calculations for the adjustment to arrive at forecasted payroll as contained in tab G-2 within the Confidential response to Staff's first request, item 54. The requested calculations were not provided. Provide the requested support for the company's payroll adjustment. This response should be supplied in Excel format with cell references intact.

**Response:**

Please refer to Columbia's supplemental response to the Attorney General's First Set of Requests for Information No. 197, provided confidentially on August 13, 2021.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

64. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 222.

Provide all assumptions and workpapers detailing the specific nature of the forecasted balance of Miscellaneous and Other Expenses as referenced in Adjustment 14 found within tab D-2.2 of the Confidential response to the First Staff Request, item 54.

**Response:**

The forecasted test period balance of \$215,748 was trended based on historic expense that includes costs associated with commission's fees, training and other miscellaneous charges. The amount also includes an estimated savings of - \$138,782 as discussed in the supplemental response to KY PSC Case No. 2021-00183 AG Set 1 DR 222.

KY PSC Case No. 2021-00183  
Response to the Attorney General's Data Request Set Two No. 65  
Respondent: Judith Siegler

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

65. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 95.

Provide the actual amount of forfeited discounts for the years 2014 – 2017.

**Response:**

Please see KY PSC Case No. 2021-00183, AG 2-65, Attachment A.



ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

66. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 183.

**Response:**

Upon consultation with counsel for the Attorney General, it was discovered that this request was sent in error and therefore does not require a response.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

67. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 196.

Provide the number of vacancies in any fashion in which such vacancies are maintained for 2018 – the most recent information available for i) Columbia Kentucky and ii) NCSC.

Explain how such vacancies are tracked and what they represent.

**Response:**

Neither Columbia, nor NCSC track historical vacancies. Vacancies can be assessed at a particular moment in time, but any specifically provided snapshot is subject to change and such changes are not tracked. Columbia's Response to the Attorney General's First Set of Requests for Information, No. 45 outlines details supporting vacancies budgeted for the forecast period for Columbia. In that response, Columbia indicated plans to fill eight positions which were existing vacancies, with seven of those positions residing in gas operations. The number of vacancies

in gas operations has increased from seven to thirteen positions which are planned to be filled by September 12, 2021. NiSource Corporate Services Company has 313 vacancies as of July 31, 2021.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

68. Refer to Columbia Kentucky's response to Staff's First Request, Item 9. The response indicates that the 2020 capital charges allocated to Columbia Kentucky totaled approximately \$6.3 million, and such charges were recorded primarily to Account 107.

Identify the capital charges assigned by year to Columbia Kentucky for 2016 – 2019, the base period, and the forecast period.

**Response:**

Please see KY PSC Case No. 2021-00183, AG 2-68, Attachments A and B for the capital charges assigned by year to Columbia Kentucky for 2016 – 2019, and the base period and forecast period, respectively.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

69. Refer to the Taylor testimony and specifically Attachments ST-3 and ST-4. Confirm that the forecasted 2022 NCSC charges post adjustment supported in this case are equal to the pre-inflation NCSC costs 2017 normalized costs charged to NCSC. Provide all supporting calculations in Excel format with cell references intact reconciling actual 2017 NCSC charges with 'normalized' NCSC charges as referenced in Attachment ST-4, page 1.

**Response:**

Please see KY PSC Case No. 2021-00183, AG 2-069, Attachments A through C, for all supporting calculations for adjustments to the actual 2017 NCSC charges. Similar to the adjustments to the 2022 forecasted period, these adjustments are for one-time items, and normalized adjustments for CIP and stock compensation.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

70. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 78. With respect to NCSC asset-related costs assigned to Columbia Kentucky, provide the following:

a. Identify the total asset-related costs assigned to Columbia for the years 2018 – 2020, the base period, and the forecast period, further split between Depreciation Expense, Amortization Expense, Carrying Costs (return calculation), and any other assigned asset-related costs.

b. Provide the complete calculation underlying the pre-tax cost of capital of 12.74%, including the weights of short-term and long-term debt and their respective costs, as well as the assumed cost of equity.

**Response:**

a. Please see KY PSC Case No. 2021-00183, AG 2-70, Attachment A for the total NCSC asset-related costs assigned to Columbia during January 2018 to July 2021. The first tab, "Depr & Amtz – 201801-202107", has all NCSC asset-related

costs related to Depreciation and Amortization billed to Columbia Kentucky.

The second tab, "Return on Assets – 201801-202107", has all NCSC asset related costs related to the return on assets calculation billed to Columbia Kentucky.

- b. Refer to KY PSC Case No. 2021-00183, AG 2-70, Attachment B for support for the 47.51% equity factor and 12.74% ROE factor. The weighted average of all NiSource operating companies is used to determine each factor.

The following table compares the overall pre-tax equity return from the last Columbia of Kentucky rate case versus the calculated weighted average pre-tax return utilized by NCSC.

	Kentucky	NCSC
Equity %	52.42%	47.51%
ROE	9.50%	9.81%
Pre-tax Return	4.98%	4.66%

The Pre-Tax Return used in the NCSC calculation (4.66%) is less than the last approved Columbia of Kentucky Pre-Tax Return (4.98%).

The remaining 52.49% of the asset related rate base as well as all other working capital financing needs of NCSC are financed by NCSC Long-term and Short-term debt which fluctuates with the cash requirements of NCSC. In 2020, NCSC maintained Long-Term debt of approximately \$52 million and Short-

Term debt of approximately \$60 million. Using these averages, the NCSC debt financing would be split 46.4% Long-term and 53.6% Short-term and the overall return would reflect:

NCSC Return - Based on 2020 Capital Structure				
		Ratio	Cost	Weighted Cost
ST Debt		28.00%	0.63%	0.18%
LT Debt		24.49%	3.95%	0.97%
Total Debt	52.49%	52.49%		1.14%
Equity	47.51%	47.51%	9.81%	4.66%
Total	100.00%	100.00%		5.80%

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

71. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Items 78 and 109, and provide the following:

a. Identify the reduction in ADIT balances on the books of NCSC as a result of the Tax Cuts and Jobs Act (TCJA) (Response 109).

b. Confirm it is the position of the company that it should retain the benefits of the income tax rate reduction of the TCJA as it relates to its impact on NCSC ADIT balances.

c. Confirm that the company has recovered Income Tax Expense at the 35% federal tax rate applicable to the return on equity applied to NCSC assets allocated to Columbia Kentucky.

d. Provide the ADIT balances of NCSC by account immediately before the implementation of the impact of the TCJA.

**Response:**

Columbia objects as this data request is overly broad and responsive information related to NiSource affiliates (e.g, any operating company, gas or electric, other than Columbia) seeks information that is irrelevant to the issues of this case. Notwithstanding these objections, Columbia responds as follows:

As indicated in response KY PSC Case No. 2021-00183 AG 1-109, NiSource Corporate Services (“NCS”) recognized a one-time adjustment as a result of the Federal income tax rate change under the Tax Cuts and Jobs Act (“TCJA”) in its books and records. There were no amounts assigned or allocated to NiSource affiliates as the underlying accumulated deferred income taxes are recorded on NCS books and records.

- a. Due to the fact that NCS has not allocated book/tax temporary differences to affiliated operating companies prior to 2021, the net deficient ADIT one-time adjustment as a result of the impact of the reduction of the Federal income tax rate under TCJA is irrelevant.
- b. Prior to 2021, NCS has not allocated book/tax temporary differences to affiliated operating companies. Consequently, the net deficient ADIT one-time adjustment recognized as a result the reduction of the Federal income tax rate under TCJA was allocated to the parent company, NiSource Inc.

- c. The assets included in NCS return on equity beginning in 2021 were re-measured at 21% as of December 31, 2017. Consequently, the impact of the reduction of the Federal income tax rate under TCJA is irrelevant.
- d. Due to the fact that NCS has not allocated book/tax temporary differences to affiliated operating companies prior to 2021, the balances of NCSC by account immediately before the implementation of the impact of the TCJA is irrelevant.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

72. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 145, and respond to the following:

a. Confirm that the amounts identified as Capital within Attachment 145A associated with historical periods are reflected in Columbia Kentucky's legacy gross plant in service balances.

b. Identify the forecasted 2021 and 2022 levels of NCSC capital charges incorporated within the forecasted levels of capital expenditures included within the forecast period Rate Base.

**Response:**

a. Capital amounts that come through the NCSC management fee for Columbia Kentucky in historical periods will be included in legacy gross plant in service balances as long as the asset is considered used and useful.



b. Please refer to KY PSC Case No. 2021-00183, AG 2-72, Attachment A for the forecasted 2021 and 2022 NCSC capital charges included within the forecast period Rate Base.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

73. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 17.

Is the company's position that all the estimated costs in Item 17C could be avoided with constructing the Kentucky-based training facility? If not, estimate the annual avoided costs if the building were to be constructed.

**Response:**

There is no building that is planned to be constructed. Most of the costs could be avoided by modifying our existing facilities to accommodate localized training. There is some measurement and regulation training that would still need to be performed in Columbus because our site doesn't have the space to create the necessary testing facilities for those tasks. However, all service, plant and construction employees would be able to have their training performed in Lexington. Based on the new enhanced operator qualification training planned to

start in 2022, approximately 90% of the estimated \$460,000 would be able to be avoided.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

74. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 56.

The response to part d refers to the confidential response to Staff Request 1-54, attachment D-2.2 for information concerning the forecasted Profit-Sharing included within this filing.

However, an explicit amount of Profit-Sharing costs could not be located within D-2.2.

Provide the amount of Profit-Sharing costs incorporated into the forecast, or identify the specific location within D-2.2 where the exclusive amount of these costs may be found.

**Response:**

Please refer to Columbia's Response to the Attorney General's Second Set of Requests for Information, No. 50, Part C.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

75. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 70.

Concerning this response, respond to the following:

- a. Provide a comprehensive explanation that differentiates the \$10 million of investment projected to be in-service by the end of 2021, with the \$7 million of capital expenditures projected to be in service in the forecast period. What capabilities and functionality will the initial investment provide in advance of the 2022 investment?
- b. Will the initial investment allow in-line inspections to occur at the beginning of 2022?
- c. Were any of the savings identified in the response to 70 (e) incorporated into the filing and if so, provide an explanation and the specific calculated Operating and

Maintenance (O&M) savings included in the case. Provide a specific reference to where such savings may be located and the underlying quantification of such savings. This response should be provided in excel with cell references intact.

d. What is the estimated date of the first in-line inspection?

e. Refer to the response to Item 70 (f). Provide an explanation, and a reconciliation between the 2021 In-Line Inspection (ILI) forecasted amount of \$8.27 million in 2021 with the \$10 million of base period expenditures included in this case.

**Response:**

- a. The \$10 million planned to be placed in-service in 2021 consists of work at eight sites, four of which being M&R station settings where Columbia is replacing station piping and installing a filter/separator and installing a receiver. The other four sites are to replace fittings within the pipeline corridor. All of this work is to prepare Line DE for the ability to perform in-line inspection. The \$7 million planned to be spend in 2022 consists of work at five sites. Three of those sites are at M&R settings where Columbia is replacing station piping and installing a launcher. The other two sites are to replace fittings within the pipeline corridor. All of the pig runs are also to be performed in 2022.

- b. No, the initial investment will not allow Columbia to perform in-line inspections at the beginning of 2022. Additional investment in 2022 is necessary to perform this work as discussed in part a.
- c. Estimated savings were not incorporated into the filing. This was an oversight. Future ICDA and ECDA costs will no longer be applicable. Using the response to 70(e) as the basis, approximately \$90,000 in annual O&M should be removed.
- d. The forecasted date to run the smart pig is August of 2022. This could change depending on several different factors.
- e. There is no discrepancy. The title of the column in 70(f) showing \$8,266,799 should have been titled "Remaining 2021". Adding that number to the totals in the columns showing Actual YTD information will sum up to \$10,000,000.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

76. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 208, in conjunction with Staff's first request, Attachment 1-55E. The company has indicated its estimated Allowance for Funds Used During Construction (AFUDC) to be \$412 thousand and \$466 thousand in the base and the forecast periods, respectively. In response to Staff's request 1-E, it appears the difference in estimated budgeted capital expenditures inclusive and exclusive of AFUDC approximates \$2.4 million in each of 2021 and 2022 (see tabs 7- F and 7- G). Provide a comprehensive explanation reconciling the data in these two responses. The quantitative portion of this response should be in Excel format with cell references intact.

**Response:**

The information provided in tabs 7-F and 7-G regarding AFUDC was incorrect. The calculation did not include assumptions regarding project timing and converting annual AFUDC rates into monthly rates and resulting in overstating AFUDC.

Refer to KY PSC Case No. 2021-00183, AG2-76, Attachment A for revised 7-F and 7-G information.

Columbia Gas of Kentucky, Inc.  
Case No. 2021-00183  
Most Recent Capital Expenditure Budget  
(\$000)

Estimated Start Date	Estimated End Date	Class Category	Project Name	Total	Estimate Inclusive of AFUDC			
				Cost Incurred YTD March 2021	Annual 2021	Annual 2022	Annual 2023	Annual 2024
<u>Total Projects &gt; 5% of Annual Construction</u>								
1/15/2021	12/31/2021	Mandatory (Public Improvement)	Clays Mill Road Relocation	838	4,000			
7/19/2021	12/31/2022	Betterment	Line DE In-Line Inspection		10,000	7,000	-	-
4/1/2022	12/31/2022	Age and Condition (Replacement)	Westwood POD Replacement			3,500	-	-
4/1/2023	12/31/2023	Age and Condition (Replacement)	Dug Hill Road POD Replacement				3,100	
<u>Total</u>				<u>838</u>	<u>14,000</u>	<u>10,500</u>	<u>3,100</u>	<u>-</u>

Estimated Start Date	Estimated End Date	Class Category	Project Name	Total	Estimate Exclusive of AFUDC			
				Cost Incurred YTD March 2021	Annual 2021	Annual 2022	Annual 2023	Annual 2024
<u>Total Projects &gt; 5% of Annual Construction</u>								
1/15/2021	12/31/2021	Mandatory (Public Improvement)	Clays Mill Road Relocation	836	3,945		-	-
7/19/2021	12/31/2022	Betterment	Line DE In-Line Inspection		9,913	6,899	-	-
4/1/2022	12/31/2022	Age and Condition (Replacement)	Westwood POD Replacement			3,470	-	-
4/1/2023	12/31/2023	Age and Condition (Replacement)	Dug Hill Road POD Replacement				3,076	
<u>Total</u>				<u>836</u>	<u>13,858</u>	<u>10,369</u>	<u>3,076</u>	<u>-</u>

Columbia Gas of Kentucky, Inc.  
Case No. 2021-00183  
Most Recent Capital Expenditure Budget  
(\$000)

Class Category	Total Cost Incurred YTD March 2021	Estimate Inclusive of AFUDC			
		Annual 2021	Annual 2022	Annual 2023	Annual 2024
<u>Total Projects &lt; 5% of Annual Construction</u>	10,493	51,632	52,684	59,518	77,079
<u>Total</u>	<u>10,493</u>	<u>51,632</u>	<u>52,684</u>	<u>59,518</u>	<u>77,079</u>

Class Category	Total Cost Incurred YTD March 2021	Estimate Exclusive of AFUDC			
		Annual 2021	Annual 2022	Annual 2023	Annual 2024
<u>Total Projects &lt; 5% of Annual Construction</u>	10,442	51,290	52,349	59,080	76,510
<u>Total</u>	<u>10,442</u>	<u>51,290</u>	<u>52,349</u>	<u>59,080</u>	<u>76,510</u>

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

77. Provide the rationale for the inclusion in Rate Base of AFUDC charges applied to 2022 capital, given that with the use of a forecasted test period, ratepayers will be providing a return on a portion of rate base that has not been placed in service.

**Response:**

AFUDC is recorded to recognize the carrying costs of investments between the time cash is spent and the time the asset goes into service. During this time, the assets are maintained in Account 107 – CWIP. The amounts in CWIP are not included in the determination of rate base.

In this case, calendar year 2022 is the forecasted period. The calculation of rate base is based on a 13 month average balance of plant in service for calendar year 2022. The revenue requirement provides for revenues to recover the carrying costs on the average plant in service balance within the same period. This aligns return on assets included in the revenue requirement with the in-service rate base for the same time period.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

78. Refer to Columbia Kentucky's response to the Attorney General's First Request, Items 82 and 153, in conjunction with the calculations outlined in Attachments ST-3 and ST-4. The total adjustments set forth in 153, accompanied by other adjustments identified in ST-3, are virtually identical to the inflation-adjusted calculation set forth in Attachments ST-3 and ST-4. Concerning these responses and the submitted attachments, respond to the following:

- a. Is it a coincidence that the inflation-adjusted NSCS pro-forma charges identified in ST-4 are nearly identical to the net charges after adjustments supported in ST-3, or were adjustments quantified in ST-3 to equal the inflation-adjusted values?
- b. Has the Commission adopted or approved in the context of a rate case review the normalized 2017 NSCS charges as referenced in ST-3?

