

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)	

**COLUMBIA GAS OF KENTUCKY, INC.'S
NOTICE OF SUBSTITUTION**

Comes now Columbia Gas of Kentucky, Inc., (“Columbia”), by and through counsel, and hereby gives notice of a substitution of two witnesses in the above-styled proceeding.

Ronald J. Amen filed direct testimony and prepared responses to requests for information in this matter. Since that time, Mr. Amen became aware of a conflict with the date of the hearing in this matter. Gregory E. Macias will be adopting the direct testimony of his colleague Ronald J. Amen. Mr. Macias is the project manager for Columbia’s rate design consultant for this case, Atrium, and has been actively involved in all aspects of Atrium’s work and responsibilities in preparing the direct testimony and responses to requests for information sponsored by Mr. Amen. Mr. Macias will be substituting as a witness for Mr. Amen at the October 21, 2024, hearing in this matter and

will be adopting the responses previously sponsored by Mr. Amen. Mr. Macias will be available to answer additional questions regarding those responses at the October 21, 2024 hearing. Included with this filing is a verification executed by Mr. Macias for the testimony and responses originally verified by Mr. Amen prior to the hearing. An outline of Mr. Macias's relevant experience is attached hereto.

Kristen King filed direct testimony and prepared responses to requests for information in this matter. Since that time, Ms. King has accepted a new position. Nicholas Bly, who has also sponsored testimony in this matter, will be adopting the direct testimony of Ms. King. Mr. Bly has been actively involved in all aspects of Ms. King's work and responsibilities in the preparation of testimony and responses to requests for information sponsored by Ms. King. Mr. Bly will be substituting as a witness for Ms. King at the October 21, 2024 hearing in this matter and will be adopting the responses previously sponsored by Ms. King. Mr. Bly will be available to answer additional questions regarding those responses at the October 21, 2024 hearing. Included with this filing is a verification executed by Mr. Bly for the testimony and responses originally verified by Ms. King prior to the hearing.

This 24th day of September, 2024.

Respectfully submitted,

/s/ John R. Ryan

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CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing was transmitted to the Commission for filing on September 24, 2024; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; by virtue of the Commission's July 22, 2021 Order in Case No. 2020-00085, no paper copies of this filing will be made.

/s/ John R. Ryan

Counsel for Columbia Gas of Kentucky, Inc.



ATRIUM ECONOMICS
CENTERED ON ENERGY

Gregory E. Macias

Managing Consultant

Mr. Macias is a utility rate and regulatory expert with experience developing cost of service studies, depreciation studies and regulatory research. He has deep experience with developing residential and commercial rates, conducting depreciable life and accrual rate analysis, and participating in utility regulatory proceedings. Mr. Macias has supported projects involving financial analysis, regulatory support and strategy, utility plant valuation, and organizational and operations reviews. He has an expert knowledge of cost allocation principles for utility cost of service studies and for depreciation expense and accrual rates. Mr. Macias has also been involved in engineering reports supporting municipal bonds issuances and operations reviews of natural gas utilities. Mr. Macias has testified as an expert witness in multiple state jurisdictions on utility rate issues.

Mr. Macias has been providing consulting services to utility clients for fifteen years. Prior to beginning his consulting career, Mr. Macias spent ten years with the Missouri Public Service Commission conducting utility plant depreciation studies and performing LDC natural gas safety and compliance inspections. Mr. Macias's office location is Kansas City, MO.

EDUCATION

B.S. Civil Engineering,
University of Missouri-
Columbia

YEARS EXPERIENCE

27

RELEVANT EXPERTISE

Cost of Service, Rate Design,
Depreciation, Financial
Analysis, Valuation, Expert
Witness Testimony, Revenue
Requirements, Transaction
Due Diligence, Affiliate Cost
Allocation

REPRESENTATIVE PROJECT EXPERIENCE

Northern Indiana Public Service Company (NiSource); Cost of Service and Rate Design; Indiana; 2021-2024

Class cost of service study and rate design in connection with a natural gas general rate case (2021, 2023) and an electric general rate case (2022, 2024) before the Indiana Utility Regulatory Commission.

Columbia Gas of Kentucky; Cost of Service and Rate Design; Kentucky; 2024

Class cost of service study and rate design in connection with a natural gas general rate case before the Kentucky Public Service Commission.

