

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED DECEMBER 22, 2023**

1. Refer to Case No. 2022-00342, Columbia Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 1(b), Attachment, SMRP Form 3.0, page 2 and the Application, SMRP Form 3.0. Explain the difference in the 2023 cumulative total for each item.

**Response:**

The data included in Case No. 2022-00342 reflects fully projected 2023 SMRP activity and was used to establish the billing rate approved in that case and effective with Unit 1 January 2023 on December 30, 2022. Similarly, the data included in this case reflects fully projected 2024 SMRP activity and was used to establish the billing rate to be effective with Unit 1 January 2024 pursuant to this case.

In addition to the 2024 SMRP activity, this case includes 2023 SMRP activity as these investments and cost recovery have not yet been incorporated into base rates. At the time of filing, 8 months of actual 2023 SMRP investment data has been recorded. So, the 2023

data included in this case includes actual financial results for January – August 2023 and a reforecast of September - December 2023.

The differences in the 2023 cumulative totals stems from difference between the original forecast included in Case No. 2022-00342 and the 8-month actual and 4-month reforecast included in Case No. 2023-00335. Variances in the estimates of 2023 cumulative totals for investments have a de minimis effect on the rates that are at issue in this case as the 2023 estimated total investment of \$41,62,524 is unchanged.

Pursuant to its tariff and after the 2023 financial records are completed, CKY will file its actual 2023 information in the SMRP Balancing Adjustment (“BA”) in March 2024. The BA filing will detail the actual 2023 activity for all 12 months of 2023 as well as the amounts collected in customer bills in 2023. The difference between the 2023 revenue requirement and 2023 amounts billed to customers will be put into a SMRP BA factor that will pass-back or recover from customers over the 12 months beginning in June 2024.

The following provides details regarding the line item changes between the two filings:

Additions/Retirements – January - August

The Additions and Retirements amounts included in Form 3.0 in Case No. 2023-00335 reflect actual SMRP investments made for those periods as opposed to the estimated amounts for these periods as provided in Case No. 2022-00342.

### Additions – September – December 2023

At the time of filing Case No. 2023-00335, the expectation was that the 2023 SMRP additions were on track to meet the \$41,642,524 investment as indicated in the original filing in Case No. 2022-00342. The updated estimates for September 2023 through December 2023 were made so the total annual additions would continue to total \$41,642,524.

- Meter Installations/House Regulators – Accounts 382/383 – no adjustments were made to the September – December additions. These amounts are the same in both filings.
- Mains/Service Lines - Account 376/380 – The YTD actual August additions were higher for both these gas plant accounts than the original estimate. To maintain the total 2023 SMRP additions at \$41,642,524, the September through December activity needed to be adjusted downward for these gas plant accounts. The September additions for these two gas plant accounts were based on a preliminary estimate of September actuals. The remaining months of October through December were continued estimates.
- Plant Regulators – Account 378 - no adjustments were made to the September – November additions. The December additions were adjusted to ensure the 2023 SMRP additions were unchanged at \$41,642,524.

Retirements – September – December 2023

- All Gas Plant Accounts - no adjustments were made to the September – December retirements. These amounts are the same in both filings.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED DECEMBER 22, 2023**

2. Refer to Case No. 2022-00342, Columbia Kentucky's response to Staff's First Request, Item 1(b), Attachment, SMRP Form 4.0, page 2 and the Application, SMRP Form 4.0. Explain the difference in the 2023 cumulative total for each item.

**Response:**

Refer to response to Staff Data Request Set 1, No. 1 for the changes made to 2023 data.

The differences in the 2023 data reflect:

- January – August 2023 data reflects actual CKY financial results for Depreciation Expense, Retirements and Cost of Removal.
- September - December 2023 data reflects revised depreciation expense based on the expected plant activity as included in Form 3.0.
- September – December 2023 cost of removal is unchanged from the prior filing.
- September – December 2023 retirement data is discussed in the response to Staff Data Request Set 1, No. 1.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED DECEMBER 22, 2023**

3. Refer to Case No. 2022-00342, Columbia Kentucky's response to Staff's First Request, Item 1(b), Attachment, SMRP Form 5.0, page 2 and the Application, SMRP Form 5.0. Explain the difference in the 2023 cumulative total for each item.

**Response:**

Form 5.0 details the calculation of depreciation expense. The underlying calculations used in the two filings have not been changed. The difference in the depreciation expense is a result of the changes to the Plant in Service amounts (by Gas Plant account and by month) included in Form 3.0 as described in response to Staff Set 1, No. 1.

**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED DECEMBER 22, 2023**

4. Refer to Case No. 2022-00342, Columbia Kentucky's response to Staff's First Request, Item 1(b), Attachment, SMRP Form 6.0 and the Application, SMRP Form 6.0. Explain the difference in the 2023 cumulative total for each item.

**Response:**

The year-end 2023 ADIT (Column M) balances are:

- 2022-3042 - \$3,170,434
- 2023-0335 - \$4,172,548
- Difference - \$1,002,112

The higher ADIT balance in the most current filing reflects two input changes to the ADIT calculation:

- The repairs percent was changed from 20.73% to 31.21% reflecting a more current rate. The new rate of 31.21% is the actual repairs rate used in the 2022 income tax return filed in late 2023.

- The 2023 Mains & Service additions slightly changed from \$40,147,687 to \$40,120,519. The ADIT calculation includes a repairs income tax deduction for these investments. The non-Mains and Services investments are not eligible for repairs income tax deductions. This is the reason the ADIT calculation has Forms 6.1 and 6.2.

Columbia received permission from the Internal Revenue Service (“IRS”) in August, 2009 to change its definition of “unit of property” so that certain expenditures can be deducted for tax purposes as a repairs deduction rather than being capitalized.



**COLUMBIA GAS OF KENTUCKY, INC.**  
**RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION**  
**DATED DECEMBER 22, 2023**

5. Refer to Case No. 2022-00342, Columbia Kentucky's response to Staff's First Request, Item 1(b), Attachment, SMRP Form 8.0 and the Application, SMRP Form 8.0. Both exhibits state that the actual costs will be provided in the next filing. Confirm the timeline for providing the actual costs.

**Response:**

Columbia apologizes for the confusion between the two documents. The December 2022 response in Case No. 2022-00342 did not forecast any O&M savings in the 2023 SMRP investment period as compared to 2022. The same is true for Columbia's application in this case. The 2023 actual costs will be available after the accounting records are closed for calendar year 2023 in early 2024. These actual costs will be provided in the SMRP Balancing Adjustment filing (the "BA filing") in March 2024 pursuant to Columbia's tariff. The calculation of O&M savings will compare the maintenance of mains O&M expense included in base rates versus the maintenance of mains O&M experienced in the 2023 SMRP investment period. Following a base rate case where the SMRP investments were all rolled into base rates, there is no true-up to actual expense and no Balancing

Adjustment was filed in March 2023. At the time of the application in this case, the actual maintenance of mains O&M experienced YTD October 2023 was in-excess of \$3.1 Million. This is higher than the amount included in base rates, so no savings were forecasted in the Application.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of: )
)
ELECTRONIC APPLICATION OF COLUMBIA )
GAS OF KENTUCKY, INC. FOR ITS ANNUAL ) Case No. 2023-00335
SAFETY MODIFICATION AND REPLACEMENT )
PROGRAM FILING )

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 responses to data requests 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 9th day of January, 2024, by Jeffery Gore.

[Signature]



Christopher Rickard
Notary Public, State of Ohio
My Commission Expires 07-14-2026

Notary Commission No. N/A

Commission expiration: 7-14-2026