**Response:**

- a. The inflation-adjusted NSCS pro-forma charges identified in ST-4 for 2017 are relatively in-line with 2022 adjusted forecasted test year supported in ST-3. Given

NCSC has been implementing efficiency saving programs to stay in line with cumulative inflation/merit growth while balancing safety initiatives this is in line with budget assumptions. Adjustments for one-time items, savings programs, CIP, and stock compensation for both periods are consistent with previous NCSC testimony and support in other jurisdictions.

- b. There is no reference of 2017 NCSC charges on ST-3; however, ST-4 does start with 2017 actual costs, normalized with adjustments to compute the inflation impact to 2022 forward test year in the current case, 2021-00183. Although the last base rate case was settled, there was no specific disallowance of the 2017 normalized NCSC charges stated in the settlement document.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

79. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 63.

Provide updated general ledger information as was provided in Item 63 as new monthly data becomes available. Provide this information through the remainder of the proceeding.

**Response:**

Please see the attached KY PSC Case No 2021-00183, AG 2-79, Attachment A.



ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

80. Reference the response to AG DR 1-10 (c).

a. Throughout CKY's response to this question the company refers to SMS variously as a paradigm, framework, or operating model. Provide elaboration as to how the Commission and the intervenors should view SMS.

b. Provide a list fully identifying all capital and O&M projects identified, designed, and/or created through any use of the SMS paradigm/framework/model whatsoever, including those that CKY chose not to pursue or implement.

c. Of those capital and O&M projects identified in subpart b., above, that CKY adopted or implemented, explain how many were or are the subject of a CPCN.

d. Provide a list fully identifying all capital and O&M projects that were identified, designed and/or created without any use of the SMS paradigm / framework /model, including those that CKY chose not to pursue or implement. The list should include all such projects since the date that CKY employed SMS.

e. Of those non-SMS projects identified in subpart d., above, that CKY adopted or implemented, explain how many were or are the subject of a CPCN.

f. Provide the average cost of all capital or O&M projects identified, designed, and/or created through any use of the SMS paradigm/framework / model.

g. Provide the average cost of all capital and O&M projects that were not identified, designed and/or created through any use of the SMS paradigm / framework /model. The list of projects from which this average is derived should include all such projects since the date that CKY employed SMS.

**Response:**

a.) Investing in safety has long-term benefits for Columbia and its customers. SMS is the means to connect the investments in safety, our safety culture, and our continuous improvement culture to provide value for our customers. As noted in the direct testimony of David Roy, the Company has established SMS pursuant to American Petroleum Institute Recommended Practice (or "RP") 1173. RP-1173 provides guidance to pipeline operators for developing and maintaining a pipeline safety management system, and is intended to augment existing practices while not duplicating any other requirements.

However, unlike other pipeline safety programs, a Pipeline SMS places particular emphasis on proactive thinking of what can go wrong in a systematic manner, clarifying safety responsibilities throughout the pipeline operator's organization (including contractor support), the important role of top management and leadership at all levels, encouraging the non-punitive reporting of and response to safety concerns, and providing safety assurance by regularly evaluating operations to identify and address risks. These factors, plus a strong safety culture, work together to make safety programs and processes more effective, comprehensive, and integrated.

While other pipeline safety programs and initiatives, such as DIMP, TIMP, Damage Prevention, Public Awareness and Infrastructure Modernization, address specific areas of risk, these programs in large part rely on previously gathered data and react to that data. Instead, an SMS encompasses, supplements and supports all other safety programs and initiatives, while providing all employees with the support and resources to own risk management.

Columbia's SMS focuses on leveraging employees who are performing the work to identify risks so that the risks can be mitigated. In addition, Columbia's SMS provides a proven structure to continually assess and improve processes and procedures to keep employees, contractors, customers,

and the public safe. As Columbia's SMS identifies risks, the Company uses an objective risk-based approach to prioritize the mitigation efforts which need to be undertaken as well as the sequencing of those efforts to provide the highest risk reduction at the best possible cost to the customer.

- b.) SMS is a comprehensive approach to managing safety that emphasizes risk assessment, continuous improvement, and risk mitigation. Columbia does not have a comprehensive listing of all potential capital and/or O&M projects that have been identified through its efforts surrounding SMS. There are no particular "SMS projects." SMS permeates into, and effects, all the work that Columbia performs, whether that work is capital or O&M.
- c.) None were or are the subject of a CPCN.
- d.) All capital and O&M work that Columbia identified, designed, created or performed prior to the implementation of SMS would be included on such list.
- e.) None were or are the subject of a CPCN.
- f.) Please responses to a. and b.
- g.) Please responses to a. and b.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

81. Does the company use credit cards that include rebates? If the response is in the affirmative, provide the following items:

a. Amount of rebate reflected in the cost of service for the base year and the forecasted period. If the amount is allocated, provide the allocations.

b. Actual credit card rebates by year for 2019, 2020, and 2021 YTD. For each year, state the expense accounts where these credit card rebates are reflected and provide a detailed breakdown of those expense accounts.

**Response:**

Yes the Company uses corporate credit cards that receive rebates. All NiSource credit cards are administered within one arrangement with Chase bank. The arrangement provides for one total NiSource credit card rebate. This total rebate is allocated to operating companies using Basis 20 allocator – 00TA.

- a. Rebates totaling \$35,522 and \$32,785 for the base period and the forecasted period, respectfully, are reflected as a credit to Columbia of Kentucky O&M in the filing.
- b. Actual credit card rebates by year are as followings for Columbia Gas of Kentucky:

2019: \$40,217

2020: \$19,335

YTD June 2021: \$11,355

The rebates from credit cards are recorded as credits in Account 921.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

82. Does NCSC use credit cards that include rebates? If the response is in the affirmative, provide the following items:

- a. Amount of rebate reflected in the cost of service for the base year and the forecasted period. If the amount is allocated, provide the allocation used to assign these credits to the company's books.
- b. Actual credit card rebates by year for 2019, 2020, and 2021 YTD. For each year, state the expense accounts where these credit card rebates are reflected and provide a detailed breakdown of those expense accounts.

**Response:**

Refer to Columbia's response to the Attorney General's Second Set of Requests for Information, No. 81.





**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

83. Confirm that the company's forecasted Rate Base is based upon its forecast of capital expenditures and not a forecast of Plant in Service. If this is not confirmed, provide the following:

a. Identify the portion of Construction Work in Progress (CWIP) balance that reduces plant in service for each month of the forecast period.

b. Identify the source of where such CWIP balances have been removed in the supporting workpapers in this filing.

c. Provide a reconciliation of the capital expenditure budget supported in this filing with the forecasted Plant in Service balances and CWIP balances incorporated into this filing.

**Response:**

The determination of rate base is based on expected levels of in-service plant balances. This calculation starts with the capital expenditure spending levels. As

noted in Columbia's Response to Staff's Third Set of Requests for Information, No 7, the spend levels are adjusted to reflect the timing of the movement of investments to plant-in-service. CWIP balances, which hold the amounts related to dollars spent and placed into service, are not included in determination of rate base.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

84. Reconcile the budgeted SMRP investment revenue requirement in the format provided in Form 1.1 of Docket 2020-00327 with the corresponding level of SMRP revenue requirement forecast for 2021 embedded within the revenue requirement proposal in Docket No. 2021-00183.

**Response:**

Refer to KY PSC Case No. 2021-00183, AG 2-84, Attachment A which provides a summary of the approved revenue requirement of \$14,841,727 approved in Case No. 2020-00327. The rates in Column 6 are the approved rates per the order. The billing determinants in Column 5 were used in the filing.

The SMRP adjustment rider rates are provided in Column 7. The total monthly SMRP rider in Column 8 was used to price out revenues in the current case (No. 2021-00183).

Refer to KY PSC Case No. 2021-00183, AG 2-84, Attachment B which provides the details regarding the 2022 revenue that would be generated from current rates totaling \$15,165,106.

The difference between the 2022 expected SMRP revenue at current rates and the approved revenue requirement in Case No. 2020-00327 is the combination of the SMRP balancing adjustment and the change in billing determinants (e.g. customers).

Refer to KY PSC Case No. 2021-00183, AG 2-84, Attachment C which the Form 1.1 information used to develop the approved rates in Case No. 2020-00327. Refer to KY PSC Case No. 2021-00183 AG 2-84, Attachment D which the Form 1.1 information based on information within the rate case.

The plant roll-forward in the rate case used the methodology as discussed in Columbia's Response to Staff's Third Set of Requests for Information, No 7. The SMRP investments were not handled individually in the plant balance roll-forwards in WPB2.2, rather included in with the other company budgeted capital investments.

The differences between Attachments C and D primarily reflect the following:

- Attachment D includes the final December 31, 2020 plant balances versus expected balances in Attachment C.
- The in-service curve used in the rate case was used to spread the monthly SMRP investments in Attachment D providing a different timing of the rate base increase.
- The expected retirements in Attachment D were updated to reflect the same retirement factor used in the rate case.
- The property tax calculation was changed in Attachment D to reflect a more accurate estimate of these expenses.

SMRP Form 1.0

Columbia Gas of Kentucky, Inc.  
Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")  
SMRP Rider by Rate Schedule

Line No.	Rate Schedule (1)	Base Revenue as Approved PSC Case No. 2016-00162 (2)	Allocation Percent (1) (3)	Revenue Requirement (4)	Billing Determinant # of Bills (2) (5)	Monthly SMRP Rider (6 = 4 / 5)	Balancing Adjustment SMRP Rider (4) (7)	Total Monthly SMRP Rider (8 = 6 + 7)
1	Rate GSR, Rate SVGTS - Residential Service	\$51,773,587	64.996%	\$9,646,597	1,459,739	\$6.61	\$0.02	\$6.63
2	Rate GSO, Rate GDS, Rate SVGTS - Com. or Ind. Service	\$22,237,376	27.917%	\$4,143,329	170,905	\$24.24	\$0.07	\$24.31
3	Rate IUS, Rate IUDS	\$26,686	0.034%	\$4,972	24	\$207.17	\$0.63	\$207.80
4	Rate IS, Rate DS (3), Rate SAS	\$5,618,358	7.053%	\$1,046,829	860	\$1,217.24	\$3.97	\$1,221.21
5	TOTAL	\$79,656,007	100.000%	\$14,841,727	1,631,528			

Notes:

(1) Allocation percent is based on the overall base revenue distribution approved in PSC Case No. 2016-00162

(2) Billing Determinants based on projected twelve months ending December 31, 2021 bills

(3) Excluding customers subject to the Flex Provisions of Rate Schedule DS.

(4) Per Case No. 2020-00099.

**Columbia Gas of Kentucky, Inc.**  
**Annual Adjustment to the Safety Modification and Replacement Program ("SMRP")**  
**SMRP Rider by Rate Schedule**

<u>Line No.</u>	<u>Rate Schedule</u> (1)	<u>Billing Determinant # of Bills</u> <sup>(1)</sup> (1)	<u>Monthly SMRP Rider</u> <sup>(2)</sup> (2)	<u>Balancing Adjustment SMRP Rider</u> <sup>(2)</sup> (3)	<u>Total Monthly SMRP Rider</u> <sup>(2)</sup> (4)	<u>Revenue</u> (5 = 1 x 4)
1	Rate GSR, Rate SVGTS - Residential Service	1,480,254	\$6.61	\$0.02	\$6.63	9,814,084.02
2	Rate GSO, Rate GDS, Rate SVGTS - Com. or Ind. Service	178,216	\$24.24	\$0.07	\$24.31	4,332,430.96
3	Rate IUS, Rate IUDS	24	\$207.17	\$0.63	\$207.80	4,987.20
4	Rate IS, Rate DS <sup>(3)</sup> , Rate SAS	<u>830</u>	\$1,217.24	\$3.97	\$1,221.21	1,013,604.30
5	TOTAL	<u><u>1,659,324</u></u>				<u><u>\$ 15,165,106.48</u></u>

Notes:

<sup>(1)</sup> Billing Determinants based on projected twelve months ending December 31, 2022 bills per rate case

<sup>(2)</sup> From Attachment A



**COLUMBIA GAS OF KENTUCKY, INC.**  
**ANNUAL ADJUSTMENT TO THE SAFETY MODIFICATION AND REPLACEMENT PROGRAM ("SMRP")**  
**REVENUE REQUIREMENT**

Line No.	Description	Cumulative Balance as of	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Year 2021 Totals
		Dec-20	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>SMRP Investment</b>															
1	Plant In-Service	\$ 113,088,976	\$ 1,839,483	\$ 2,261,228	\$ 2,944,502	\$ 3,360,744	\$ 3,753,251	\$ 3,531,551	\$ 3,849,294	\$ 3,854,919	\$ 3,876,674	\$ 4,270,677	\$ 3,870,558	\$ 2,587,120	
2	Retirements	\$ (11,680,554)	\$ (169,652)	\$ (207,667)	\$ (272,497)	\$ (310,554)	\$ (348,308)	\$ (327,545)	\$ (359,733)	\$ (361,752)	\$ (364,927)	\$ (402,742)	\$ (362,882)	\$ (242,170)	
3	Additions Net of Retirements	\$ 101,408,422	\$ 1,669,831	\$ 2,053,561	\$ 2,672,006	\$ 3,050,190	\$ 3,404,943	\$ 3,204,005	\$ 3,489,561	\$ 3,493,167	\$ 3,511,747	\$ 3,867,935	\$ 3,507,676	\$ 2,344,950	
4	SMRP Investment Monthly Balances	\$ 101,408,422	\$ 103,078,253	\$ 105,131,814	\$ 107,803,820	\$ 110,854,010	\$ 114,258,953	\$ 117,462,959	\$ 120,952,520	\$ 124,445,687	\$ 127,957,433	\$ 131,825,368	\$ 135,333,044	\$ 137,677,994	\$ 118,322,329
<b>Accumulated Depreciation</b>															
5	Monthly Depreciation Expense	\$ (3,448,115)	\$ (185,618)	\$ (188,724)	\$ (192,670)	\$ (197,458)	\$ (202,875)	\$ (208,434)	\$ (214,078)	\$ (219,984)	\$ (225,923)	\$ (232,187)	\$ (238,439)	\$ (243,401)	
6	Retirements	\$ 11,680,554	\$ 169,652	\$ 207,667	\$ 272,497	\$ 310,554	\$ 348,308	\$ 327,545	\$ 359,733	\$ 361,752	\$ 364,927	\$ 402,742	\$ 362,882	\$ 242,170	
7	Cost of Removal	\$ 5,294,966	\$ 64,860	\$ 78,913	\$ 104,552	\$ 118,995	\$ 134,298	\$ 126,233	\$ 139,905	\$ 141,407	\$ 143,188	\$ 158,317	\$ 141,685	\$ 94,549	
8	Monthly Accumulated Depreciation Activity	\$ 13,527,405	\$ 48,894	\$ 97,855	\$ 184,379	\$ 232,090	\$ 279,731	\$ 245,344	\$ 285,559	\$ 283,175	\$ 282,192	\$ 328,872	\$ 266,127	\$ 93,319	
9	Accumulated Depreciation	\$ 13,527,405	\$ 13,576,299	\$ 13,674,154	\$ 13,858,533	\$ 14,090,623	\$ 14,370,354	\$ 14,615,698	\$ 14,901,257	\$ 15,184,432	\$ 15,466,624	\$ 15,795,495	\$ 16,061,623	\$ 16,154,942	\$ 14,713,649
10	<b>ADIT</b>	\$ (12,709,008)	\$ (12,844,142)	\$ (12,979,277)	\$ (13,114,411)	\$ (13,249,545)	\$ (13,384,680)	\$ (13,519,814)	\$ (13,654,949)	\$ (13,790,083)	\$ (13,925,217)	\$ (14,060,352)	\$ (14,195,486)	\$ (14,330,621)	\$ (13,519,814)
11	<b>Net Rate Base (Lines 4 + 9 + 10)</b>	\$ 102,226,820	\$ 103,810,410	\$ 105,826,692	\$ 108,547,942	\$ 111,695,088	\$ 115,244,627	\$ 118,558,842	\$ 122,198,828	\$ 125,840,036	\$ 129,498,840	\$ 133,560,512	\$ 137,199,180	\$ 139,502,315	\$ 119,516,164
12	Rate of Return	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%	9.28%
13	Return on Net Rate Base	\$ 790,554	\$ 802,801	\$ 818,393	\$ 839,437	\$ 863,775	\$ 891,225	\$ 916,855	\$ 945,004	\$ 973,163	\$ 1,001,458	\$ 1,032,868	\$ 1,061,007	\$ 1,078,818	\$ 11,091,100
<b>14 Operating Expenses</b>															
15	Depreciation	\$ -	\$ 185,618	\$ 188,724	\$ 192,670	\$ 197,458	\$ 202,875	\$ 208,434	\$ 214,078	\$ 219,984	\$ 225,923	\$ 232,187	\$ 238,439	\$ 243,401	\$ 2,549,792
16	Property Tax <sup>(1)</sup>	\$ 116,620	\$ 118,540	\$ 120,902	\$ 123,974	\$ 127,482	\$ 131,398	\$ 135,082	\$ 139,095	\$ 143,113	\$ 147,151	\$ 151,599	\$ 155,633	\$ 158,330	\$ 1,652,299
17	O&M Savings FERC Account 887	\$ -	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (479,932)
18	PSC Assessment <sup>(2)</sup>	\$ 1,728	\$ 2,032	\$ 2,072	\$ 2,126	\$ 2,188	\$ 2,258	\$ 2,324	\$ 2,396	\$ 2,469	\$ 2,542	\$ 2,622	\$ 2,695	\$ 2,744	\$ 28,468
19	Total Operating Expenses (Lines 15 + 16 + 17 + 18)	\$ 118,348	\$ 266,196	\$ 271,704	\$ 278,776	\$ 287,134	\$ 296,536	\$ 305,847	\$ 315,575	\$ 325,571	\$ 335,622	\$ 346,414	\$ 356,773	\$ 364,480	\$ 3,750,627
20	<b>Total Revenue Requirement (Lines 13 + 19)</b>	\$ 908,902	\$ 1,068,996	\$ 1,090,097	\$ 1,118,213	\$ 1,150,909	\$ 1,187,761	\$ 1,222,702	\$ 1,260,579	\$ 1,298,734	\$ 1,337,079	\$ 1,379,282	\$ 1,417,780	\$ 1,443,298	\$ 14,841,727

