

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

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
COLUMBIA GAS OF KENTUCKY, INC.	)	CASE NO.
FOR AN ADJUSTMENT OF RATES;	)	2024-00092
APPROVAL OF DEPRECIATION STUDY;	)	
APPROVAL OF TARIFF REVISIONS; AND	)	
OTHER RELIEF	)	

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**COLUMBIA GAS OF KENTUCKY, INC.'S REQUEST FOR INFORMATION TO  
THE ATTORNEY GENERAL OF KENTUCKY OFFICE OF RATE INTERVENTION**

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**I. DEFINITIONS AND INSTRUCTIONS**

1. With respect to each discovery request, all information is to be divulged that is within the knowledge, possession or control of the parties to whom it is addressed, including their agents, employees, advisors, consultants, attorneys and/or investigators.

2. Please identify the witness(es) who will be prepared to answer questions concerning each request.

3. These requests shall be deemed continuing so as to require further and supplemental responses if the party 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.

4. All answers must be separately and fully stated in writing under oath.
5. Where a data request calls for an answer in more than one part, each part should be separated in the answer so that the answer is clearly understandable.
6. If any request appears confusing, please request clarification directly from counsel for Columbia Gas of Kentucky, Inc., (“Columbia”).
7. For purpose of these discovery requests, the following terms shall have meanings set forth below:
  - (a) As used herein, “document,” “documentation” and/or “record,” whether stated as the singular or the plural, means any course of binders, book, pamphlet, periodical, letter, correspondence, memoranda, including but not limited to, any memorandum or report of a meeting or telephone or other conversation, invoice, account, credit memo, debit memo, financial statement, general ledger, ledger, journal, work papers, account work papers, report, diary, telegram, record, contract, agreement, study, draft, telex, handwritten or other note, sketch, picture, photograph, plan, chart, paper, graph, index, tape, data processing card, data processing disc, data cells or sheet, check acceptance draft, e-mail, studies, analyses, contracts, estimates, summaries, statistical statements, analytical records, reports and/or summaries of investigations, opinions or

reports of consultants, opinions or reports of accountants, trade letters, comparisons, brochures, pamphlets, circulars, bulletins, notices, forecasts, electronic communication, printouts, all other data compilations from which information can be obtained (translated if necessary by defendants into usable form), any preliminary versions, drafts or revisions of any of the foregoing, and/or any other written, recorded, transcribed, punched, taped, filmed or graphic matter, however produced or reproduced and regardless of origin or location, in the possession, custody and/or control of the defendant and/or their agents, accountants, employees, representatives and/or attorneys. "Document" and "record" also mean all copies of documents by whatever means made, if the copy bears any other markings or notations not found on the original.

- (b) The terms "relating to," "referring to," "referred to," "pertaining to," "pertained to" and "relates to" means referring to, reporting, embodying, establishing, evidencing, comprising, connected with, commenting on, responding to, showing, describing, analyzing, reflecting, presenting and/or constituting and/or in any way involving.

- (c) The terms “and,” “or,” and “and/or” within the meaning of this document shall include each other and shall be both inclusive and disjunctive and shall be construed to require production of all documents, as above-described, in the broadest possible fashion and manner.
- (d) The terms “AG” and “Company” shall mean the Attorney General of Kentucky Office of Rate Intervention, and shall include, but is not limited to, each and every agent, employee, servant, advisor, consultant, insurer and/or attorney of the Attorney General of Kentucky Office of Rate Intervention. The term “you” shall be deemed to refer to AG and the Company.
- (e) The term “Commission” shall mean the Kentucky Public Service Commission.
- (f) To “identify” shall mean:
  - (1) With respect to a document, to state its date, its author, its type (for example, letter, memorandum, chart, photograph, sound reproduction, etc.), its subject matter, its present location, and the name of its present custodian. The document may be produced in lieu of supplying the foregoing information. For each document which contains

information as privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.

(2) With regard to a natural person, to state his or her full name, last known employer or business affiliation, title and last known home address.

(3) With regard to a person other than a natural person, state the title of that person, any trade name, or corporate name or partnership name used by that person, and the principal business address of that person.

(g) To “produce” or to “identify and produce,” shall mean that Company shall produce each document or other requested tangible thing. For each tangible thing which Company contends is privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.

(h) The terms “Party or Parties” shall mean any organization, person, corporation, entity, etc., which intervened in the above-captioned proceeding and shall further include the Commission Staff.

- (i) The acronym “BP” shall mean “Base Period” and “FTP” shall mean “Future Test Period” as both terms are utilized in the direct testimony supporting Columbia’s application in this case.

## II. REQUESTS TO JOHN DEFEVER

- (1) Please refer to the Direct Testimony of Mr. Defever, specifically the table appearing on Page 4, Line Nos 3 and 4: In calculating the Rate of Return Impact of (\$4,587,742), did Mr. Defever account for the fact that interest (Rate Base x Cost of Debt) is a deduction when computing taxable operating income (Taxable Income = Operating Income before Taxes, less Interest) in deriving income tax expense? If so, provide the calculation for the adjustment.
- (2) Please refer to the Direct Testimony of Mr. Defever, specifically the table appearing on Page 4, Line Nos 3 and 4: In calculating the Rate of Return Impact on the Rate Base Adjustment for Cash Working Capital (“CWC”) of (\$925,857), did Mr. Defever account for interest synchronization? If so, provide the calculation for the adjustment.
- (3) Please refer to the Direct Testimony of Mr. Defever, specifically the table appearing on Page 4, Line Nos 3 and 4: In calculating the Rate of Return Impact on the Rate Base Adjustment for Customer Deposits of (\$193,937), did Mr. Defever account for interest synchronization? If so, provide the calculation for the adjustment.
- (4) Please refer to the Direct Testimony of Mr. Defever, specifically Page 8, Line Nos 5 and 6 where Mr. Defever states that his “recommended adjustments to O&M

expenses, in the Company's cash working capital calculation." Did Mr. Defever account for interest and income tax synchronization in the calculation of Cash Working Capital? If so, provide the calculation for the adjustment.