Columbia Gas of Virginia; Cost of Service and Rate Design; Virginia; 2024

Class cost of service study and rate design in connection with a natural gas general rate case before the State Corporation Commission of Virginia.



Resume of Gregory E. Macias

Montana-Dakota Utilities Co.; Cost of Service and Rate Design; Bismarck, North Dakota; 2020-2024

Class cost of service study and rate design in connection with natural gas and electric general rate cases before the Montana Public Service Commission (2020, 2024), the North Dakota Public Service Commission (2020, 2023), the South Dakota Public Service Commission (2023), and the Wyoming Public Service Commission (2024).

Fitchburg Gas and Electric Company D/B/A Unitil; Cost of Service and Rate Design; Massachusetts; 2023

Class cost of service study and rate design in connection with an electric general rate case and a natural gas general rate case, including determination of normal weather and weather normalized billing determinants, before the Massachusetts Department of Public Utilities.

Summit Utilities – Maine Natural Gas, Inc.; Revenue Requirement, Cost of Service and Rate Design; Maine; 2022

Support the Company’s petition for rates and a multi-year rate plan including determination of normal weather, weather normalization, the development of Summit’s revenue requirement and allocated cost of service study, proposed rates, and customer bill impacts. The case is pending before the Maine Public Utilities Commission.

Black Hills Energy Arkansas; Cost of Service; Fayetteville, Arkansas; 2021, 2023

Class cost of service study and revenue apportionment in connection with a natural gas general rate case before the Arkansas Public Utilities Commission.

Dominion Energy North Carolina; Cost of Service and Rate Design; North Carolina; 2021

Class cost of service study and rate design in connection with a natural gas rate relief request before the North Carolina Utilities Commission.

Manitoba Hydro, Centra Gas – Cost of Service Review; Winnipeg, Manitoba; 2021-2022

Assisted in the regulatory approval process of the cost of service for Centra Gas Manitoba Inc.’s natural gas operations. Atrium prepared a report documenting and supporting our assessment of Centra’s current COSS method in conformance with the regulatory requirements of the Manitoba Public Utilities Board.

Summit Utilities – Colorado Natural Gas; Normal Weather; Lakewood, Colorado; 2018

Develop and support an appropriate normal weather period for the CNG’s five Colorado temperature zones, resulting normalized billing determinants, and a Weather Normalization Adjustment (“WNA”) proposal in conjunction with the filing of a general rate case before the Colorado Public Utilities Commission.

NW Natural; Cost of Service and Rate Design; Washington; 2018

Class cost of service study and rate design in connection with a natural gas general rate case before the Washington Utilities and Transportation Commission.

EPCOR Distribution and Transmission Inc.; Depreciation Rate Study; Edmonton, Alberta, Canada; 2016-2017, 2022

Depreciation study of EDTI’s electric transmission, distribution, and common plant. The report was submitted to the Alberta Utilities Commission as part of EDTI’s rate case.

EPCOR Energy Alberta GP, Inc.; Depreciation Rate Study; Edmonton, Alberta, Canada; 2016-2017

Depreciation study of EEA’s computer hardware, enterprise software, and common plant. The



Resume of Gregory E. Macias

report was submitted to the Alberta Utilities Commission as part of EEA's rate case.

CenterPoint Energy Minnesota Gas; Cost of Service and Rate Design; Minneapolis, Minnesota; 2016-2020

Class cost of service study and rate design in connection with a natural gas rate relief request before the Minnesota Public Utilities Commission.

Cascade Natural Gas Company; Cost of Service and Rate Design; Kennewick, Washington; 2014-2024

Class cost of service studies in connection with natural gas rate cases before the Oregon Public Utility Commission, and the Washington Utilities and Transportation Commission. Services included a marginal cost of service study as required in the state of Oregon, an imbedded cost of service study for the state of Washington and rate design recommendations in both jurisdictions. Additionally, he prepared an analysis of Administrative and General Expense as compared to other gas utilities both regionally and nationally for support in Cascade's rate case.

Pensacola Energy; Annual Operations Report; Pensacola, Florida; 2008-2020

Prepared the Gas System Annual Report for Pensacola Energy that documents interviews, site visits and review of records pertaining to the management and operation of Pensacola Energy. Additionally, conducted natural gas rate studies for Pensacola Energy in 2011 and 2015.