COLUMBIA GAS OF KENTUCKY, INC.  
ANNUAL ADJUSTMENT TO THE SAFETY MODIFICATION AND REPLACEMENT PROGRAM ("SMRP")  
REVENUE REQUIREMENT AS INCLUDED IN RATE CASE 2021-00183

Line No.	Description	Cumulative Balance as of													Year 2021
		Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Totals
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>SMRP Investment</b>															
1	Plant In-Service	\$ 116,028,038	\$ 1,057,689	\$ 2,578,946	\$ 2,757,259	\$ 2,159,330	\$ 1,946,872	\$ 2,194,305	\$ 2,471,394	\$ 3,600,181	\$ 2,653,855	\$ 4,252,060	\$ 6,584,198	\$ 7,743,908	
2	Retirements	\$ (12,688,922)	\$ (245,885)	\$ (302,260)	\$ (393,593)	\$ (449,232)	\$ (501,699)	\$ (472,065)	\$ (514,538)	\$ (515,290)	\$ (518,198)	\$ (570,864)	\$ (517,380)	\$ (345,822)	
3	Additions Net of Retirements	\$ 103,339,116	\$ 811,804	\$ 2,276,686	\$ 2,363,666	\$ 1,710,098	\$ 1,445,173	\$ 1,722,240	\$ 1,956,856	\$ 3,084,891	\$ 2,135,657	\$ 3,681,196	\$ 6,066,818	\$ 7,398,086	
4	SMRP Investment Monthly Balances	\$ 103,339,116	\$ 104,150,920	\$ 106,427,606	\$ 108,791,272	\$ 110,501,370	\$ 111,946,543	\$ 113,668,783	\$ 115,625,639	\$ 118,710,530	\$ 120,846,187	\$ 124,527,383	\$ 130,594,201	\$ 137,992,287	\$ 115,932,449
<b>Accumulated Depreciation</b>															
5	Monthly Depreciation Expense	\$ (3,448,115)	\$ (191,840)	\$ (194,514)	\$ (198,531)	\$ (202,057)	\$ (204,788)	\$ (207,527)	\$ (210,706)	\$ (215,060)	\$ (219,566)	\$ (224,586)	\$ (233,004)	\$ (244,635)	
6	Retirements	\$ 12,688,922	\$ 245,885	\$ 302,260	\$ 393,593	\$ 449,232	\$ 501,699	\$ 472,065	\$ 514,538	\$ 515,290	\$ 518,198	\$ 570,864	\$ 517,380	\$ 345,822	
7	Cost of Removal	\$ 5,913,440	\$ 64,860	\$ 78,913	\$ 104,552	\$ 118,995	\$ 134,298	\$ 126,233	\$ 139,905	\$ 141,407	\$ 143,188	\$ 158,317	\$ 141,685	\$ 94,549	
8	Monthly Accumulated Depreciation Activity	\$ 15,154,247	\$ 118,905	\$ 186,658	\$ 299,614	\$ 366,170	\$ 431,209	\$ 390,771	\$ 443,736	\$ 441,637	\$ 441,820	\$ 504,595	\$ 426,061	\$ 195,736	
9	Accumulated Depreciation	\$ 15,154,247	\$ 15,273,152	\$ 15,459,811	\$ 15,759,425	\$ 16,125,595	\$ 16,556,804	\$ 16,947,575	\$ 17,391,311	\$ 17,832,947	\$ 18,274,767	\$ 18,779,361	\$ 19,205,422	\$ 19,401,158	\$ 17,089,352
10	ADIT	\$ (12,709,008)	\$ (12,842,417)	\$ (12,975,826)	\$ (13,109,235)	\$ (13,242,644)	\$ (13,376,053)	\$ (13,509,462)	\$ (13,642,871)	\$ (13,776,280)	\$ (13,909,689)	\$ (14,043,099)	\$ (14,176,508)	\$ (14,309,917)	\$ (13,509,462)
11	<b>Net Rate Base (Lines 4 + 9 + 10)</b>	\$ 105,784,356	\$ 106,581,655	\$ 108,911,591	\$ 111,441,462	\$ 113,384,321	\$ 115,127,294	\$ 117,106,895	\$ 119,374,078	\$ 122,767,197	\$ 125,211,265	\$ 129,263,646	\$ 135,623,116	\$ 143,083,529	\$ 119,512,339
12	Rate of Return	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	0.71%	9.28%
13	Return on Net Rate Base	\$ 755,138	\$ 760,829	\$ 777,461	\$ 795,521	\$ 809,390	\$ 821,832	\$ 835,963	\$ 852,147	\$ 876,369	\$ 893,816	\$ 922,744	\$ 968,140	\$ 1,021,396	\$ 11,090,745
<b>14 Operating Expenses</b>															
15	Depreciation	\$ -	\$ 191,840	\$ 194,514	\$ 198,531	\$ 202,057	\$ 204,788	\$ 207,527	\$ 210,706	\$ 215,060	\$ 219,566	\$ 224,586	\$ 233,004	\$ 244,635	\$ 2,546,815
16	Property Tax <sup>(1)</sup>	\$ -	\$ 118,840	\$ 118,840	\$ 118,840	\$ 118,840	\$ 118,840	\$ 118,840	\$ 118,840	\$ 118,840	\$ 118,840	\$ 118,840	\$ 118,840	\$ 118,840	\$ 1,426,080
17	O&M Savings FERC Account 887	\$ -	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (39,994)	\$ (479,932)
18	PSC Assessment <sup>(2)</sup>	\$ -	\$ 1,965	\$ 2,001	\$ 2,043	\$ 2,077	\$ 2,105	\$ 2,138	\$ 2,175	\$ 2,229	\$ 2,271	\$ 2,335	\$ 2,438	\$ 2,561	\$ 26,338
19	Total Operating Expenses (Lines 15 + 16 + 17 + 18)	\$ -	\$ 272,651	\$ 275,362	\$ 279,420	\$ 282,979	\$ 285,739	\$ 288,510	\$ 291,727	\$ 296,135	\$ 300,683	\$ 305,767	\$ 314,288	\$ 326,042	\$ 3,519,301
20	<b>Total Revenue Requirement (Lines 13 + 19)</b>	\$ 755,138	\$ 1,033,480	\$ 1,052,823	\$ 1,074,940	\$ 1,092,369	\$ 1,107,570	\$ 1,124,473	\$ 1,143,874	\$ 1,172,504	\$ 1,194,498	\$ 1,228,511	\$ 1,282,428	\$ 1,347,439	\$ 14,610,046

KY PSC Case No. 2021-00183  
Response to the Attorney General's Data Request Set Two No. 85  
Respondent: Jeffery Gore

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

85. Provide the cumulative SMRP revenue requirement embedded within the forecasted period. This response should include schedules in Excel format with cell references intact that are identical to Forms 1.0, 1.1, 2.0, and 2.1 pages 1 and 2.

**Response:**

Refer to KY PSC Case No. 2021-00183, Staff 3-27, Attachment A.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

86. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 89.

Concerning this response respond to the following:

a. Provide the rationale for including both the results of a lead-lag study as well as the Balance Sheet approach. If the company does not believe there is any duplication between recognition of these balances in comparison with the lead/lag study, incorporate this conclusion into the response.

b. Provide an explanation justifying the inclusion in rate base of account 128 Funds in Trust. What does this account represent, and how are such funds used in the provision of utility service.

c. Provide an explanation justifying the inclusion in rate base of account 182 NC Reg Asset Pension/Opeb. The response should set forth what this balance represents and how it was calculated.

**Response:**

- a. The Lead Lag study is focused on the income statement analysis of Cash Working Capital while the balance sheet analysis focuses on the Cash Working Capital impact of items not otherwise included on the income statement. In preparation for this case, the Company's Balance Sheet was reviewed to determine if accounts should be included in the Lead Lag study, Balance Sheet Analysis or other component of Rate Base to ensure there was no duplication of the accounts.
- b. In accordance with ASC 715, FERC account 128 represents the recognition of the funded status of a benefit plan---measured as the difference between plan assets at fair value and the benefit obligation---in its statement of financial position. When the fair value of the plan assets is higher than the benefit obligation an asset is recorded in account 128. Please see part c. of this response for additional information.
- c. The 182 NC Reg Asset Pension/OPEB account, which includes both qualified and non-qualified pension plans, represents the recognition as a component of other comprehensive income, net of tax, the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic benefit cost. The difference between cash payments to pension and OPEB trust funds and the pension and OPEB expense amounts recognized to date are recorded to this 182 account, as well as FERC accounts 128 (mentioned

above), 228, and 242 . The net of all these previously mentioned balance sheet accounts quantifies the net cash the company has paid in advance of expense recognition to the trusts or the net cash the company owes the trust that has been expensed to date. As a result, it is therefore appropriate to include all four FERC accounts mentioned above in Rate Base.

The balance is calculated by the Company's external actuary.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

87. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 110, as well as the testimony of Harding, page 16, lines 5 – 7. Provide a comprehensive explanation reconciling the statement that Kentucky's income taxes are computed on an individual company basis for rate-making purposes with the calculations underlying the Company's NOL balance in this case which has not decreased materially, as a result of positive taxable federal income of the company in 2018 and 2019.

**Response:**

The NOL carryforward schedule provided on KY PSC Case No. 2021-00183, AG 1-110, Attachment A, Page 1 reflects NOL utilized in 2018 and 2019 of \$205,570 and \$34,039, respectively, in accordance with the tax sharing agreement.

	2018	2019
Pro Forma Federal Taxable Income	\$24,862,402	\$5,835,716
Beg Bal CKY NOLC/Group NOLC	.8268%	.5833%
NOL Utilized	205,570	34,039
Tax Effected at 21%	43,170	7,148

The tax sharing agreement is based on each member's standalone income tax liability. For group members that have standalone taxable income, utilization of the NOL is based on the percentage of the standalone group member NOLC beginning balance divided by the consolidated group NOLC beginning balance.<sup>1</sup> This represents the standalone group member's proportionate share of the beginning balance consolidated NOLC. For group members that have standalone taxable loss, the liability is recognized as zero generating a NOLC for the entire amount of the standalone member taxable loss.<sup>2</sup>

---

<sup>1</sup> Section 2.1(f)

<sup>2</sup> Section 2.1(b)



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

88. Provide a comprehensive explanation of how the NiSource tax sharing agreement benefits Columbia Kentucky ratepayers. This response should identify any quantifiable benefits to Kentucky ratepayers associated with the Agreement.

**Response:**

The NiSource tax sharing agreement provides that "The U.S. federal Consolidated Tax Liability of the Consolidated Group for each Taxable Period of the Consolidated Group shall be borne by the Members in an amount equal to each Member's Standalone Return Tax Liability. If any Member's Standalone Return Tax Liability does not result in a positive tax liability, the amount of such Standalone Return Tax Liability will be treated as zero. The general effect of the foregoing is that each Member will pay its Standalone Return Tax Liability."<sup>1</sup> Consequently, Columbia Kentucky would recover tax expense based on its standalone tax liability.

---

<sup>1</sup> Section 2.1(b)

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

89. Refer to Columbia Kentucky's response to the Attorney General's First Request, Item 104.

Please confirm that the Commission has discretion on the appropriate amortization period for amortizing all excess ADIT balances resulting from the reduction in the state tax rate, regardless of their origin.

**Response:**

The Company confirms that the Commission has discretion on the appropriate period for amortizing excess ADIT balances resulting from the reduction in the state tax rate for unprotected balances. Protected balances (i.e. method life property) are subject to normalization rules under Internal Revenue Code ("IRC") Section 168 requiring amortization under the Average Rate Assumption Method ("ARAM"). Kentucky recognizes certain decoupling adjustments from Federal, including bonus depreciation under IRC Section 168k. Otherwise, Kentucky follows Federal method life property elections. Public Law Section 13001(d) of the

Tax Cuts and Jobs Act (“TCJA”) includes accompanying but uncodified normalization requirements related to the reduction of the corporate tax rate, including normalization method of accounting shall not be treated as being used with respect to any public utility property for purposes of IRC Sections 167 or 168, if the taxpayer, in computing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, reduces the excess tax reserve more rapidly or to a greater extent than such reserve would be reduced under ARAM. The Company’s position is that Kentucky follows the Federal guidance without specific provisions for flow-through treatment or decoupling modifications from Federal. Consequently, the Company has proposed an alternative method (Reverse South Georgia) to pass back the excess ADIT (“EDIT”) related to protected and unprotected property as presented in JH-2 because the Company has not passed back the deferral recorded in 2018 as result of the rate change.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

90. Confirm that the net ADIT liability balances embedded within the forecasted rate base represent an estimate of the specific book/tax timing differences associated with the operations of Columbia Kentucky, while the NOL asset embedded in the forecasted rate base represents an assignment of NiSource's NOL and is not directly tied to the cumulative tax losses (and taxable income) of Columbia Kentucky. If this is not confirmed, provide a comprehensive explanation discussing precisely how the specific tax losses and tax gains of Columbia Kentucky are represented within the NOL balance embedded within this filing.

**Response:**

The net ADIT liability balances embedded within the forecasted rate base represent an estimate of the specific book/tax timing differences associated with the operations of Columbia Kentucky on a standalone basis, including the Federal NOL deferred tax asset. The Federal NOL balance represents Federal income tax losses that were generated by Columbia Kentucky on a standalone basis.

Columbia Kentucky has not been allocated NOLs or NOL carryforwards (NOLC). Utilization of the Federal NOL represents the Columbia Kentucky's NOLC beginning balance divided by the Consolidated NOLC beginning balance multiplied by Federal taxable income. The generation and utilization is in accordance with the tax sharing agreement as discussed and referenced in Columbia's Response to the Attorney General's Second Set of Requests for Information, No. 87.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

91. Does the company acknowledge that one of the Commission's obligations is to assess the reasonableness and affordability of natural gas service in evaluating any proposal to increase rates? If so, discuss the impact of Henry Hub and/or Marcellus Shale prices on the actual gas costs incurred by the company based upon its existing contracts and spot market purchases within the company's planned gas acquisition portfolio. Explain how increased natural gas spot market prices will impact the company's purchased natural gas expenses.

**Response:**

Objection. This request calls for a legal determination.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

92. Refer to Columbia Kentucky's response to Staff's First Request, Confidential Item 54, Schedule WPB-5.3, and respond to the following:

a. Confirm that the dollar amounts included in inventory (Rate Base) include a prorata portion of interstate transportation charges incurred to move the gas from the point of sale to the company's storage facility(ies).

b. Identify any validation or audit tests performed to confirm the accuracy of the physical natural gas volumes reflected on the company's books.

