

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF COLUMBIA GAS)
OF KENTUCKY, INC. FOR AN ADJUSTMENT OF) Case No.
RATES; APPROVAL OF DEPRECIATION STUDY;) 2021-00183
APPROVAL OF TARIFF REVISIONS; ISSUANCE)
OF A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY; AND OTHER RELIEF)

ATTORNEY GENERAL’S SUPPLEMENTAL DATA REQUESTS

The intervenor, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention [“OAG”], hereby submits the following Supplemental Data Requests to Columbia Gas of Kentucky, Inc. [hereinafter “Columbia Kentucky” or the “Company”], to be answered by the date specified in the Commission’s Orders of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. The OAG can provide counsel for the Company with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the Company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity

that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, request clarification directly from counsel for OAG.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the Company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify OAG as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings;

maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the Company, state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and

method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

DANIEL CAMERON
ATTORNEY GENERAL



LAWRENCE W. COOK
J. MICHAEL WEST
ANGELA M. GOAD
JOHN G. HORNE II
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DR., STE. 200
FRANKFORT, KY 40601
(502) 696-5453
FAX: (502) 564-2698
Larry.Cook@ky.gov
Michael.West@ky.gov
Angela.Goad@ky.gov
John.Horne@ky.gov

Certificate of Service

Pursuant to the Commission's Order dated July 22, 2021 in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that an electronic copy of the forgoing was served and filed by e-mail to the parties of record.

This 11th day of August, 2021



Assistant Attorney General

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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.
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.
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.
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.
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.
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."

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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.

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.

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.

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.

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.

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

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- 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.
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.
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.
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.
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.
17. 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.

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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.
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.
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.
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.

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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.

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.

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.

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.

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.

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.

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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.
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.
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.
31. 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%.
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%.
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.

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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.
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.
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.
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.
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.
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).
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.

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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 Input-Translate tab.
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.
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.
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.
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.
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.
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.

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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.
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.
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.
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.
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

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

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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.
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.
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.
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.
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.
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.

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

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- 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.
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.
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.
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.
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.

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- 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.
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.
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.
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?
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.
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.

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- 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.

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.

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.

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:

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- 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.
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.
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.
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.
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.
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.

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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.
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.
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.
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 pro-rata 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.
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.
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?

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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.
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).
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.
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.
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.
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.

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- 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.
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.
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.
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.
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.
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).

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

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.

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.