Philadelphia Gas Works (PGW); Engineer's Report; Philadelphia, Pennsylvania; 2009-2024

Project Manager for the Independent Consultant's Engineering Report developed for PGW's issuance of Gas Works revenue Bonds. Mr. assisted with PGW's revenue bond issues in 2009, 2011, 2013, 2015, 2016, 2020 and 2024. The engineer's report summarizes the findings of a study of PGW's facilities, management, operations, gas supply, rates and marketing, and customer service, and assessed the financial feasibility of the bond issue.

Philadelphia Gas Works; Depreciation Rate Study; Philadelphia, Pennsylvania; 2010, 2015, 2020

Depreciation rate study for Philadelphia Gas Works' properties. The depreciation study was filled with the Pennsylvania Public Utility Commission.

Greenville Utilities Commission (GUC); Rate Study; Greenville, North Carolina; 2011-2020

Multiyear natural gas rate study that included a 15-year projection of GUC's financial position, a class cost of service analysis, and the development of recommended rate charges. Mr. Macias assisted GUC with a compressed natural gas (CNG) filling station feasibility analysis.

North Carolina Electric Membership Corporation, Depreciation Rate Study; Raleigh, North Carolina; 2019

Development of the depreciation lives and rates for 12 simple cycle natural gas fired combustion turbines and 6 electro-motive diesel fired internal combustion engines.

The Empire District Electric Company; Depreciation Rate Study; Joplin, Missouri; 2010-2015

Depreciation rate study for The Empire District Electric Company. The studies were filed before the Missouri Public Service Commission and also used in connection with rate filings in Kansas and Oklahoma.

Santee Cooper; Depreciation Study, Monks Corner, South Carolina, 2007, 2013, 2019

Depreciation rate study for Santee Cooper's electric and water assets. The study included production, transmission, distribution, and general plant. Mr. Macias also participated in



Resume of Gregory E. Macias

depreciation studies for Santee Cooper in 2007 and 2013 focusing on the unit property analysis, developing remaining life depreciation rates for Santee Cooper's generation assets, and providing technical assistance to the project team for the actuarial analysis of the mass property accounts.

Department of Public Utilities (DPU); Cost of Service Analysis; Orangeburg, South Carolina; 2007-2015

Mr. Macias assisted with numerous projects for the gas, electric, water and wastewater divisions for the DPU including DPU's gas, electric, water and wastewater rate studies, projects related to gas supply and demand studies, development of purchased gas cost tracking models, feasibility studies, electric supply and demand studies, and purchased power cost analyses.

Ameren Missouri; Life Span of Coal Fired Steam Generating Stations; St. Louis, Missouri; 2009-2014

Mr. Macias was project manager for a study regarding the appropriate life span to use for coal fired steam generating stations for depreciation purposes. Mr. Macias led the research of industrywide historical retirement experience as well as the age of existing generating units, and assisted in developing recommended retirement dates for each unit based on consideration of current condition, currently installed and planned environmental controls, then current environmental requirements and prospective requirements. Recommended retirement dates were used in developing depreciation expense rates. Mr. Macias led the drafting of the report on Life Expectancy of Coal Fired Power Plants.

The Empire District Gas Company; Depreciation Rate Study; Joplin, Missouri; 2008, 2013, 2019

Depreciation rate study for The Empire District Gas Company in 2019. Mr. Macias also assisted Empire Gas with its 2013 and 2008 depreciation studies, which were used in connection with filing for rate increase before the Missouri Public Service Commission.

Summit Natural Gas of Missouri, Inc.; Depreciation Rate Review; Hollister, Missouri; 2013, 2019

Depreciation rate review for Summit Natural Gas of Missouri's ("Summit") properties in 2013 and 2019. The Missouri Public Service Commission had ordered Summit to conduct a "non-statistical" depreciation review of its property. The original report was filed as part of Summit's 2013 rate case with the Missouri Public Service Commission.

Columbia Gas of Kentucky; Cost of Service Study; Kentucky; 2013

Class cost of service study in connection with a natural gas rate case before the Public Service Commission of Kentucky.

Confidential Client; Federal Energy Regulatory Commission (FERC) Rate Filing Strategy; United States; 2013

Mr. Macias served as project manager to assist a confidential large integrated energy company on FERC regulatory and rate-setting strategy for its largest FERC-regulated transmission asset. Consulting services included cost of service, rate design, rate of return on common stock, rate base determination, and FERC rate setting steps and regulatory policy.