**Response:**

a. The dollar amounts included in the Storage valuation do include transportation charges.

b. Columbia does not own storage facilities. Columbia contracts for storage capacity with Columbia Gas Transmission, LLC ("TCO") pursuant to tariffs approved by the Federal Energy Regulatory Commission. TCO is the owner and operator of the storage

facilities. Columbia receives storage balance reports from TCO and compares those balances to the Company's projections for differences.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

93. Please provide any information in the company's possession that compares its leak rates for various grades with those of peer natural gas utilities, beyond the information provided in its response to AG request 1-126, Attachment E.

**Response:**

The company does not have any information that compares its leak rates for various grades with those of peer natural gas utilities, beyond the information provided in Columbia's Response to the Attorney General's First Set of Requests for Information, No. 126.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

94. Provide a discussion of the reported leak rates of affiliate and peer natural gas utilities before and subsequent to the adoption of sophisticated leak detection equipment such as the Picarro system. Does the company anticipate a significant increase in its leak rates once the Picarro system is implemented, and does industry information support this opinion?

**Response:**

In communicating with the Picarro teams, peer utilities, and sister companies, Columbia of Kentucky has found that these companies have found 2-3 times the number of leaks on their systems, as they found during traditional leakage inspection methods. Columbia of Kentucky anticipates that there will be an increase of leaks of about the same amount. The industry information that Columbia of Kentucky has been able to gather, supports this information.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

95. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Item

101. Confirm the following:

a. The balance of account 190 Deferred Tax Asset (see excel row 16) has been grossed-up for income tax purposes (see excel rows 98 and 99), and that corresponding balance is embedded in Rate Base.

b. The balance of timing differences titled "ASC 740 State and Federal Gross-Up" have been reclassified in the corrected worksheet from Non-Rate Base to Rate Base.

Provide a comprehensive explanation supporting this reclassification.

c. The revised balances of Account 282 Deferred Income Taxes – Depreciation increases approximately \$300 thousand monthly throughout the forecast period.

Provide all supporting workpapers underlying these monthly account changes within the forecast period, by book/tax timing difference.

**Response:**

- a. The Federal and State gross-up presented on the revised B-6 ADIT & EDIT (forecast) on KY PSC Case No. 2021-183, AG 1-101, Attachment A, Lines 86 and 87 (rows 98 and 99) represent the tax gross-up for the Excess ADIT related to the Federal and State income tax rate change recorded as a Regulatory Liability ADIT presented on ADIT KY PSC Case No. 2021-183, AG 1-101, Attachment A, Lines 142 and 148 (rows 154 and 160). The tax gross-up recorded to Account 190 and the grossed-up balance of the Excess ADIT recorded to Account 254 represent the net Excess ADIT balance before gross-up.
- b. The balance of timing differences titled "ASC 740 State and Federal Gross-Up" have been reclassified in the corrected worksheet from Non-Rate Base to Rate Base because the Federal and State excess ADIT presented on ADIT KY PSC Case No. 2021-183, AG 1-101, Attachment A, Lines 142 and 148 (rows 154 and 160) have been grossed-up for taxes and are included as Rate Base. Previously, these amounts were presented before gross up. As mentioned above the tax gross-up recorded to Account 190 and the grossed-up balance of the Excess ADIT recorded to Account 254 represent the net Excess ADIT balance before gross-up.
- c. The Company's response KY PSC Case No. 2021-183, AG 1-215, Attachment B provided the components of the book/tax temporary difference in property that represent that rate base ADIT on the revised B-6 ADIT & EDIT (Forecast)

provided in response KY PSC Case No. 2021-183, AG 1-101, Attachment B, Lines 91 and 92 that make up the total on Line 5. Additionally, the Company has attached KY PSC Case No. 2021-183, AG 2-095, Attachment A which represents the MACRS tax depreciation of \$20,259,474. The amount for book depreciation of \$19,609,323 is sourced from Schedule C-1, Sheet 1, Line 5. The Company had previously provided the support for the tax repairs deduction on KY PSC Case No. 2021-183, AG 1-215, Attachment A.

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1953</b>											
	<b>Total Tax Classes</b>				\$2,951,195.53	\$0.00	\$2,951,195.53	\$2,892,452.32	\$0.00	\$0.00	\$2,951,195.53
				<b>Vintage Total:</b>	\$2,951,195.53	\$0.00	\$2,951,195.53	\$2,892,452.32	\$0.00	\$0.00	\$2,951,195.53
<b>Vintage : V1954</b>											
	<b>Total Tax Classes</b>				\$279.87	\$0.00	\$279.87	\$279.87	\$0.00	\$0.00	\$279.87
				<b>Vintage Total:</b>	\$279.87	\$0.00	\$279.87	\$279.87	\$0.00	\$0.00	\$279.87
<b>Vintage : V1955</b>											
	<b>Total Tax Classes</b>				\$292,154.70	\$0.00	\$292,154.70	\$292,154.70	\$0.00	\$0.00	\$292,154.70
				<b>Vintage Total:</b>	\$292,154.70	\$0.00	\$292,154.70	\$292,154.70	\$0.00	\$0.00	\$292,154.70
<b>Vintage : V1956</b>											
	<b>Total Tax Classes</b>				\$538,310.44	\$0.00	\$538,310.44	\$529,510.24	\$0.00	\$0.00	\$538,310.44
				<b>Vintage Total:</b>	\$538,310.44	\$0.00	\$538,310.44	\$529,510.24	\$0.00	\$0.00	\$538,310.44
<b>Vintage : V1957</b>											
	<b>Total Tax Classes</b>				\$1,085,903.21	\$0.00	\$1,085,903.21	\$1,069,867.16	\$0.00	\$0.00	\$1,085,903.21
				<b>Vintage Total:</b>	\$1,085,903.21	\$0.00	\$1,085,903.21	\$1,069,867.16	\$0.00	\$0.00	\$1,085,903.21
<b>Vintage : V1958</b>											
	<b>Total Tax Classes</b>				\$906,462.50	\$0.00	\$906,462.50	\$54,095.20	\$0.00	\$0.00	\$906,462.50
				<b>Vintage Total:</b>	\$906,462.50	\$0.00	\$906,462.50	\$54,095.20	\$0.00	\$0.00	\$906,462.50
<b>Vintage : V1959</b>											
	<b>Total Tax Classes</b>				\$897,490.21	\$0.00	\$897,490.21	\$81,154.12	\$0.00	\$0.00	\$897,490.21
				<b>Vintage Total:</b>	\$897,490.21	\$0.00	\$897,490.21	\$81,154.12	\$0.00	\$0.00	\$897,490.21
<b>Vintage : V1960</b>											
	<b>Total Tax Classes</b>				\$920,107.15	\$0.00	\$920,107.15	\$77,616.29	\$0.00	\$0.00	\$920,107.15
				<b>Vintage Total:</b>	\$920,107.15	\$0.00	\$920,107.15	\$77,616.29	\$0.00	\$0.00	\$920,107.15
<b>Vintage : V1961</b>											
	<b>Total Tax Classes</b>				\$695,764.04	\$0.00	\$695,764.04	\$61,291.36	\$0.00	\$0.00	\$695,764.04
				<b>Vintage Total:</b>	\$695,764.04	\$0.00	\$695,764.04	\$61,291.36	\$0.00	\$0.00	\$695,764.04
<b>Vintage : V1962</b>											

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1962</b>											
	<b>Total Tax Classes</b>				\$616,975.82	\$0.00	\$616,975.82	\$74,288.28	\$0.00	\$0.00	\$616,975.82
				<b>Vintage Total:</b>	\$616,975.82	\$0.00	\$616,975.82	\$74,288.28	\$0.00	\$0.00	\$616,975.82
<b>Vintage : V1963</b>											
	<b>Total Tax Classes</b>				\$895,309.53	\$0.00	\$895,309.53	\$81,854.15	\$0.00	\$0.00	\$895,309.53
				<b>Vintage Total:</b>	\$895,309.53	\$0.00	\$895,309.53	\$81,854.15	\$0.00	\$0.00	\$895,309.53
<b>Vintage : V1964</b>											
	<b>Total Tax Classes</b>				\$1,079,854.39	\$0.00	\$1,079,854.39	\$105,898.24	\$0.00	\$0.00	\$1,079,854.39
				<b>Vintage Total:</b>	\$1,079,854.39	\$0.00	\$1,079,854.39	\$105,898.24	\$0.00	\$0.00	\$1,079,854.39
<b>Vintage : V1965</b>											
	<b>Total Tax Classes</b>				\$988,869.46	\$0.00	\$988,869.46	\$141,104.43	\$0.00	\$0.00	\$988,869.46
				<b>Vintage Total:</b>	\$988,869.46	\$0.00	\$988,869.46	\$141,104.43	\$0.00	\$0.00	\$988,869.46
<b>Vintage : V1966</b>											
	<b>Total Tax Classes</b>				\$1,423,007.08	\$0.00	\$1,423,007.08	\$94,552.96	\$0.00	\$0.00	\$1,423,007.08
				<b>Vintage Total:</b>	\$1,423,007.08	\$0.00	\$1,423,007.08	\$94,552.96	\$0.00	\$0.00	\$1,423,007.08
<b>Vintage : V1967</b>											
	<b>Total Tax Classes</b>				\$918,860.32	\$0.00	\$918,860.32	\$205,093.59	\$0.00	\$0.00	\$918,860.32
				<b>Vintage Total:</b>	\$918,860.32	\$0.00	\$918,860.32	\$205,093.59	\$0.00	\$0.00	\$918,860.32
<b>Vintage : V1968</b>											
	<b>Total Tax Classes</b>				\$1,478,914.12	\$0.00	\$1,478,914.12	\$234,710.96	\$0.00	\$0.00	\$1,478,914.12
				<b>Vintage Total:</b>	\$1,478,914.12	\$0.00	\$1,478,914.12	\$234,710.96	\$0.00	\$0.00	\$1,478,914.12
<b>Vintage : V1969</b>											
	<b>Total Tax Classes</b>				\$1,492,240.72	\$0.00	\$1,492,240.72	\$169,572.45	\$0.00	\$0.00	\$1,492,240.72
				<b>Vintage Total:</b>	\$1,492,240.72	\$0.00	\$1,492,240.72	\$169,572.45	\$0.00	\$0.00	\$1,492,240.72
<b>Vintage : V1970</b>											
	<b>Total Tax Classes</b>				\$1,034,459.05	\$0.00	\$1,052,356.05	\$170,591.87	\$0.00	\$0.00	\$1,052,356.05
				<b>Vintage Total:</b>	\$1,034,459.05	\$0.00	\$1,052,356.05	\$170,591.87	\$0.00	\$0.00	\$1,052,356.05
<b>Vintage : V1971</b>											

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1971</b>											
	<b>Total Tax Classes</b>				\$1,398,192.49	\$0.00	\$1,398,192.49	\$259,484.36	\$0.00	\$0.00	\$1,398,192.49
				<b>Vintage Total:</b>	\$1,398,192.49	\$0.00	\$1,398,192.49	\$259,484.36	\$0.00	\$0.00	\$1,398,192.49
<b>Vintage : V1972</b>											
	<b>Total Tax Classes</b>				\$1,245,379.00	\$0.00	\$1,245,379.00	\$274,722.25	\$0.00	\$0.00	\$1,245,379.00
				<b>Vintage Total:</b>	\$1,245,379.00	\$0.00	\$1,245,379.00	\$274,722.25	\$0.00	\$0.00	\$1,245,379.00
<b>Vintage : V1973</b>											
	<b>Total Tax Classes</b>				\$592,869.83	\$0.00	\$592,869.83	\$112,314.42	\$0.00	\$0.00	\$592,869.83
				<b>Vintage Total:</b>	\$592,869.83	\$0.00	\$592,869.83	\$112,314.42	\$0.00	\$0.00	\$592,869.83
<b>Vintage : V1974</b>											
	<b>Total Tax Classes</b>				\$1,013,812.76	\$0.00	\$1,013,529.93	\$650.60	\$0.00	\$0.00	\$1,013,529.93
				<b>Vintage Total:</b>	\$1,013,812.76	\$0.00	\$1,013,529.93	\$650.60	\$0.00	\$0.00	\$1,013,529.93
<b>Vintage : V1975</b>											
	<b>Total Tax Classes</b>				\$703,847.44	\$0.00	\$703,333.01	\$514.43	\$0.00	\$0.00	\$703,333.01
				<b>Vintage Total:</b>	\$703,847.44	\$0.00	\$703,333.01	\$514.43	\$0.00	\$0.00	\$703,333.01
<b>Vintage : V1976</b>											
	<b>Total Tax Classes</b>				\$1,003,777.01	\$0.00	\$997,001.77	\$6,775.24	\$0.00	\$0.00	\$997,001.77
				<b>Vintage Total:</b>	\$1,003,777.01	\$0.00	\$997,001.77	\$6,775.24	\$0.00	\$0.00	\$997,001.77
<b>Vintage : V1977</b>											
	<b>Total Tax Classes</b>				\$3,547,603.64	\$0.00	\$3,547,603.64	\$2,018,632.00	\$0.00	\$0.00	\$3,547,603.64
				<b>Vintage Total:</b>	\$3,547,603.64	\$0.00	\$3,547,603.64	\$2,018,632.00	\$0.00	\$0.00	\$3,547,603.64
<b>Vintage : V1978</b>											
	<b>Total Tax Classes</b>				\$2,366,263.97	\$0.00	\$2,366,263.97	\$0.00	\$0.00	\$0.00	\$2,366,263.97
				<b>Vintage Total:</b>	\$2,366,263.97	\$0.00	\$2,366,263.97	\$0.00	\$0.00	\$0.00	\$2,366,263.97
<b>Vintage : V1979</b>											
	<b>Total Tax Classes</b>				\$3,617,700.02	\$0.00	\$3,617,700.02	\$397.00	\$0.00	\$0.00	\$3,617,700.02
				<b>Vintage Total:</b>	\$3,617,700.02	\$0.00	\$3,617,700.02	\$397.00	\$0.00	\$0.00	\$3,617,700.02
<b>Vintage : V1980</b>											



Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1980</b>											
	<b>Total Tax Classes</b>				<b>\$3,571,802.98</b>	<b>\$0.00</b>	<b>\$3,587,042.98</b>	<b>(\$3,723.00)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,587,042.98</b>
				<b>Vintage Total:</b>	<b>\$3,571,802.98</b>	<b>\$0.00</b>	<b>\$3,587,042.98</b>	<b>(\$3,723.00)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,587,042.98</b>
<b>Vintage : V1981</b>											
	<b>Total Tax Classes</b>				<b>\$2,857,303.34</b>	<b>\$0.00</b>	<b>\$2,857,303.34</b>	<b>\$2,857,303.34</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,857,303.34</b>
				<b>Vintage Total:</b>	<b>\$2,857,303.34</b>	<b>\$0.00</b>	<b>\$2,857,303.34</b>	<b>\$2,857,303.34</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,857,303.34</b>
<b>Vintage : V1982</b>											
	<b>Total Tax Classes</b>				<b>\$3,310,840.62</b>	<b>\$0.00</b>	<b>\$3,310,840.62</b>	<b>\$3,310,840.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,310,840.62</b>
				<b>Vintage Total:</b>	<b>\$3,310,840.62</b>	<b>\$0.00</b>	<b>\$3,310,840.62</b>	<b>\$3,310,840.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,310,840.62</b>
<b>Vintage : V1983</b>											
	<b>Total Tax Classes</b>				<b>\$2,354,385.74</b>	<b>\$0.00</b>	<b>\$2,354,385.74</b>	<b>\$2,354,385.74</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,354,385.74</b>
				<b>Vintage Total:</b>	<b>\$2,354,385.74</b>	<b>\$0.00</b>	<b>\$2,354,385.74</b>	<b>\$2,354,385.74</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,354,385.74</b>
<b>Vintage : V1984</b>											
	<b>Total Tax Classes</b>				<b>\$3,705,534.25</b>	<b>\$0.00</b>	<b>\$3,705,534.25</b>	<b>\$3,705,534.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,705,534.25</b>
				<b>Vintage Total:</b>	<b>\$3,705,534.25</b>	<b>\$0.00</b>	<b>\$3,705,534.25</b>	<b>\$3,705,534.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,705,534.25</b>
<b>Vintage : V1985</b>											
	<b>Total Tax Classes</b>				<b>\$3,439,424.05</b>	<b>\$0.00</b>	<b>\$3,439,424.05</b>	<b>\$3,439,424.05</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,439,424.05</b>
				<b>Vintage Total:</b>	<b>\$3,439,424.05</b>	<b>\$0.00</b>	<b>\$3,439,424.05</b>	<b>\$3,439,424.05</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,439,424.05</b>
<b>Vintage : V1986</b>											
	<b>Total Tax Classes</b>				<b>\$4,821,077.41</b>	<b>\$0.00</b>	<b>\$4,821,077.41</b>	<b>\$4,821,077.41</b>	<b>\$0.00</b>	<b>\$0.01</b>	<b>\$4,821,077.41</b>
				<b>Vintage Total:</b>	<b>\$4,821,077.41</b>	<b>\$0.00</b>	<b>\$4,821,077.41</b>	<b>\$4,821,077.41</b>	<b>\$0.00</b>	<b>\$0.01</b>	<b>\$4,821,077.41</b>
<b>Vintage : V1987</b>											
	<b>Total Tax Classes</b>				<b>\$21,169.55</b>	<b>\$0.00</b>	<b>\$21,169.55</b>	<b>\$21,169.55</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$21,169.55</b>
				<b>Vintage Total:</b>	<b>\$21,169.55</b>	<b>\$0.00</b>	<b>\$21,169.55</b>	<b>\$21,169.55</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$21,169.55</b>
<b>Vintage : V1987 Q1</b>											
	<b>Total Tax Classes</b>				<b>\$1,126,636.29</b>	<b>\$0.00</b>	<b>\$1,126,636.29</b>	<b>\$20,069.53</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,126,636.29</b>
				<b>Vintage Total:</b>	<b>\$1,126,636.29</b>	<b>\$0.00</b>	<b>\$1,126,636.29</b>	<b>\$20,069.53</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,126,636.29</b>
<b>Vintage : V1987 Q2</b>											

