

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

In the matter of: )  
)  
COLUMBIA GAS OF KENTUCKY, ) Case No. 2022-00342  
INC. ANNUAL ADJUSTMENTS TO )  
THE SAFETY MODIFICATION AND )  
REPLACEMENT PROGRAM )  
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**PREPARED DIRECT TESTIMONY OF  
JEFFERY GORE  
ON BEHALF OF COLUMBIA GAS OF KENTUCKY, INC.**

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Joseph M. Clark  
Assistant General Counsel  
John R. Ryan  
Senior Counsel  
290 W. Nationwide Blvd.  
Columbus, Ohio 43215  
Telephone: (614) 813-8685  
(614) 285-2220  
Email: josephclark@nisource.com  
johnryan@nisource.com

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Attorneys for Applicant  
**COLUMBIA GAS OF KENTUCKY, INC.**

1 I. INTRODUCTION

2 Q. Please state your name and business address.

3 A. My name is Jeffery T. Gore and my business address is 290 West Nation-  
4 wide Blvd., Columbus, Ohio 43215.

5  
6 Q: What is your current position and what are your responsibilities?

7 A: I am a Regulatory Manager for NiSource Corporate Services Company  
8 ("NCSC"). I am responsible for supporting the NiSource gas utilities in a  
9 variety of informational and rate filings, general rate case preparation and  
10 support, and other duties as assigned. My primary focus is on matters for  
11 Columbia Gas of Kentucky, Inc. ("CKY" or the "Company") and Columbia  
12 Gas of Ohio, Inc.

13  
14 Q: What is your educational background?

15 A: I graduated from The Ohio State University with a Bachelor of Science in  
16 Business Administration degree, double majoring in Accounting and  
17 Computer Science. I have a non-practicing Certified Public Accountant  
18 license.

1 **Q: What is your employment history?**

2 A: I have over 30 years work experience with the Columbia Gas Companies  
3 primarily within the Accounting and Regulatory departments. Within  
4 Accounting, my roles have varied from analyst and manager roles with  
5 Columbia distribution companies to Controller - NiSource Service  
6 Company & Asset Accounting. Between 2010 and 2015, I was a Regulatory  
7 Manager focusing on Columbia Gas of Massachusetts, Columbia Gas of  
8 Pennsylvania, and Columbia Gas of Maryland matters. I returned to the  
9 Regulatory department in the manager role in October 2018. In early 2021,  
10 my responsibilities were changed to include a focus on CKY.

11

12 **Q: Have you previously testified before the Kentucky Public Service**  
13 **Commission ("PSC")?**

14 A: Yes. I provided written direct and rebuttal testimony in Case No 2021-  
15 00183, supporting the requested revenue requirement. Additionally, I  
16 provided written direct and rebuttal testimony in Case No. 2002-00145  
17 regarding Other Employee Postretirement Benefit matters.

18

19

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1 **Q: Have you previously testified before any other Utility Commissions?**

2 A: I have provided direct and written testimony before the Massachusetts  
3 Department of Public Utilities on multiple occasions supporting the  
4 revenue requirement, including the cost of service and rate base, in the base  
5 rate cases, pension expense factor and targeted infrastructure reinvestment  
6 filings. Additionally, I have provided written testimony supporting the  
7 revenue requirement and plant in service in base rate cases on behalf of  
8 Columbia Gas of Ohio, Columbia Gas of Pennsylvania, and Columbia Gas  
9 of Maryland.

10

11 **II. PURPOSE**

12 **Q: What is the purpose of your testimony in this proceeding?**

13 A: My testimony will provide support for the Annual Adjustment to the Safety  
14 Modification and Replacement Program (“SMRP”) including the  
15 calculation of the revenue requirement and proposed billing rates. Further  
16 my testimony will discuss the newly developed filing format and  
17 underlying factor used within the filing.

1 **Q: Have you provided a copy of the Annual Adjustment to the SMRP?**

2 **A:** Yes. Please refer to Attachment JTG-1.

3

4 **Q: Why is the format of this annual update being changed from prior**  
5 **filings?**

6 **A:** There have been several changes to the SMRP revenue requirement  
7 calculation resulting from the Order in Case No. 2020-00327,<sup>1</sup> including  
8 using a 13-month average calculation for determining the rate base  
9 components [for example, Plant in Service, Accumulated Depreciation, and  
10 Accumulated Deferred Income Tax (“ADIT”)]. Additionally, the  
11 depreciation expense is calculated on each individual month, rather than a  
12 high-level annual calculation.