(5) Please refer to the Direct Testimony of Mr. Defever, specifically Page 10, Line Nos 5 and 6 where Mr. Defever states that "in this case the Company did include the interest expense associated with the customer deposits for recovery in the FTP." Confirm the schedule and/or workpaper that Mr. Defever relied upon in determining that the Company's proposed revenue requirement included interest on customer deposits in its calculation. If other sources were used, please provide the reference to the source data.

(6) Please refer to the Direct Testimony of Mr. Defever, specifically the table appearing on Page 25, Line Nos 9 and 10: Confirm that Mr. Defever relied on information provided in Columbia's Response to Commission Staff's First Request for Information No. 38 and Columbia's Response to the Attorney General's Second Request for Information, No. 63. If other sources were used to create the table, please provide the reference to the source data.

(7) Please refer to the Direct Testimony of Mr. Defever, specifically the table appearing on Page 25, Line Nos 9 and 10: Did Mr. Defever account for the fact that the amounts provided in Columbia's Response to Commission Staff's First Request for Information No.38 and Columbia's Response to the Attorney General's Second Request for Information, No. 63 represent total gross payroll (per the Company's Payroll Department); in other words, that the gross payroll / labor amounts referenced and utilized in the Mr. Defever's adjustment to labor and payroll tax expense are inclusive of capital and operations and maintenance ("O&M") expense? If so, how?

(8) Please refer to the Direct Testimony of Mr. Defever, specifically the table appearing on Page 25, Line Nos 9 and 10: Did the Mr. Defever utilize the data that the Company provided its response to Columbia's Response to the Attorney General's First Request for Information, No. 99 for the actual general ledger and budgeted BP / FTP capital and O&M labor costs for the table on Page 25?

(9) Please refer to the Direct Testimony of Mr. Defever, specifically the table appearing on Page 25, Line Nos 9 and 10: Does Mr. Defever utilize the data that the Company provided in its response to Columbia's Response to Commission Staff's First Request for Information No. 39 of projected merit / union wage increases for 2024 and 2025 for the table on page 25?

(10) Please refer to the Direct Testimony of Mr. Defever, specifically Page 34, Line Nos 10 through 15 and Exhibit JD-1, Schedule C-10, Line 4. Did Mr. Defever adjust for the fact that the payroll / labor expense amount utilized to calculate a Benefits Expense Ratio from the Company's Schedule G-1 is inclusive of short- and long-term incentive compensation O&M expense? If so, provide the calculation for the adjustment.

(11) Please refer to the Direct Testimony of Mr. Defever, specifically Page 34, Line Nos 10 through 15 and Exhibit JD-1, Schedule C-10, Line 4. Did Mr. Defever adjust for the fact that FTP benefits expense in the Company's Schedule G-1 is inclusive of profit sharing, 401k (including grandfathered employee's defined benefits expense), and pension SERP, in addition to employees' insurance plans and pension / OPEB expenses? If so, provide the calculation for the adjustment.

(12) Please refer to the Direct Testimony of Mr. Defever, specifically Page 34, Line



Nos 10 through 15 and Exhibit JD-1, Schedule C-10, Line 4. Did Mr. Defever adjust for the fact that the Benefits Expense Ratio calculated from Schedule G-1 represents Columbia Direct and is not representative of a Benefits Expense Ratio for NCSC allocated to Columbia? If so, provide the calculation for the adjustment.

(13) Please refer to the Direct Testimony of Mr. Defever, specifically Page 18, Line No. 30: Confirm that Mr. Defever relied on information provided Columbia's Response to the Attorney General's First Request for Information, No.104, Attachment A. If the recommended adjustment was based on another source, please provide the reference to the source data.

(14) Please refer to the Direct Testimony of Mr. Defever, specifically Page 18, Line No. 30: Did Mr. Defever account for the fact that the Investor Relations Department costs reported in Columbia's Response to the Attorney General's First Request for Information, No. 104, Attachment A include expenses also adjusted by Mr. Defever for labor, benefits, short-term incentive compensation, and profit sharing? If so, provide the adjustment, if not provided the rationale for not including the adjustment.

(15) Please refer to the Direct Testimony of Mr. Defever, specifically Page 21, Line No. 15: Please provide Mr. Defever's reasoning and associated support for the 80% input to the calculation to determine the recommended adjustment of \$1,480,598 to Long Term Incentive.

### **III. REQUESTS TO RICHARD BAUDINO**

(16) Please refer to the Direct Testimony of Mr. Baudino, specifically Page 26, Line 11 and Exhibit RAB-4, Page 2: Please provide supporting documentation for the 6.22%

"supply side" historical Market Risk Premium. Please also show or provide the date that the 6.22% estimate was first reported or disseminated.

(17) Please refer to the Direct Testimony of Mr. Baudino, specifically Pages 26 through 29: Please provide copies of the publication excerpts or website screen prints that Mr. Baudino references in Footnotes 14 through 21. Please also provide the dates that these publications or screen prints were issued or accessed.