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1987 Q2</b>											
	<b>Total Tax Classes</b>				\$2,618,170.20	\$0.00	\$2,618,170.20	\$0.00	\$0.00	\$0.00	\$2,618,170.20
				<b>Vintage Total:</b>	\$2,618,170.20	\$0.00	\$2,618,170.20	\$0.00	\$0.00	\$0.00	\$2,618,170.20
<b>Vintage : V1987 Q3</b>											
	<b>Total Tax Classes</b>				\$2,478,557.60	\$0.00	\$2,478,557.60	\$0.00	\$0.00	\$0.00	\$2,478,557.60
				<b>Vintage Total:</b>	\$2,478,557.60	\$0.00	\$2,478,557.60	\$0.00	\$0.00	\$0.00	\$2,478,557.60
<b>Vintage : V1987 Q4</b>											
	<b>Total Tax Classes</b>				\$2,424,754.60	\$0.00	\$2,424,754.60	\$41,801.00	\$0.00	\$0.00	\$2,424,754.60
				<b>Vintage Total:</b>	\$2,424,754.60	\$0.00	\$2,424,754.60	\$41,801.00	\$0.00	\$0.00	\$2,424,754.60
<b>Vintage : V1988</b>											
	<b>Total Tax Classes</b>				(\$57,191.81)	\$0.00	(\$57,191.81)	(\$57,191.81)	\$0.00	\$0.00	(\$57,191.81)
				<b>Vintage Total:</b>	(\$57,191.81)	\$0.00	(\$57,191.81)	(\$57,191.81)	\$0.00	\$0.00	(\$57,191.81)
<b>Vintage : V1988 Q1</b>											
	<b>Total Tax Classes</b>				\$951,891.67	\$0.00	\$951,891.67	\$0.00	\$0.00	\$0.00	\$951,891.67
				<b>Vintage Total:</b>	\$951,891.67	\$0.00	\$951,891.67	\$0.00	\$0.00	\$0.00	\$951,891.67
<b>Vintage : V1988 Q2</b>											
	<b>Total Tax Classes</b>				\$785,882.94	\$0.00	\$785,882.94	\$0.00	\$0.00	\$0.00	\$785,882.94
				<b>Vintage Total:</b>	\$785,882.94	\$0.00	\$785,882.94	\$0.00	\$0.00	\$0.00	\$785,882.94
<b>Vintage : V1988 Q3</b>											
	<b>Total Tax Classes</b>				\$829,817.59	\$0.00	\$829,817.59	\$0.00	\$0.00	\$0.00	\$829,817.59
				<b>Vintage Total:</b>	\$829,817.59	\$0.00	\$829,817.59	\$0.00	\$0.00	\$0.00	\$829,817.59
<b>Vintage : V1988 Q4</b>											
	<b>Total Tax Classes</b>				\$526,955.17	\$0.00	\$526,955.17	\$23,893.81	\$0.00	\$0.00	\$526,955.17
				<b>Vintage Total:</b>	\$526,955.17	\$0.00	\$526,955.17	\$23,893.81	\$0.00	\$0.00	\$526,955.17
<b>Vintage : V1989</b>											
	<b>Total Tax Classes</b>				(\$105,728.32)	\$0.00	(\$105,728.32)	(\$105,728.32)	\$0.00	\$0.00	(\$105,728.32)
				<b>Vintage Total:</b>	(\$105,728.32)	\$0.00	(\$105,728.32)	(\$105,728.32)	\$0.00	\$0.00	(\$105,728.32)
<b>Vintage : V1989 Q1</b>											

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1989 Q1</b>											
	<b>Total Tax Classes</b>				<b>\$899,873.06</b>	<b>\$0.00</b>	<b>\$899,873.06</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$899,873.06</b>
				<b>Vintage Total:</b>	<b>\$899,873.06</b>	<b>\$0.00</b>	<b>\$899,873.06</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$899,873.06</b>
<b>Vintage : V1989 Q2</b>											
	<b>Total Tax Classes</b>				<b>\$803,753.34</b>	<b>\$0.00</b>	<b>\$803,753.34</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$803,753.34</b>
				<b>Vintage Total:</b>	<b>\$803,753.34</b>	<b>\$0.00</b>	<b>\$803,753.34</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$803,753.34</b>
<b>Vintage : V1989 Q3</b>											
	<b>Total Tax Classes</b>				<b>\$997,655.52</b>	<b>\$0.00</b>	<b>\$997,655.52</b>	<b>\$30,765.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$997,655.52</b>
				<b>Vintage Total:</b>	<b>\$997,655.52</b>	<b>\$0.00</b>	<b>\$997,655.52</b>	<b>\$30,765.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$997,655.52</b>
<b>Vintage : V1989 Q4</b>											
	<b>Total Tax Classes</b>				<b>\$1,073,615.24</b>	<b>\$0.00</b>	<b>\$1,073,615.24</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,073,615.24</b>
				<b>Vintage Total:</b>	<b>\$1,073,615.24</b>	<b>\$0.00</b>	<b>\$1,073,615.24</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,073,615.24</b>
<b>Vintage : V1990</b>											
	<b>Total Tax Classes</b>				<b>\$3,350,903.09</b>	<b>\$0.00</b>	<b>\$3,350,903.09</b>	<b>\$180,900.96</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,350,903.09</b>
				<b>Vintage Total:</b>	<b>\$3,350,903.09</b>	<b>\$0.00</b>	<b>\$3,350,903.09</b>	<b>\$180,900.96</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,350,903.09</b>
<b>Vintage : V1991</b>											
	<b>Total Tax Classes</b>				<b>(\$118,607.90)</b>	<b>\$0.00</b>	<b>(\$118,607.90)</b>	<b>(\$118,607.90)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$118,607.90)</b>
				<b>Vintage Total:</b>	<b>(\$118,607.90)</b>	<b>\$0.00</b>	<b>(\$118,607.90)</b>	<b>(\$118,607.90)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$118,607.90)</b>
<b>Vintage : V1991 Q1</b>											
	<b>Total Tax Classes</b>				<b>\$476,678.03</b>	<b>\$0.00</b>	<b>\$476,678.03</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$476,678.03</b>
				<b>Vintage Total:</b>	<b>\$476,678.03</b>	<b>\$0.00</b>	<b>\$476,678.03</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$476,678.03</b>
<b>Vintage : V1991 Q2</b>											
	<b>Total Tax Classes</b>				<b>\$541,816.47</b>	<b>\$0.00</b>	<b>\$541,816.47</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$541,816.47</b>
				<b>Vintage Total:</b>	<b>\$541,816.47</b>	<b>\$0.00</b>	<b>\$541,816.47</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$541,816.47</b>
<b>Vintage : V1991 Q3</b>											
	<b>Total Tax Classes</b>				<b>\$792,508.60</b>	<b>\$0.00</b>	<b>\$792,508.60</b>	<b>\$80,810.08</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$792,508.60</b>
				<b>Vintage Total:</b>	<b>\$792,508.60</b>	<b>\$0.00</b>	<b>\$792,508.60</b>	<b>\$80,810.08</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$792,508.60</b>
<b>Vintage : V1991 Q4</b>											

## Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1991 Q4</b>											
	<b>Total Tax Classes</b>				<b>\$746,912.97</b>	<b>\$0.00</b>	<b>\$746,912.97</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$746,912.97</b>
				<b>Vintage Total:</b>	<b>\$746,912.97</b>	<b>\$0.00</b>	<b>\$746,912.97</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$746,912.97</b>
<b>Vintage : V1992</b>											
	<b>Total Tax Classes</b>				<b>\$383,651.12</b>	<b>\$0.00</b>	<b>\$330,955.66</b>	<b>\$383,651.12</b>	<b>\$0.00</b>	<b>\$18,202.44</b>	<b>\$349,158.09</b>
				<b>Vintage Total:</b>	<b>\$383,651.12</b>	<b>\$0.00</b>	<b>\$330,955.66</b>	<b>\$383,651.12</b>	<b>\$0.00</b>	<b>\$18,202.44</b>	<b>\$349,158.09</b>
<b>Vintage : V1992 Q1</b>											
	<b>Total Tax Classes</b>				<b>\$448,412.68</b>	<b>\$0.00</b>	<b>\$448,412.68</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$448,412.68</b>
				<b>Vintage Total:</b>	<b>\$448,412.68</b>	<b>\$0.00</b>	<b>\$448,412.68</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$448,412.68</b>
<b>Vintage : V1992 Q2</b>											
	<b>Total Tax Classes</b>				<b>\$580,749.39</b>	<b>\$0.00</b>	<b>\$580,749.39</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$580,749.39</b>
				<b>Vintage Total:</b>	<b>\$580,749.39</b>	<b>\$0.00</b>	<b>\$580,749.39</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$580,749.39</b>
<b>Vintage : V1992 Q3</b>											
	<b>Total Tax Classes</b>				<b>\$1,323,646.64</b>	<b>\$0.00</b>	<b>\$1,323,646.64</b>	<b>\$298,606.82</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,323,646.64</b>
				<b>Vintage Total:</b>	<b>\$1,323,646.64</b>	<b>\$0.00</b>	<b>\$1,323,646.64</b>	<b>\$298,606.82</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,323,646.64</b>
<b>Vintage : V1992 Q4</b>											
	<b>Total Tax Classes</b>				<b>\$1,611,966.71</b>	<b>\$0.00</b>	<b>\$1,611,966.71</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,611,966.71</b>
				<b>Vintage Total:</b>	<b>\$1,611,966.71</b>	<b>\$0.00</b>	<b>\$1,611,966.71</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,611,966.71</b>
<b>Vintage : V1993</b>											
	<b>Total Tax Classes</b>				<b>(\$130,330.65)</b>	<b>\$0.00</b>	<b>(\$130,330.65)</b>	<b>(\$130,330.65)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$130,330.65)</b>
				<b>Vintage Total:</b>	<b>(\$130,330.65)</b>	<b>\$0.00</b>	<b>(\$130,330.65)</b>	<b>(\$130,330.65)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$130,330.65)</b>
<b>Vintage : V1993 Q1</b>											
	<b>Total Tax Classes</b>				<b>\$953,809.05</b>	<b>\$0.00</b>	<b>\$953,809.05</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$953,809.05</b>
				<b>Vintage Total:</b>	<b>\$953,809.05</b>	<b>\$0.00</b>	<b>\$953,809.05</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$953,809.05</b>
<b>Vintage : V1993 Q2</b>											
	<b>Total Tax Classes</b>				<b>\$721,710.40</b>	<b>\$0.00</b>	<b>\$721,710.40</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$721,710.40</b>
				<b>Vintage Total:</b>	<b>\$721,710.40</b>	<b>\$0.00</b>	<b>\$721,710.40</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$721,710.40</b>
<b>Vintage : V1993 Q3</b>											

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1993 Q3</b>											
	<b>Total Tax Classes</b>				\$1,028,785.60	\$0.00	\$1,028,785.60	\$0.00	\$0.00	\$0.00	\$1,028,785.60
				<b>Vintage Total:</b>	\$1,028,785.60	\$0.00	\$1,028,785.60	\$0.00	\$0.00	\$0.00	\$1,028,785.60
<b>Vintage : V1993 Q4</b>											
	<b>Total Tax Classes</b>				\$1,120,863.57	\$0.00	\$1,120,863.57	\$0.00	\$0.00	\$0.00	\$1,120,863.57
				<b>Vintage Total:</b>	\$1,120,863.57	\$0.00	\$1,120,863.57	\$0.00	\$0.00	\$0.00	\$1,120,863.57
<b>Vintage : V1994</b>											
	<b>Total Tax Classes</b>				\$6,126,504.98	\$0.00	\$4,289,699.85	\$1,794,136.66	\$0.00	\$160,279.61	\$4,449,979.46
				<b>Vintage Total:</b>	\$6,126,504.98	\$0.00	\$4,289,699.85	\$1,794,136.66	\$0.00	\$160,279.61	\$4,449,979.46
<b>Vintage : V1994 Q1</b>											
	<b>Total Tax Classes</b>				\$505,477.54	\$0.00	\$505,477.54	\$0.00	\$0.00	\$0.00	\$505,477.54
				<b>Vintage Total:</b>	\$505,477.54	\$0.00	\$505,477.54	\$0.00	\$0.00	\$0.00	\$505,477.54
<b>Vintage : V1994 Q2</b>											
	<b>Total Tax Classes</b>				\$782,224.13	\$0.00	\$782,224.13	\$0.00	\$0.00	\$0.00	\$782,224.13
				<b>Vintage Total:</b>	\$782,224.13	\$0.00	\$782,224.13	\$0.00	\$0.00	\$0.00	\$782,224.13
<b>Vintage : V1994 Q3</b>											
	<b>Total Tax Classes</b>				\$1,116,423.71	\$0.00	\$1,116,423.71	\$0.00	\$0.00	\$0.00	\$1,116,423.71
				<b>Vintage Total:</b>	\$1,116,423.71	\$0.00	\$1,116,423.71	\$0.00	\$0.00	\$0.00	\$1,116,423.71
<b>Vintage : V1994 Q4</b>											
	<b>Total Tax Classes</b>				\$1,403,354.62	\$0.00	\$1,403,354.62	\$0.00	\$0.00	\$0.00	\$1,403,354.62
				<b>Vintage Total:</b>	\$1,403,354.62	\$0.00	\$1,403,354.62	\$0.00	\$0.00	\$0.00	\$1,403,354.62
<b>Vintage : V1995</b>											
	<b>Total Tax Classes</b>				(\$194,082.02)	\$0.00	(\$194,082.02)	(\$194,082.02)	\$0.00	\$0.00	(\$194,082.02)
				<b>Vintage Total:</b>	(\$194,082.02)	\$0.00	(\$194,082.02)	(\$194,082.02)	\$0.00	\$0.00	(\$194,082.02)
<b>Vintage : V1995 Q1</b>											
	<b>Total Tax Classes</b>				\$2,607.02	\$0.00	\$2,607.02	\$0.00	\$0.00	\$0.00	\$2,607.02
				<b>Vintage Total:</b>	\$2,607.02	\$0.00	\$2,607.02	\$0.00	\$0.00	\$0.00	\$2,607.02
<b>Vintage : V1995 Q2</b>											