13

14 **Q: Did the outcome of the Columbia’s most recent base rate case<sup>2</sup> (“2021 Rate**  
15 **Case”) impact the format of this annual update?**

16 **A:** Yes. The base rates approved in Columbia’s most recent rate case included  
17 recovery of all the Company’s 2022 capital investments based on a 13-

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<sup>1</sup> Case No. 2020-00327, *In the Matter of the Electronic 2021 Safety Modification and Replacement Program Filing of Columbia Gas of Kentucky, Inc.*, Order (Ky. PSC June 4, 2021).

<sup>2</sup> Case No. 2021-00183, *In the Matter of 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*, Order (Ky. PSC Dec. 28, 2021) (“2021 Rate Case”).

1 month average calculation, including SMRP related investments. As part  
2 of the rate case filing, the company stated that the SMRP billing rates would  
3 reset to \$0 (zero). Therefore, base rates include the return on the 13-month  
4 average of SMRP investments (Plant-in-service, Accumulated Depreciation  
5 and ADIT) as well as the related depreciation expense. The revenue  
6 requirement has been modified to remove the 2022 SMRP rate base and  
7 associated costs included in base rates from the SMRP revenue  
8 requirement.

9

10 Additionally, the 2021 Rate Case Order directed the company to establish a  
11 volumetric charge for its SMRP rider. The filing has been modified to  
12 provide the detail used to calculate the proposed volumetric rate.

13

14 **III. ANNUAL ADJUSTMENT TO SMRP**

15 **Q. Will you provide a high-level summary of the format provided in**  
16 **Attachment JTG-1?**

17 **A.** Yes. Please refer to the Table of Contents.

- 18
  - Forms No. 1.0 and 1.1 detail the factors used to determine the
- 19 proposed volumetric rates by Rate Schedule,

- 1           • Forms 2.0, 2.1 and 2.2 detail the forecasted revenue requirement
- 2           calculation,
- 3           • Forms 3.0, 4.0 and 5.0 detail the monthly forecasted Plant in
- 4           Service, Accumulated Depreciation and Depreciation expense for
- 5           calendar years 2022 and 2023,
- 6           • Forms 6.0 and 6.1 detail the year end 2022 and 2023 ADIT balances
- 7           as well as normalized monthly balances,
- 8           • Form 7.0 details the property tax expense,
- 9           • Form 8.0 details the O&M savings included in the revenue
- 10          requirement,
- 11          • Forms 9.0, 9.1, 9.2, 9.3 and 9.4 detail the 2022 SMRP capital
- 12          investments included in the base rates established in the 2021 Rate
- 13          Case Order. Additionally, the 2022 depreciation expense on the
- 14          2022 SMRP investments included in base rates is provided.

15

16 **Q. Please provide a more detailed summary of Forms 1.0 and 1.1.**

17 A. The revenue requirement (Form 1.0, Column C, Line 5) is allocated by

18 Rate Schedule utilizing the overall base revenue distribution as approved

19 in the 2021 Rate Case Order (Form 1.0, Column B). The revenue

20 requirement is divided by the estimated billing determinant volumes

1 (Form 1.0, Column D) as detailed in Form 1.1. The Balance Adjustment  
2 (Form 1.0, Column F) is included as a placeholder with a \$0 (zero) rate as  
3 the BA filing is not expected until early 2024.

4

5 **Q. Please provide a more detailed summary of Forms 2.0, 2.1 and 2.2.**

6 A. Form 2.0, Column A reflects the 13-month average balances for 2023 Plant  
7 in Service, Accumulated Depreciation, and ADIT as well as associated  
8 2023 expenses for SMRP related investments placed in service in calendar  
9 years 2022 and 2023. Column B reflects the 13-month average balances for  
10 Plant in Service, Accumulated Depreciation, and ADIT and associated  
11 expenses in 2022 related to SMRP investments that were included in base  
12 rates per the 2021 Rate Case Order in Column B. Column D summarizes  
13 the Net Rate Base includable in this 2023 SMRP Annual filing by  
14 subtracting the Column B amounts from Column A amounts.

15 The net rate base is multiplied by the rate of return (Form 2.1) and the PSC  
16 Assessment Factor (Form 2.2). The 2% rate was included in the  
17 Company's original 2021 Rate Case filing and unchanged by the  
18 Stipulation and Order in that case.

19

20 **Q. Please provide a more detailed summary of Form 3.0.**



1 A. Form 3.0 details the 2022 and 2023 SMRP additions and retirements by  
2 month in the Plant in Service account. The January through August 2022  
3 data reflects the actual monthly amounts. The September through  
4 December 2022 and calendar year 2023 monthly data is based on the most  
5 current company estimates. The total calendar year 2022 additions and  
6 retirements align with the additions and retirements as included in the  
7 rate case for calendar year 2022.