Confidential Client; Electric Retail Tariff Review; United States; 2013

Mr. Macias helped a confidential client review its electric retail distribution tariff offerings. The purpose of the review was to identify any recommended changes that would assist in achieving tariff-related goals and overall business objectives. As part of this effort, Mr. Macias developed



Resume of Gregory E. Macias

rate analytic models to evaluate the impact of potential tariff changes and to evaluate rate features offered by other peer companies in region.

Missouri Gas Energy; Depreciation Rate Study; Kansas City, Missouri; 2010-2013

Depreciation rate study for Missouri Gas Energy's properties in 2010 and 2013. The study reports were filed with the Missouri Public Service Commission.

Interstate Power and Light Company (IPL); Cost of Service Study; Cedar Rapids, Iowa; 2012

Class cost of service study in connection with IPL's natural gas rate case before the Iowa Utilities Board.

Commonwealth Edison (ComEd); Advanced Metering Infrastructure (AMI) Plan; Chicago, Illinois; 2012

Mr. Macias provided consulting services support for the development of ComEd's cost and benefit analysis of its Smart Grid Advanced Metering Infrastructure Deployment Plan. The plan was filed before the Illinois Commerce Commission.

Bamberg Board of Public Works (BPW); Cost of Service and Rate Design; South Carolina; 2012-2021

Rate study for the BPW's recent gas, electric, water and wastewater utilities cost of service and rate study. Studies included the development of unbundled electric rates. Additional assistance with the implementation of cost of gas models to track purchased gas costs and the development of unbundled gas rates to pass along monthly changes in purchased gas costs.

JEA; Depreciation Rate Study; Jacksonville, Florida; 2011, 2019

Depreciation rate study for JEA's electric, water, wastewater and chilled water utilities. The study included actuarial, lifespan and benchmarking analyses.

Zia Natural Gas Company; Depreciation Rate Study; Ruidoso Downs, New Mexico; 2007, 2018

Lead Consultant/Expert Witness. Mr. Macias provided expert witness testimony related to depreciation rates on behalf of Zia Natural Gas Company before the New Mexico Public Regulation Commission in 2007 and 2018.

SourceGas Distribution, LLC; Cost of Service Study; Denver, Colorado; 2011

Class cost of service study in connection with a natural gas rate case before the Nebraska Public Service Commission.

NW Natural; Revenue Requirement; Oregon; 2011

Assisted NW Natural to develop and compile its revenue requirement in connection with a natural gas rate increase request. Mr. Macias created a revenue requirement model and detailed referencing to work papers and supporting analyses. The revenue requirement was sponsored by NW Natural witnesses before the Oregon Public Utility Commission.

Columbia Gas of Pennsylvania; Cost of Service Study; Pittsburgh, Pennsylvania; 2010-2011

Class cost of service study in connection with a natural gas rate case before the Pennsylvania Public Utility Commission.

PECO Energy; Cost of Service Study; Philadelphia, Pennsylvania; 2009-2010

Class cost of service study in connection with a natural gas rate case before the Pennsylvania Public Utility Commission.



Resume of Gregory E. Macias

East-Central Iowa Rural Electric Cooperative; Electric Distribution System Valuation; Independence, Iowa; 2009-2010

Mr. Macias provided expert witness testimony regarding the value of a portion of East-Central Iowa Rural Electric Cooperative's (ECI) electric distribution systems in a service territory proceeding before the Iowa Utilities Board. The valuation and testimony were prepared in response to a petition by the city of Independence to acquire ECI's service territory and property located within the affected area. The property was valued using reproduction cost-less depreciation including consideration of going concern value and discounted cash flow (DCF) analysis.

Kansas City Power & Light Company; Jurisdictional Cost Allocations; Kansas City, Missouri; 2009-2010

Project Manager for a jurisdictional allocation analysis for KCP&L, which was unable to collect a portion of power supply and transmission costs due to the inconsistent allocation methods across jurisdictions. The project determined the appropriate basis to allocate costs between jurisdictions and sponsored the findings before both the Missouri Public Service Commission and the Kansas Corporation Commission.