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1995 Q2</b>											
	<b>Total Tax Classes</b>				<b>\$920,943.08</b>	<b>\$0.00</b>	<b>\$920,943.08</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$920,943.08</b>
				<b>Vintage Total:</b>	<b>\$920,943.08</b>	<b>\$0.00</b>	<b>\$920,943.08</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$920,943.08</b>
<b>Vintage : V1995 Q3</b>											
	<b>Total Tax Classes</b>				<b>\$645,464.84</b>	<b>\$0.00</b>	<b>\$645,464.84</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$645,464.84</b>
				<b>Vintage Total:</b>	<b>\$645,464.84</b>	<b>\$0.00</b>	<b>\$645,464.84</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$645,464.84</b>
<b>Vintage : V1995 Q4</b>											
	<b>Total Tax Classes</b>				<b>\$3,123,133.50</b>	<b>\$0.00</b>	<b>\$3,123,133.50</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,123,133.50</b>
				<b>Vintage Total:</b>	<b>\$3,123,133.50</b>	<b>\$0.00</b>	<b>\$3,123,133.50</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,123,133.50</b>
<b>Vintage : V1996</b>											
	<b>Total Tax Classes</b>				<b>\$5,225,241.05</b>	<b>\$0.00</b>	<b>\$5,218,451.64</b>	<b>(\$308,204.17)</b>	<b>\$0.00</b>	<b>\$504.39</b>	<b>\$5,218,956.03</b>
				<b>Vintage Total:</b>	<b>\$5,225,241.05</b>	<b>\$0.00</b>	<b>\$5,218,451.64</b>	<b>(\$308,204.17)</b>	<b>\$0.00</b>	<b>\$504.39</b>	<b>\$5,218,956.03</b>
<b>Vintage : V1997</b>											
	<b>Total Tax Classes</b>				<b>(\$286,963.13)</b>	<b>\$0.00</b>	<b>(\$297,825.57)</b>	<b>(\$305,205.69)</b>	<b>\$0.00</b>	<b>\$751.25</b>	<b>(\$297,074.32)</b>
				<b>Vintage Total:</b>	<b>(\$286,963.13)</b>	<b>\$0.00</b>	<b>(\$297,825.57)</b>	<b>(\$305,205.69)</b>	<b>\$0.00</b>	<b>\$751.25</b>	<b>(\$297,074.32)</b>
<b>Vintage : V1997 Q1</b>											
	<b>Total Tax Classes</b>				<b>\$1,017,551.41</b>	<b>\$0.00</b>	<b>\$1,017,551.41</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,017,551.41</b>
				<b>Vintage Total:</b>	<b>\$1,017,551.41</b>	<b>\$0.00</b>	<b>\$1,017,551.41</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,017,551.41</b>
<b>Vintage : V1997 Q2</b>											
	<b>Total Tax Classes</b>				<b>\$1,302,836.57</b>	<b>\$0.00</b>	<b>\$1,302,836.57</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,302,836.57</b>
				<b>Vintage Total:</b>	<b>\$1,302,836.57</b>	<b>\$0.00</b>	<b>\$1,302,836.57</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,302,836.57</b>
<b>Vintage : V1997 Q3</b>											
	<b>Total Tax Classes</b>				<b>\$1,260,367.62</b>	<b>\$0.00</b>	<b>\$1,260,367.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,260,367.62</b>
				<b>Vintage Total:</b>	<b>\$1,260,367.62</b>	<b>\$0.00</b>	<b>\$1,260,367.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,260,367.62</b>
<b>Vintage : V1997 Q4</b>											
	<b>Total Tax Classes</b>				<b>\$1,668,680.01</b>	<b>\$0.00</b>	<b>\$1,668,680.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,668,680.01</b>
				<b>Vintage Total:</b>	<b>\$1,668,680.01</b>	<b>\$0.00</b>	<b>\$1,668,680.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,668,680.01</b>
<b>Vintage : V1998</b>											

## Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V1998</b>											
	Total Tax Classes				(\$280,791.60)	\$0.00	(\$283,614.91)	(\$280,791.60)	\$0.00	\$337.05	(\$283,277.86)
				Vintage Total:	(\$280,791.60)	\$0.00	(\$283,614.91)	(\$280,791.60)	\$0.00	\$337.05	(\$283,277.86)
<b>Vintage : V1998 Q1</b>											
	Total Tax Classes				\$1,203,983.44	\$0.00	\$1,203,983.44	\$0.00	\$0.00	\$0.00	\$1,203,983.44
				Vintage Total:	\$1,203,983.44	\$0.00	\$1,203,983.44	\$0.00	\$0.00	\$0.00	\$1,203,983.44
<b>Vintage : V1998 Q2</b>											
	Total Tax Classes				\$1,226,705.45	\$0.00	\$1,226,705.45	\$0.00	\$0.00	\$0.00	\$1,226,705.45
				Vintage Total:	\$1,226,705.45	\$0.00	\$1,226,705.45	\$0.00	\$0.00	\$0.00	\$1,226,705.45
<b>Vintage : V1998 Q3</b>											
	Total Tax Classes				\$865,866.57	\$0.00	\$865,866.57	\$0.00	\$0.00	\$0.00	\$865,866.57
				Vintage Total:	\$865,866.57	\$0.00	\$865,866.57	\$0.00	\$0.00	\$0.00	\$865,866.57
<b>Vintage : V1998 Q4</b>											
	Total Tax Classes				\$1,654,358.62	\$0.00	\$1,654,358.62	\$0.00	\$0.00	\$0.00	\$1,654,358.62
				Vintage Total:	\$1,654,358.62	\$0.00	\$1,654,358.62	\$0.00	\$0.00	\$0.00	\$1,654,358.62
<b>Vintage : V1999</b>											
	Total Tax Classes				\$5,234,103.35	\$0.00	\$5,232,750.52	(\$492,800.75)	\$0.00	\$80.05	\$5,232,830.57
				Vintage Total:	\$5,234,103.35	\$0.00	\$5,232,750.52	(\$492,800.75)	\$0.00	\$80.05	\$5,232,830.57
<b>Vintage : V2000</b>											
	Total Tax Classes				(\$174,635.97)	\$0.00	(\$190,290.30)	(\$194,140.42)	\$0.00	\$901.50	(\$189,388.80)
				Vintage Total:	(\$174,635.97)	\$0.00	(\$190,290.30)	(\$194,140.42)	\$0.00	\$901.50	(\$189,388.80)
<b>Vintage : V2000 Q1</b>											
	Total Tax Classes				\$1,523,900.15	\$0.00	\$1,523,900.15	\$84,114.05	\$0.00	\$0.00	\$1,523,900.15
				Vintage Total:	\$1,523,900.15	\$0.00	\$1,523,900.15	\$84,114.05	\$0.00	\$0.00	\$1,523,900.15
<b>Vintage : V2000 Q2</b>											
	Total Tax Classes				\$779,548.84	\$0.00	\$779,548.84	\$0.00	\$0.00	\$0.00	\$779,548.84
				Vintage Total:	\$779,548.84	\$0.00	\$779,548.84	\$0.00	\$0.00	\$0.00	\$779,548.84
<b>Vintage : V2000 Q3</b>											

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V2000 Q3</b>											
	<b>Total Tax Classes</b>				\$1,624,665.97	\$0.00	\$1,624,665.97	\$1,057,986.98	\$0.00	\$0.00	\$1,624,665.97
				<b>Vintage Total:</b>	\$1,624,665.97	\$0.00	\$1,624,665.97	\$1,057,986.98	\$0.00	\$0.00	\$1,624,665.97
<b>Vintage : V2000 Q4</b>											
	<b>Total Tax Classes</b>				\$1,267,019.61	\$0.00	\$1,267,019.61	\$0.00	\$0.00	\$0.00	\$1,267,019.61
				<b>Vintage Total:</b>	\$1,267,019.61	\$0.00	\$1,267,019.61	\$0.00	\$0.00	\$0.00	\$1,267,019.61
<b>Vintage : V2001</b>											
	<b>Total Tax Classes</b>				\$4,546,581.89	\$0.00	\$4,526,232.98	\$168,248.54	\$0.00	\$1,097.62	\$4,527,330.60
				<b>Vintage Total:</b>	\$4,546,581.89	\$0.00	\$4,526,232.98	\$168,248.54	\$0.00	\$1,097.62	\$4,527,330.60
<b>Vintage : V2001 30% Bonus</b>											
	<b>Total Tax Classes</b>				(\$3,040.95)	\$0.00	(\$54,926.68)	(\$189,770.79)	\$0.00	\$2,798.72	(\$52,127.96)
				<b>Vintage Total:</b>	(\$3,040.95)	\$0.00	(\$54,926.68)	(\$189,770.79)	\$0.00	\$2,798.72	(\$52,127.96)
<b>Vintage : V2002</b>											
	<b>Total Tax Classes</b>				\$3,112,406.86	\$0.00	\$1,955,701.00	\$1,526,638.43	\$0.00	\$52,832.15	\$2,008,533.15
				<b>Vintage Total:</b>	\$3,112,406.86	\$0.00	\$1,955,701.00	\$1,526,638.43	\$0.00	\$52,832.15	\$2,008,533.15
<b>Vintage : V2002 30% Bonus</b>											
	<b>Total Tax Classes</b>				\$2,253,420.32	\$0.00	\$2,256,052.18	(\$295,895.97)	\$0.00	\$49,253.87	\$2,305,306.05
				<b>Vintage Total:</b>	\$2,253,420.32	\$0.00	\$2,256,052.18	(\$295,895.97)	\$0.00	\$49,253.87	\$2,305,306.05
<b>Vintage : V2003</b>											
	<b>Total Tax Classes</b>				\$805,913.42	\$0.00	\$604,169.16	\$630,029.50	\$0.00	\$31,015.50	\$635,184.66
				<b>Vintage Total:</b>	\$805,913.42	\$0.00	\$604,169.16	\$630,029.50	\$0.00	\$31,015.50	\$635,184.66
<b>Vintage : V2003 30% Bonus</b>											
	<b>Total Tax Classes</b>				(\$198,559.96)	\$0.00	(\$185,101.31)	(\$13,458.65)	\$0.00	(\$8,972.49)	(\$194,073.80)
				<b>Vintage Total:</b>	(\$198,559.96)	\$0.00	(\$185,101.31)	(\$13,458.65)	\$0.00	(\$8,972.49)	(\$194,073.80)
<b>Vintage : V2003 50% Bonus</b>											
	<b>Total Tax Classes</b>				\$1,252,373.46	\$0.00	\$1,168,560.90	\$14,381.70	\$0.00	\$55,875.59	\$1,224,436.49
				<b>Vintage Total:</b>	\$1,252,373.46	\$0.00	\$1,168,560.90	\$14,381.70	\$0.00	\$55,875.59	\$1,224,436.49
<b>Vintage : V2004</b>											



Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V2004</b>											
	<b>Total Tax Classes</b>				\$83,081.58	\$0.00	\$126,158.87	(\$90,858.65)	\$0.00	\$5,252.17	\$131,411.04
				<b>Vintage Total:</b>	\$83,081.58	\$0.00	\$126,158.87	(\$90,858.65)	\$0.00	\$5,252.17	\$131,411.04
<b>Vintage : V2004 50% Bonus</b>											
	<b>Total Tax Classes</b>				\$2,621,327.59	\$0.00	\$2,357,924.77	\$186,187.63	\$0.00	\$105,360.77	\$2,463,285.54
				<b>Vintage Total:</b>	\$2,621,327.59	\$0.00	\$2,357,924.77	\$186,187.63	\$0.00	\$105,360.77	\$2,463,285.54
<b>Vintage : V2004 30%</b>											
	<b>Total Tax Classes</b>				\$377,480.79	\$0.00	\$335,377.45	\$42,103.34	\$0.00	\$16,841.33	\$352,218.78
				<b>Vintage Total:</b>	\$377,480.79	\$0.00	\$335,377.45	\$42,103.34	\$0.00	\$16,841.33	\$352,218.78
<b>Vintage : V2005</b>											
	<b>Total Tax Classes</b>				\$3,902,017.61	\$0.00	\$3,655,545.03	\$1,778,322.86	\$0.00	\$71,899.81	\$3,727,444.84
				<b>Vintage Total:</b>	\$3,902,017.61	\$0.00	\$3,655,545.03	\$1,778,322.86	\$0.00	\$71,899.81	\$3,727,444.84
<b>Vintage : V2005 50% Bonus</b>											
	<b>Total Tax Classes</b>				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
				<b>Vintage Total:</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Vintage : V2006</b>											
	<b>Total Tax Classes</b>				(\$1,019,094.54)	\$0.00	(\$993,746.43)	(\$1,020,376.82)	\$0.00	(\$5,848.09)	(\$999,594.52)
				<b>Vintage Total:</b>	(\$1,019,094.54)	\$0.00	(\$993,746.43)	(\$1,020,376.82)	\$0.00	(\$5,848.09)	(\$999,594.52)
<b>Vintage : V2007</b>											
	<b>Total Tax Classes</b>				\$4,760,146.93	\$0.00	\$4,775,665.44	\$4,941,179.93	\$0.00	\$134,133.00	\$4,909,798.44
				<b>Vintage Total:</b>	\$4,760,146.93	\$0.00	\$4,775,665.44	\$4,941,179.93	\$0.00	\$134,133.00	\$4,909,798.44
<b>Vintage : V2008</b>											
	<b>Total Tax Classes</b>				\$5,619,053.93	\$0.00	\$5,516,512.34	\$5,598,745.50	\$0.00	\$12,212.48	\$5,528,724.82
				<b>Vintage Total:</b>	\$5,619,053.93	\$0.00	\$5,516,512.34	\$5,598,745.50	\$0.00	\$12,212.48	\$5,528,724.82
<b>Vintage : V2008 50%</b>											
	<b>Total Tax Classes</b>				\$4,488,132.83	\$0.00	\$4,204,042.94	\$4,488,132.83	\$0.00	\$273,149.69	\$4,477,192.63
				<b>Vintage Total:</b>	\$4,488,132.83	\$0.00	\$4,204,042.94	\$4,488,132.83	\$0.00	\$273,149.69	\$4,477,192.63
<b>Vintage : V2009</b>											

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V2009</b>											
	<b>Total Tax Classes</b>				\$4,064,230.49	\$0.00	\$3,485,232.23	\$4,050,883.93	\$0.00	\$223,640.04	\$3,708,872.27
				<b>Vintage Total:</b>	\$4,064,230.49	\$0.00	\$3,485,232.23	\$4,050,883.93	\$0.00	\$223,640.04	\$3,708,872.27
<b>Vintage : V2009 50%</b>											
	<b>Total Tax Classes</b>				\$5,172,254.58	\$0.00	\$4,495,066.29	\$5,172,254.58	\$0.00	\$311,805.53	\$4,806,871.82
				<b>Vintage Total:</b>	\$5,172,254.58	\$0.00	\$4,495,066.29	\$5,172,254.58	\$0.00	\$311,805.53	\$4,806,871.82
<b>Vintage : V2010</b>											
	<b>Total Tax Classes</b>				(\$672,965.37)	\$0.00	(\$392,525.32)	(\$668,780.25)	\$0.00	(\$41,746.00)	(\$434,271.32)
				<b>Vintage Total:</b>	(\$672,965.37)	\$0.00	(\$392,525.32)	(\$668,780.25)	\$0.00	(\$41,746.00)	(\$434,271.32)
<b>Vintage : V2010 50%</b>											
	<b>Total Tax Classes</b>				\$1,839,407.35	\$0.00	\$1,459,277.32	\$1,839,407.35	\$0.00	\$108,611.16	\$1,567,888.48
				<b>Vintage Total:</b>	\$1,839,407.35	\$0.00	\$1,459,277.32	\$1,839,407.35	\$0.00	\$108,611.16	\$1,567,888.48
<b>Vintage : V2010 100%</b>											
	<b>Total Tax Classes</b>				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
				<b>Vintage Total:</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Vintage : V2011 100%</b>											
	<b>Total Tax Classes</b>				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
				<b>Vintage Total:</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Vintage : V2011</b>											
	<b>Total Tax Classes</b>				\$961,642.50	\$0.00	\$628,121.41	\$935,550.89	\$0.00	\$39,941.65	\$668,063.06
				<b>Vintage Total:</b>	\$961,642.50	\$0.00	\$628,121.41	\$935,550.89	\$0.00	\$39,941.65	\$668,063.06
<b>Vintage : V2011 50%</b>											
	<b>Total Tax Classes</b>				\$60,904.80	\$0.00	\$35,090.89	\$60,904.80	\$0.00	\$2,716.95	\$37,807.84
				<b>Vintage Total:</b>	\$60,904.80	\$0.00	\$35,090.89	\$60,904.80	\$0.00	\$2,716.95	\$37,807.84
<b>Vintage : V2012</b>											
	<b>Total Tax Classes</b>				\$29,704.17	\$0.00	\$10,406.19	\$29,704.17	\$0.00	\$993.26	\$11,399.45
				<b>Vintage Total:</b>	\$29,704.17	\$0.00	\$10,406.19	\$29,704.17	\$0.00	\$993.26	\$11,399.45
<b>Vintage : V2012 50%</b>											

## Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V2012 50%</b>											
	<b>Total Tax Classes</b>				\$6,856,966.53	\$0.00	\$3,731,288.16	\$6,837,310.13	\$0.00	\$297,715.41	\$4,029,003.57
				<b>Vintage Total:</b>	\$6,856,966.53	\$0.00	\$3,731,288.16	\$6,837,310.13	\$0.00	\$297,715.41	\$4,029,003.57
<b>Vintage : V2013</b>											
	<b>Total Tax Classes</b>				\$327,364.95	\$0.00	\$170,039.72	\$303,905.11	\$0.00	\$8,051.27	\$178,090.99
				<b>Vintage Total:</b>	\$327,364.95	\$0.00	\$170,039.72	\$303,905.11	\$0.00	\$8,051.27	\$178,090.99
<b>Vintage : V2013 50%</b>											
	<b>Total Tax Classes</b>				\$7,502,418.38	\$0.00	\$3,699,877.40	\$7,491,143.38	\$0.00	\$330,620.30	\$4,030,497.70
				<b>Vintage Total:</b>	\$7,502,418.38	\$0.00	\$3,699,877.40	\$7,491,143.38	\$0.00	\$330,620.30	\$4,030,497.70
<b>Vintage : V2014</b>											
	<b>Total Tax Classes</b>				\$254,872.87	\$0.00	\$84,005.11	\$218,645.33	\$0.00	\$5,722.73	\$89,727.84
				<b>Vintage Total:</b>	\$254,872.87	\$0.00	\$84,005.11	\$218,645.33	\$0.00	\$5,722.73	\$89,727.84
<b>Vintage : V2014 50%</b>											
	<b>Total Tax Classes</b>				\$11,550,056.77	\$0.00	\$5,426,917.24	\$11,550,056.77	\$0.00	\$489,903.88	\$5,916,821.12
				<b>Vintage Total:</b>	\$11,550,056.77	\$0.00	\$5,426,917.24	\$11,550,056.77	\$0.00	\$489,903.88	\$5,916,821.12
<b>Vintage : V2015</b>											
	<b>Total Tax Classes</b>				\$533,734.06	\$0.00	\$81,892.78	\$438,818.98	\$0.00	\$13,033.76	\$94,926.54
				<b>Vintage Total:</b>	\$533,734.06	\$0.00	\$81,892.78	\$438,818.98	\$0.00	\$13,033.76	\$94,926.54
<b>Vintage : V2015 50%</b>											
	<b>Total Tax Classes</b>				\$9,978,501.44	\$0.00	\$4,229,081.79	\$9,742,226.10	\$0.00	\$442,402.18	\$4,671,483.97
				<b>Vintage Total:</b>	\$9,978,501.44	\$0.00	\$4,229,081.79	\$9,742,226.10	\$0.00	\$442,402.18	\$4,671,483.97
<b>Vintage : V2016</b>											
	<b>Total Tax Classes</b>				\$330,734.00	\$0.00	\$50,492.15	\$316,806.13	\$0.00	\$9,162.19	\$59,654.34
				<b>Vintage Total:</b>	\$330,734.00	\$0.00	\$50,492.15	\$316,806.13	\$0.00	\$9,162.19	\$59,654.34
<b>Vintage : V2016 50%</b>											
	<b>Total Tax Classes</b>				\$12,032,279.10	\$0.00	\$4,445,275.11	\$11,861,521.06	\$0.00	\$574,886.43	\$5,020,161.54
				<b>Vintage Total:</b>	\$12,032,279.10	\$0.00	\$4,445,275.11	\$11,861,521.06	\$0.00	\$574,886.43	\$5,020,161.54
<b>Vintage : V2017</b>											

Grouped By: Total Tax Classes

Tax Class	Tax Rate Applied	Est Salv	Life	Rate Convention	Beginning Asset Basis	Activity	Beginning Reserve	Recovery Basis	Bonus Depreciation	Current Depreciation	Ending Reserve
<b>Vintage : V2017</b>											
	<b>Total Tax Classes</b>				\$246,226.00	\$0.00	\$29,717.70	\$227,658.52	\$0.00	\$6,567.62	\$36,285.32
				<b>Vintage Total:</b>	\$246,226.00	\$0.00	\$29,717.70	\$227,658.52	\$0.00	\$6,567.62	\$36,285.32
<b>Vintage : V2017 50%</b>											
	<b>Total Tax Classes</b>				\$9,660,360.61	\$0.00	\$3,179,945.87	\$9,516,132.63	\$0.00	\$497,783.05	\$3,677,728.92
				<b>Vintage Total:</b>	\$9,660,360.61	\$0.00	\$3,179,945.87	\$9,516,132.63	\$0.00	\$497,783.05	\$3,677,728.92
<b>Vintage : V2017 100%</b>											
	<b>Total Tax Classes</b>				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
				<b>Vintage Total:</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Vintage : V2018</b>											
	<b>Total Tax Classes</b>				\$32,321,628.98	\$0.00	\$8,121,863.30	\$32,134,599.06	\$0.00	\$1,821,300.60	\$9,943,163.90
				<b>Vintage Total:</b>	\$32,321,628.98	\$0.00	\$8,121,863.30	\$32,134,599.06	\$0.00	\$1,821,300.60	\$9,943,163.90
<b>Vintage : V2019</b>											
	<b>Total Tax Classes</b>				\$39,250,377.21	\$0.00	\$8,071,830.63	\$39,160,231.21	\$0.00	\$2,617,755.26	\$10,689,585.89
				<b>Vintage Total:</b>	\$39,250,377.21	\$0.00	\$8,071,830.63	\$39,160,231.21	\$0.00	\$2,617,755.26	\$10,689,585.89
<b>Vintage : V2020</b>											
	<b>Total Tax Classes</b>				\$47,650,707.11	\$0.00	\$5,781,286.15	\$47,641,648.59	\$0.00	\$3,560,903.02	\$9,342,189.17
				<b>Vintage Total:</b>	\$47,650,707.11	\$0.00	\$5,781,286.15	\$47,641,648.59	\$0.00	\$3,560,903.02	\$9,342,189.17
<b>Vintage : V2021</b>											
	<b>Total Tax Classes</b>				\$54,512,336.07	\$0.00	\$2,666,912.71	\$54,512,336.07	\$0.00	\$5,194,143.95	\$7,861,056.66
				<b>Vintage Total:</b>	\$54,512,336.07	\$0.00	\$2,666,912.71	\$54,512,336.07	\$0.00	\$5,194,143.95	\$7,861,056.66
<b>Vintage : V2022</b>											
	<b>Total Tax Classes</b>				\$0.00	\$53,690,202.73	\$0.00	\$53,690,202.73	\$0.00	\$2,765,601.47	\$2,765,601.47
				<b>Vintage Total:</b>	\$0.00	\$53,690,202.73	\$0.00	\$53,690,202.73	\$0.00	\$2,765,601.47	\$2,765,601.47
				<b>Federal Total:</b>	\$403,584,734.82	\$53,690,202.73	\$214,357,595.52	\$346,152,020.03	\$0.00	\$20,259,474.13	\$234,617,069.63
				<b>Company Total:</b>	\$403,584,734.82	\$53,690,202.73	\$214,357,595.52	\$346,152,020.03	\$0.00	\$20,259,474.13	\$234,617,069.63

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

96. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Items 101 (Attachment A) and 215. Confirm the book/tax timing differences associated with the Repair Deduction outlined in the attachment to response 1-215 may be found within Excel row 17 of the revised B-6 ADIT and EDIT. If this is not confirmed, identify the location where the repair related book/tax timing differences may be located within Attachment 101(A).

**Response:**

Correct. The book/tax temporary difference associated with the tax repair deduction is included in the rate base ADIT balance of the revised B-6 ADIT & EDIT (Forecast) row 17 (Line No. 5).

The book/tax temporary difference related to the tax repairs deduction provided in response to KY PSC Case No. 2021-00183 AG 1-215, Attachment A is included in the summary of the Federal and State deferred tax balances provided on KY PSC Case No. 2021-00183 AG 1-215, Attachment B, Lines 5 and 15,

respectively. These amounts are included in the total property book/tax temporary differences presented on the revised Schedule B-6 (Forecast) provided on KY PSC Case No. 2021-183 AG 1-101, Attachment A, Pages 1 and 2, Lines 91 and 92, which total the rate base ADIT on Line 5 for 'Account- Deferred Income Tax Depreciation'.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

97. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Item 128. Provide the level of NiSource Next initiative costs incorporated into the Base Period and Forecast Period budgets of i) Columbia Kentucky and ii) the portion of costs allocable to Columbia Kentucky.

**Response:**

- i) NiSource Next costs included in the Based Period ended August 31, 2021 for Columbia Kentucky totaled \$227,926 of Operations and Maintenance costs. NiSource Next costs included in the Forecast period ended December 31, 2022 for Columbia Kentucky totaled \$46,193 consisting only of Internal O&M Costs.
- ii) NiSource Next costs allocated to Columbia Kentucky for the Based Period ended August 31, 2021 totaled \$1,634,732 of Operations and Maintenance costs (including severance costs). NiSource Next costs allocated to Columbia Kentucky for the Forecast period ended December 31, 2022 totaled \$768,024 of Operations and Maintenance costs.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

98. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Item 128, Attachment C, .pdf page 9 of 40. Indicate whether the Program Savings identified within this response are incorporated into the NCSC budget included in this filing. If this is affirmed, provide a complete explanation and supporting analysis documenting this conclusion.

**Response:**

The specific Program Savings identified within the referenced attachment were not incorporated into the NCSC budget included in this filing. These Program Savings depicted in CONFIDENTIAL KY PSC Case No. 2021-00183, AG 1-128, Attachment C page 9 of 40 were estimates available as of the presentation date, October 21, 2020 (page 1 of 40). Between the October 21, 2020 presentation and the NiSource budget, the savings estimates were revised and some program implementation dates were modified to consider the proper dependencies and priorities. Additionally these Program Savings depicted savings of NCSC and other NiSource affiliates. The savings included in the



NCSC budget included in the filing are a subset of the savings shown on  
CONFIDENTIAL KY PSC Case No. 2021-00183, AG 1-128, Attachment G page 7 of 27.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

99. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Item 130. Provide the justification for the inclusion of \$8.9 and \$8.7 million in growth capital expenditures in 2021 and 2022 respectively.

**Response:**

Growth capital expenditures are used for any facilities that are required to serve new customers and part of Columbia's annual capital program. The forecasted growth capital expenditures for 2021 and 2022 represent both actual known projects and a projection of expected customer growth. For example, for 2021, Columbia has spent \$4.3 million YTD as of July 31 and is currently forecasting an additional spend of \$6 million for the remainder of 2021 based on known projects released for construction depending on when the builders/developers get their sites prepared for construction. This totals to more than the \$8.9 million forecasted earlier this year due to increased requests from local developers. Likewise, the 2022 growth projection of \$8.7 million was developed with a combination of known potential projects and estimated customer additions.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

100. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Item 134. Please respond to the following:

a. There is a significant difference between the Actual and Budgeted FY 2020 results for 401k and Corporate Service Bill categories within the Corporate Miscellaneous category. Provide a copy of any existing variance analysis which addresses the causes of these variances.

b. Provide a comprehensive explanation of the nature of the "Gas Presidents' Group" category contained in Category A. What is the distinction between the labor within this category contrasted with the labor within the Gas Operations category?

c. Identify the portion of forecasted labor contained in the Corporate Miscellaneous category.

d. Indicate whether labor costs within the categories: Customer Operations,

Engineering and Standards, Engineering Services, Gas Operations, Pipeline Safety

Technical Services, and Training are considered to originate from NCSC? Or instead, are these labor costs considered departmental costs within Columbia Kentucky?

e. Identify the memberships and associated amounts incorporated within the forecasted Membership Dues within the Gas Presidents Group category.

**Response:**

- a. The variance in Corporate Service Bill in FY 2020 was driven by the increase in telecommunications costs related to network services, software growth and project carry-overs, and costs associated with NiSource Next and severance. The variance in 401k in FY 2020 was mainly due to an increase in the number of employees contributing to the 401k plan coupled with an increase in contributions.
- b. The Gas Presidents Group includes Columbia employees performing work dedicated to regulatory, governmental and public affairs, large customer relations, customer programs, and safety compliance and risk management. Gas Operations, led by the Vice President of Operations and Construction, represents Columbia employees performing work dedicated to field operations, system operations, and construction services. Employees in both

- the Gas Presidents Group and Gas Operations report up to the President and Chief Operating Officer of Columbia Gas of Kentucky.
- c. Corporate Service Bill is the only category under Corporate Miscellaneous that includes labor. Please refer to the response to KY PSC Case No. 2021-00183 AG 1-135 Attachment A for the forecasted labor in Corporate Service Bill for the forecasted test period.
  - d. Labor costs within Customer Operations, Engineering and Standards, Engineering Services, Gas Operations, Pipeline Safety Technical Services, and Training are Columbia direct employees and represent departmental costs within Columbia.
  - e. The forecasted membership dues of \$50,516 were trended based on historic actual and not identifiable at the individual membership (or vendor) level for budget purposes.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

101. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Item 139, and specifically the Safety Plan initiative. Provide a complete explanation of the nature of the Safety Plan and how such cost forecasts were determined.

**Response:**

The Safety Plan is a multifaceted plan that will include new processes, training, tools and support all of which are designed to improve safety and eliminate high-consequence events. The goal is to eliminate those high-consequence events by providing clear processes, training and support to our employees so they have the knowledge, skill and confidence to perform flawlessly and repeatedly. Please refer to KY PSC Case No. 2021-00183, AG 2-101, Attachment A for the list of programs in 2022. The cost forecasts were estimated based on the experience of the program directors.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

KY PSC Case No. 2021-00183  
Response to the Attorney General's Data Request Set Two No. 102  
Respondent: Susan Taylor

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

102. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Item 153. Attachment 153 B is referenced as various sheets titled WPC-3, etc. Please identify where these sheets may be located in the previously provided information.

**Response:**

The title WPC-3 referenced in KY PSC Case No. 2021-00183, AG 1-153, Attachment B was mistakenly labeled, and does not relate to any information previously provided in this proceeding.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

103. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Items 153 Attachment A, 165, and 166. Please respond to the following:

- a. Provide the post-adjusted portion of incentive compensation costs identified within Attachment 153-A split between Executive and Non-Executive.
- b. Provide the forecasted level of short-term incentive compensation incorporated into the forecast period.

**Response:**

- a. The split of incentive compensation costs is 30.6% Executive or \$183,834 of the post-adjusted incentive compensation and 69.4% for Non-Executive or \$416,932 of the post-adjusted incentive compensation. Please refer to KY PSC Case No. 2021-00183, AG 2-103 Attachment A for support.
- b. Please refer to Witness Taylor Testimony lines 4 through 9 on page 18. The level of short-term incentive compensation incorporated into the 2022

forecast period is \$600,766 (\$1,143,875 of the 2022 budget amount less adjustment of \$543,109).

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

KY PSC Case No. 2021-00183  
Response to the Attorney General's Data Request Set Two No. 104  
Respondent: Jennifer Harding

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

104. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Item 224. Provide the effective date of the Assessed Value identified within Attachment 224-A.

**Response:**

The effective date of the assessed value identified within KY PSC Case No. 2021-00183 AG 1-224, Attachment A is June 8, 2021. Please the formal notice from the Commonwealth of Kentucky, Department of Revenue, Office of Property Valuation attached KY PSC Case No. 2021-00183, AG 2-104, Attachment A.

**COMMONWEALTH OF KENTUCKY**  
**DEPARTMENT OF REVENUE**  
OFFICE OF PROPERTY VALUATION  
PUBLIC SERVICE BRANCH  
STATION 32 4TH FL, 501 HIGH STREET  
FRANKFORT, KY 40601-2103  
Phone (502) 564-8175 Fax (502) 564-8192

## NOTICE OF ASSESSMENT

**COLUMBIA GAS OF KENTUCKY INC**  
**JOHN SCOTT**  
**290 W NATIONWIDE BLVD**  
**COLUMBUS, OH 43215-0000**

**GNC: 005525**  
**TYPE CO: GU**  
**TAX TYPE: 035**  
**TAX ID: 550139565**

This Notice of Assessment will become final on 06/08/2021, 60 days from the notice date. A corresponding Notice of Tax Due is being sent from the Compliance and Accounts Receivable System based on the Total Assessment shown below. The Notice of Tax Due will provide the state tax liability, any applicable interest and/or filing penalties that may be assessed. Local taxes will be billed separately by the local taxing jurisdictions where your property is located.