8

9 **Q. Please provide a more detailed summary of Form 4.0.**

10 A. Form 4.0 details the 2022 and 2023 SMRP depreciation expense,  
11 retirements, and cost of removal in the Accumulated Reserve by month.  
12 The January through August 2022 data reflects the actual monthly  
13 amounts. The September through December 2022 and calendar year 2023  
14 monthly data is based on the most current company estimates. The  
15 depreciation expense is calculated in Form 5.0. The retirements are  
16 aligned with the retirements as included in Form 3.0. The September 2022  
17 through December 2022 cost of removal estimates are unchanged from the  
18 amounts included in the 2021 Rate Case.

19

20 **Q. Please provide a more detailed summary of Form 5.0.**

1 A. Form 5.0 details the 2022 and 2023 SMRP depreciation expense  
2 calculation. The monthly additions and retirements by Gas Plant Account  
3 are based on the data in Form 3.0. The depreciation rates are based on the  
4 rates approved in the 2021 Rate Case Order.

5

6 **Q. Please provide a more detailed summary of Forms 6.0 and 6.1.**

7 A. Form 6.1 details the calculated ADIT balances for years 2022 and 2023.  
8 Pages 2 and 3 separate the ADIT calculation for investments in mains and  
9 services from other investments. Mains and services ADIT includes a tax  
10 repairs deduction not applicable to the remaining investments. Page 1  
11 summarizes Pages 2 and 3 and detail the total year-end 2022 and 2023  
12 ADIT balances.

13

14 Form 6.0 normalizes the year-end ADIT balances to generate a monthly  
15 ADIT balance and further calculates the 13-month average balance.

16

17 **Q. Please provide a more detailed summary of Form 7.0.**

18 A. Form 7.0 details the property tax expense for 2023. The net investment at  
19 the end of the prior year is multiplied by the property tax rates as  
20 developed in the 2021 Rate Case to determine the expense.

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**Q. Please provide a more detailed summary of Form 8.0.**

A. Form 8.0 details the Operation and Maintenance savings that would be included as a reduction in the revenue requirement. The actual expense in Account 887 is compared to the amounts being recovered in base rates to determine if the company actual expense reflects a savings. As the 2022 actual data is not yet available, the actual costs are estimated to be the same as the amount in base rates.

**Q. Please provide a more detailed summary of Forms 9.0, 9.1, 9.2, 9.3 and 9.4.**

A. These Forms mirror the formats for Forms 3.0, 4.0, 5.0, 6.0 and 6.1. The underlying inputs are based on the 2022 SMRP related investments as included in base rates in the 2021 Rate Case. The Plant in Service and Accumulated Reserve activity in Forms 3.0 and 4.0 can be aligned with the company's response to KY PSC Case No. 2021-00183, Staff Set 3, No. 27. A copy of the company's response is provided in Attachment JTG-2. The total company activity is detailed on Attachment JTG-2, page 5 and the monthly plant activity by Gas Plant Account is detailed on Attachment JTG-2, page 7.

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2           The 2022 depreciation expense is calculated in Form 9.2 and the ADIT

3           balances are calculated in Forms 9.3 and 9.4.

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5   **Q.   Does this conclude your Direct Testimony?**

6   **A:   Yes.**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2022 SAFETY MODIFICATION  
AND REPLACEMENT PROGRAM FILING OF  
COLUMBIA GAS OF KENTUCKY, INC.

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Case No. 2022-00342

VERIFICATION OF JEFFERY GORE

STATE OF OHIO

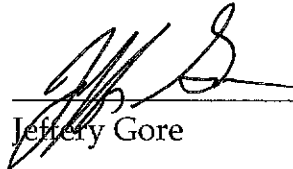
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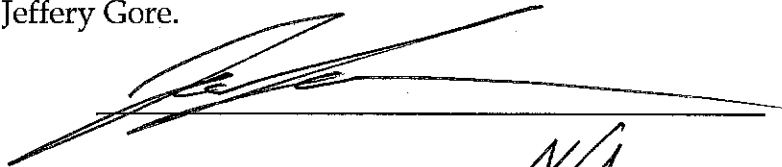
COUNTY OF FRANKLIN

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Jeffery Gore, Regulatory Manager for NiSource Corporate Services Company, being duly sworn, states that he has supervised the preparation of testimony 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.

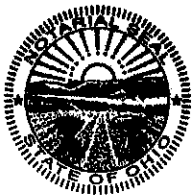
  
Jeffery Gore

The foregoing Verification was signed, acknowledged and sworn to before me this 12 day of October, 2022, by Jeffery Gore.



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.