Black Hills Energy; Cost of Service, Rate Design and Weather Normalization Studies; Omaha, Nebraska; 2009

Mr. Macias served as project manager and lead analyst for class cost of service, rate design and weather normalization analyses in connection with filings for gas rate increases before the Nebraska Public Service Commission.

Jasper Municipal Electric Utilities; Steam Generating Plant Valuation; Jasper, Indiana; 2009

Three market valuation cases were considered: "as-is", with life extending improvements and scrap value. The plant was valued using reproduction cost-less depreciation and discounted cash flow.

EXPERT WITNESS TESTIMONY

- Missouri-American Water Company, Missouri Public Service Commission Case No. WR-2003-0500 (2003). Water and sewer utility depreciation rates.
- Osage Water Company, Missouri Public Service Commission Case No. ST-2003-0562 and WT-2003-0563 (2004). Water and sewer utility depreciation rates.
- Fidelity Telephone Company, Missouri Public Service Commission Case No. IR-2004-0272 (2004). Telecommunications utility depreciation rates.
- The Empire District Electric Company, Missouri Public Service Commission Case No. ER-2004-0570 (2004). Electric utility depreciation rates.
- Aquila Networks, Inc., Missouri Public Service Commission Case No. ER-2005-0436 and HR-2005-0450 (2005). Electric and steam utility depreciation rates.
- Missouri Gas Energy, Missouri Public Service Commission Case No. GR-2006-0422 (2006). Natural gas utility depreciation rates.
- Missouri-American Water Company, Missouri Public Service Commission Case No. WR-2007-0216 (2007). Water and sewer utility depreciation rates.
- Zia Natural Gas Company, New Mexico Public Regulation Commission, Utility Case No. 08-00036-UT (2008). Natural gas utility depreciation rates.



Resume of Gregory E. Macias

- Independence Light & Power, Telecommunications vs. East Central Iowa Rural Electric Cooperative, Iowa Utilities Board, Docket No. SPU-08-10 (2010). Valuation of electric distribution facilities in condemnation proceeding.
- The Empire District Electric Company, Arkansas Public Service Commission Docket No. 17-061-U, Kansas Corporation Commission Docket No. 18-EPDE-184-PRE, Missouri Public Service Commission File No. EO-2018-0092, Oklahoma Corporation Commission Cause No. PUD 201700471 (2017). Jurisdictional allocation for customer savings and estimated customer rate impact.
- Zia Natural Gas Company, New Mexico Public Regulation Commission, Utility Case No. 18-00018-UT (2018). Natural gas utility depreciation rates.



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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; AND OTHER RELIEF

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Case No. 2024-00092

VERIFICATION OF NICHOLAS R. BLY

STATE OF OHIO

)
)
)

COUNTY OF FRANKLIN

Nicholas R. Bly, Accounting Manager for NiSource Corporate Services Company, on behalf of Columbia Gas of Kentucky, Inc., being duly sworn, states that he assisted with the preparation of responses to discovery and testimony sponsored by Kristen King in the above-referenced case. Further, Mr. Bly reaffirms 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.

Nicholas R. Bly (handwritten signature)
Nicholas R. Bly

The foregoing Verification was signed, acknowledged and sworn to before me this 29th day of September, 2024, by Nicholas R. Bly.

Melissa L. Thompson (handwritten signature)

Notary Commission No. N/A

Commission expiration: N/A



Melissa L. Thompson, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
ELECTRONIC APPLICATION OF COLUMBIA GAS)
OF KENTUCKY, INC. FOR AN ADJUSTMENT OF) Case No. 2024-00092
RATES; APPROVAL OF DEPRECIATION STUDY;)
APPROVAL OF TARIFF REVISIONS; AND OTHER)
RELIEF)

VERIFICATION OF GREGORY E. MACIAS

STATE OF KANSAS)
)
COUNTY OF JOHNSON)

Gregory E. Macias, Managing Consultant for Atrium Economics, LLC, consultant for Columbia Gas of Kentucky, Inc., being duly sworn, states that he assisted with the preparation of responses to discovery and testimony sponsored by Ronald Amen in the above-referenced case. Further, Mr. Macias reaffirms 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.



Gregory E. Macias

The foregoing Verification was signed, acknowledged and sworn to before me this 24th day of September, 2024, by Gregory E. Macias.



Notary Commission No.
1216463

Commission expiration:
02/16/2028