If you protest this assessment, see enclosed 61F009 Notification-Protesting your Assessment. You must submit a written protest in accordance with KRS 131.110; and as required by KRS 132.825(10) and KRS136.180(2), your protest must specify the valuation you claim to be true. Your written protest stating your claimed value and your payment of tax for your claimed value must be submitted to the Department of Revenue on or before 06/08/2021 or no further remedies will be available regarding this assessment per KRS 134.590. Submit your protest and payment to: ATTN: Public Service Branch, Division of State Valuation, KENTUCKY DEPARTMENT OF REVENUE, Sta. 32, 4th Floor, 501 High Street, Frankfort, KY 40601-2103. You may contact the Public Service Branch at Phone (502) 564-8175 and Fax (502) 564-8192.

**NOTICE DATE: 04/09/2021 TAX YEAR: 2020 (For Year Ending December 31, 2019)**

PROPERTY CLASS	TAX RATE Per \$100	ASSESSED VALUE	STATE TAX DUE
Subject to State and Local Tax			
Real Estate	0.122	\$321,878,700.00	\$392,692.01
**Tangible Personal Property	0.45	\$84,138,128.00	\$378,621.58
Business Inventory	0.05	\$0.00	\$0.00
Inventory In Transit	0.00	\$0.00	\$0.00
Subject to State Tax Only			
Foreign Trade Zone Property	0.001	\$0.00	\$0.00
Recycling Equipment	0.45	\$0.00	\$0.00
Manufacturing Machinery	0.15	\$0.00	\$0.00
Pollution Control Equipment	0.15	\$0.00	\$0.00
Business Inventory (MM)	0.05	\$0.00	\$0.00
IRB Property	0.015	\$0.00	\$0.00
IRB Property Nontaxable	0.00	\$0.00	\$0.00
TOTALS		\$406,016,828.00	\$771,313.59

\*\* Excludes Motor Vehicles \$2,908,492.00

A 10% penalty is charged for late filed returns per KRS 132.290(3). A 20% penalty is charged for omitted property per KRS 132.290(4). Applicable interest will be applied when late or omitted.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

105. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Items 183, 223, and 224 and their respective attachments.

a. Reconcile the 2020 Property Tax amount per Attachment 224 (A) with the 2020 Property Tax Expense identified within Attachment 183 (A).

b. Reconcile the 2022 Property Tax forecast identified in Attachment 223 (A) with the 2022 Property Tax Forecast identified within Attachment 183 (A).

c. Provide any underlying support for the escalating Effecting Tax Rates, incorporating inflation factors into tax rates, as set out in Attachment 223 (A).

**Response:**

a. Please see the reconciliation of the 2020 property tax amount depicted assessment from the Kentucky Department of Revenue of \$5,407,855 on KY PSC Case No. 2021-00183, AG 1-224, Attachment A and the 2020 property tax expense of \$5,876,994 which represents Columbia Kentucky's accrued tax

expense for Kentucky property tax and West Virginia property tax for stored gas.

2020 Kentucky Property Tax Accrual <sup>1</sup>	\$5,710,899.96
2020 West Virginia Property Tax Accrual	208,365.97
Write off 2018 remaining balance	<u>(42,271.82)</u>
2020 Property Tax Expense	<u>\$5,876,994.11</u>
2020 Kentucky Property Tax Accrual	\$5,710,899.96
2020 Kentucky Property Tax Assessment	<u>5,407,855.83</u>
True-up recorded in April 2021	<u>(303,044.13)</u>

- b. 2022 property tax expense computed on WPD2.4f of \$7,566,243 compared to the test year (2022) property tax expense forecasted on Schedule C-2.2B of \$7,737,500 results in a difference of \$171,257. This is due the Company updating for the 2020 assessment value from the Kentucky Department of Revenue and refined net capital additions.
- c. The inflation factors presented on KY PSC Case No. 2021-00183, AG 1-223, Attachment A included the West Virginia Property Tax. An updated schedule has been provided to break out the tax expense on KY PSC Case No. 2021-

---

<sup>1</sup> Based on the 2019 Property Tax Assessment increased by forecasted 2020 additions with estimated inflation factor

00183, AG 2-105, Attachment A, Pages 1-2 for transparency of the effective tax rate for Kentucky property tax only and the basis on which the Company estimated the inflation factor. The effective tax rate is computed by dividing the property tax expense by the assessment value. The Company evaluated the percentage increase of the property tax and assessment value from 2016 to 2020. The forecasted assessment value is determined by adding the net capital additions to the latest assessment value received by the Kentucky Department of Revenue. Based on the percentage increase in property tax and assessment value, the Company determined the inflation factor of 1.031 was a reasonable estimate for 2020 and 2021. As indicated in this schedule, the year over year percent change of the effective tax rate is not indicative of the change in property tax expense and assessment value.



ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

106. Refer to Columbia Kentucky's responses to the Attorney General's First Request, Items 197 and 221. Response 221 indicates employee benefit estimates for the forecasted test period were provided by AON. Response 197 indicates other benefit costs (non-pension) are reflected as an assumed 18.6 percent of salary.

a. Reconcile these two comments above, which seemingly contradict each other.

b. Provide the underlying 2020 calculations in which the 18.6% benefit ratio was

determined and reconcile that with the O&M portion of employee benefits

identified in response 221.

**Response:**

- a. Attorney General's First Request, Items 197 and 221 refer to Staff's First Request, Item 54 tab G-2 and tab D-2.2, respectively. Adjustment 2 on tab D-2.2 is related to employee benefits for the base period and the forecasted test period for Columbia employees. The breakdown of the individual employee benefits

included in the forecasted test period can be found in Columbia's Response to the Attorney General's First Set of Requests for Information, No. 221. Tab G-2, benefits section, refers to forecasted and base period information for seven individual officer positions and breaks down those costs by pension and other benefits. The seven individual officer positions include five NiSource Corporate Service Company officers and two Columbia officers.

- b. The underlying 2020 calculations in which the 18.6% benefit ratio was determined for the seven officers included in Tab G-2 was based upon the forecasted benefit figures received from Aon as a percent of total comp for 2020. This forecasted percent was determined by dividing company base wages by the cost of active benefits for 2020. For more details, refer to KY PSC Case No. 2021-00183, AG 2-106, Attachment A.

7.5.7 update from Aon

**NiSource Inc. Benefit Plans for the Period 2020 through 2025 (\$000)**  
**Corporate Services / Other Subtotal**

	2020		2021		2022		2023		2024		2025	
	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
<b>Cash Estimates by Plan:</b>												
Retirement	\$ 2,580	\$ 2,730	\$ 2,480	\$ 2,510	\$ 2,829	\$ 2,430	\$ 2,793	\$ 2,360	\$ 4,641	\$ 2,440		\$ 2,460
D.C.	10,914	9,243	11,241	9,581	11,577	10,825	11,926	11,148	12,285	11,482		11,827
Medical Active*	18,205	16,133	19,971	17,768	21,883	19,531	23,953	21,439	26,188	23,504		25,741
Medical Active HSA	998	982	998	982	998	982	998	982	998	982		982
Medical Retiree	1,976	2,186	1,935	2,029	1,896	1,986	1,854	1,928	1,837	1,905		1,883
Dental	1,122	1,080	1,156	1,122	1,191	1,156	1,227	1,191	1,264	1,227		1,264
Group Life Active	644	765	663	788	683	812	704	836	725	861		887
Group Life Retiree	28	8	31	31	32	31	32	33	34	34		35
Long Term Disability	997	993	1,027	1,023	1,058	1,054	1,089	1,085	1,122	1,118		1,151
Value Options**	35	33	35	33	36	34	36	34	36	34		35
Opt Out Credits	549	573	549	573	549	573	549	573	549	573		573
Vision	213	212	221	209	221	209	230	209	230	217		217
<b>Total</b>	<b>\$ 38,261</b>	<b>\$ 34,938</b>	<b>\$ 40,307</b>	<b>\$ 36,649</b>	<b>\$ 42,963</b>	<b>\$ 39,623</b>	<b>\$ 45,391</b>	<b>\$ 41,816</b>	<b>\$ 49,909</b>	<b>\$ 44,377</b>		<b>\$ 47,055</b>

	2020		2021		2022		2023		2024		2025	
	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current
<b>Expense Estimates by Plan:</b>												
Retirement	\$ 8,029	\$ 6,948	\$ 7,217	\$ 4,322	\$ 6,592	\$ 3,897	\$ 5,866	\$ 3,453	\$ 5,084	\$ 2,912		\$ 2,542
Qualified	3,048	1,526	2,589	186	2,171	(47)	1,759	(291)	1,350	(494)		(672)
Settlements	3,307	3,753	3,008	2,635	2,857	2,485	2,598	2,340	2,293	2,059		1,933
SERP	1,674	1,669	1,620	1,501	1,564	1,459	1,509	1,404	1,441	1,347		1,281
D.C.	10,967	9,329	11,295	10,565	11,536	10,880	11,966	11,206	12,344	11,543		11,889
Savings Plan Match	9,119	8,422	9,393	8,674	9,675	8,934	9,965	9,202	10,264	9,478		9,762
Profit Sharing	1,848	907	1,902	1,891	1,961	1,946	2,021	2,004	2,080	2,065		2,127
Medical	20,723	18,786	22,465	20,223	24,340	21,950	26,364	23,811	28,579	25,853		28,064
Active*	18,205	16,133	19,971	17,768	21,883	19,531	23,953	21,439	26,188	23,504		25,741
Active HSA	998	982	998	982	998	982	998	982	998	982		982
Retiree	1,520	1,671	1,496	1,473	1,459	1,437	1,413	1,390	1,393	1,367		1,341
Dental	1,122	1,080	1,156	1,122	1,191	1,156	1,227	1,191	1,264	1,227		1,264
Group Life	880	1,088	891	1,171	909	1,181	926	1,191	946	1,206		1,224
Active	644	765	663	788	683	812	704	836	725	861		887
Retiree	236	323	228	383	226	369	222	355	221	345		337
Long Term Disability	997	993	1,027	1,023	1,058	1,054	1,089	1,085	1,122	1,118		1,151
Value Options**	35	33	35	33	36	34	36	34	36	34		35
Medical Opt Out	549	573	549	573	549	573	549	573	549	573		573
Vision	213	212	221	209	221	209	230	209	230	217		217
<b>TOTAL</b>	<b>\$ 43,515</b>	<b>\$ 39,042</b>	<b>\$ 44,856</b>	<b>\$ 39,241</b>	<b>\$ 46,532</b>	<b>\$ 40,934</b>	<b>\$ 48,273</b>	<b>\$ 42,753</b>	<b>\$ 50,154</b>	<b>\$ 44,683</b>		<b>\$ 46,959</b>

\* Includes medical, RX, administrative fees, and PCORI fees.

**Active Benefit Expense**

Source: Aon Forecast  
\$ in 000's

Expense Estimates by Plan:	2020
DC Savings Plan Match	\$ 8,422
DC Profit Sharing	907
Active Medical	16,133
Active HSA	982
Dental	1,080
Active Life Insurance	765
Long Term Disability	993
Value Options (mental health)	33
Medical Opt Out	573
Vision	212
<b>Total Active Benefit Expense</b>	<b>\$ 30,100</b>

\$	162,206	2020 Base Wages
\$	30,100	2020 Active Benefit Expense
		<b>18.6% Other Benefits as a % of Salary</b>

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SECOND REQUEST FOR INFORMATION**  
**DATED AUGUST 11, 2021**

107. Refer to Columbia's response to Staff's Data Request Set 2, No. 4:

a. Provide the section from the current revolving credit facility agreement referenced in footnote (2) of Attachment A that sets forth the method for calculating Columbia Gas of KY's short-term debt cost.

b. Provide the historical actual cost of short-term debt for Columbia Gas of KY for the last 3 years. Show separately the 1-month LIBOR rate and the Revolver Eurodollar BBB+ spread.

**Response:**

(a) Please refer to KY PSC Case No. 2021-00183, AG 2-107, Attachment A for the pricing grid in NiSource's current revolving credit facility agreement. This pricing grid reflects NiSource's short-term borrowing costs only in those cases where NiSource does not issue commercial paper in the capital markets. Also, Columbia Gas of Kentucky's short-term borrowing costs are not directly

determined by NiSource's revolving credit facility pricing grid, as the Company generates short-term debt by borrowing from the NiSource system money pool. The interest rate for all borrowings from and investments in the system money pool is a composite rate determined monthly equal to the weighted average daily interest rate on short-term external borrowings by NiSource (which often are the form of commercial paper borrowings rather than revolving credit facility borrowings) plus earnings on external investments by NiSource. Please refer to KY PSC Case No. 2021-00183, AG 2-107, Attachment B for the system money pool rates over the last three years.

Annex A

PRICING GRID

The “Applicable Rate” for any day with respect to any Eurodollar Loan, ABR Loan, Facility Fee or LC Risk Participation Fee, as the case may be, is the percentage set forth below in the applicable row under the column corresponding to the Status that exists on such day:

Status	Level I	Level II	Level III	Level IV	Level V
Eurodollar Revolving Loans (basis points)	90	100	107.5	127.5	147.5
ABR Loans (basis points)	0	0	7.5	27.5	47.5
Facility Fee (basis points)	10	12.5	17.5	22.5	27.5
LC Risk Participation Fee (basis points)	90	100	107.5	127.5	147.5

For purposes of this Pricing Grid, the following terms have the following meanings (as modified by the provisos below):

“**Level I Status**” exists at any date if, at such date, the Index Debt is rated either A or higher by S&P or A2 or higher by Moody’s.

“**Level II Status**” exists at any date if, at such date, the Index Debt is rated either A- by S&P or A3 by Moody’s.

“**Level III Status**” exists at any date if, at such date, the Index Debt is rated either BBB+ by S&P or Baa1 by Moody’s.

“**Level IV Status**” exists at any date if, at such date, the Index Debt is rated either BBB by S&P or Baa2 by Moody’s.

“**Level V Status**” exists at any date if, at such date, the Index Debt is rated either BBB- by S&P or lower or Baa3 by Moody’s or lower, or, no other Status exists.

“**Status**” refers to the determination of which of Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status exists at any date.

The credit ratings to be utilized for purposes of this Pricing Grid are those assigned to the Index Debt, and any rating assigned to any other debt security of the Borrower shall be disregarded. The rating in effect at any date is that in effect at the close of business on such date.

Provided, that the applicable Status shall change as and when the applicable Index Debt ratings change.

Provided further, that if the Index Debt is split-rated, the applicable Status shall be determined on the basis of the higher of the two ratings then applicable; *provided further, that*, if the Index Debt is split-rated by two or more levels, the applicable Status shall instead be determined on the basis of the rating that is one level below the higher of the two ratings then applicable.

Provided further, that if both Moody's and S&P, or their successors as applicable, shall have ceased to issue or maintain such ratings, then the applicable Status shall be Level V.



ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUEST**  
**REGARDING COLUMBIA GAS OF KENTUCKY'S RESPONSE TO ATTORNEY**  
**GENERAL'S INITIAL DATA REQUEST ITEM NO. 197**  
**DATED AUGUST 13, 2021**

1. With respect to the Confidential Supplemental response to AG DR 1-197, provide the following in Excel format with all cell references intact:

- a. For each employee identified in this spreadsheet provide a breakdown of the Other Allowances compensation amount into their respective cost elements (annual incentive payout, vested stock, one-time payments, travel, financial planning, etc).
- b. Reconcile the adjustments identified within G-2 to adjustments identified in Schedule D-1.
- c. Reconcile the total salary of each listed position with the associated F.I.C.A. taxes allocated to the Company given the social security tax of 6.2% is capped at the first \$142,800 of compensation.

**Response:**

- a. See CONFIDENTIAL KY PSC Case No. 2021-00183, AG3-1, Attachment A: Table 1 for the breakdown of the forecasted Other Allowances by their respective cost elements for each position identified. For the first five officers, the amounts included in the spreadsheet only include the amounts allocated to Columbia by NCSC.
- b. See Columbia's Response to the Attorney General's Second Set of Requests for Information, No. 106 for an explanation of the adjustments identified within G-2 and Schedule D-1.
- c. See CONFIDENTIAL KY PSC Case No. 2021-00183, AG3-1, Attachment A: Table 2 for the forecasted FICA for each position broken down by Social Security, Medicare, and additional Medicare. For the first five officers, the amounts included in the spreadsheet only include the amounts allocated to Columbia by NCSC.

ATTACHMENT  
FILED UNDER SEAL  
PURSUANT TO A  
MOTION FOR  
CONFIDENTIAL  
TREATMENT