

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

In the matter of: )  
)  
THE ELECTRONIC APPLICATION OF )  
COLUMBIA GAS OF KENTUCKY, ) Case No. 2024-00328  
INC. FOR: 1) APPROVAL OF AN )  
AMENDMENT TO ITS SAFETY )  
MODIFICATION AND )  
REPLACEMENT TARIFF; AND 2)  
APPROVAL TO UPDATE SMRP  
RATES

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**PREPARED DIRECT TESTIMONY OF  
JEFFERY GORE  
ON BEHALF OF COLUMBIA GAS OF KENTUCKY, INC.**

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**COLUMBIA GAS OF KENTUCKY, INC.**

**October 15, 2024**

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

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

12 Q: What is your educational background?

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

17 Q: What is your employment history?

18 A: I have over 30 years work experience with the Columbia Gas Companies  
19 primarily within the Accounting and Regulatory departments. Within

1 Accounting, my roles have varied from analyst and manager roles with  
2 Columbia distribution companies to Controller - NiSource Service  
3 Company & Asset Accounting. Between 2010 and 2015, I was a Regulatory  
4 Manager focusing on Columbia Gas of Massachusetts, Columbia Gas of  
5 Pennsylvania, and Columbia Gas of Maryland matters. I returned to the  
6 Regulatory department in the manager role in October 2018. In early 2021,  
7 my responsibilities were changed to include a focus on Columbia.

8 **Q: Have you previously testified before the Kentucky Public Service**  
9 **Commission (“PSC”)?**

10 A: Yes. I provided testimony in cases related to Columbia’s Safety  
11 Modification and Replacement Program (“SMRP”) Rider, Other Employee  
12 Postretirement Benefit matters, as well as rate cases.

13 **II. PURPOSE AND GENERAL DISCUSSION**

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

15 A: My testimony will describe the schedules prepared to support the revenue  
16 requirement and corresponding billing rates for the Safety Modification  
17 and Replacement Program Rider (“SMRP”). Additionally, my testimony  
18 will detail the utilization of depreciation rates, property tax factor, Gross  
19 Revenue Conversion factor as included in the Stipulation (“Stipulation”)  
20 filed on October 14, 2024 in Case No. 2024-00092 (“the Rate Case”). The use

1 of these various expense factors will be supported by Witness Cooper.

2 The return utilized in the revenue requirement calculation is as proposed  
3 in the Stipulation. Witness Cooper and Witness Rea will support the use of  
4 this return in the SMRP revenue requirement.

5 **Q: Has the Company included any of the 2023, 2024 or 2025 SMRP capital**  
6 **investments and associated costs in the Rate Case?**

7 A: No. The base rate request in the Rate Case excluded SMRP capital  
8 investments and associated costs for these time periods. Therefore, the  
9 ongoing cost recovery for these investments is included in this Application.

10 **Q: Please explain how this Application differs from Columbia's most recent**  
11 **SMRP Balance Adjustment ("BA") filing (Case No. 2024-0074) filed in**  
12 **March 2024.**

13 A: The October SMRP filings are necessary to establish customer billing rates  
14 using forecasted SMRP activity for the next calendar year, i.e. this October  
15 2024 filing proposes billing rates that will be used in calendar year 2025  
16 related to expected cost recovery for SMRP capital investments through  
17 calendar year 2025.

18 The March SMRP BA filings provide for a full reconciliation of the prior  
19 year SMRP plant activity, associated costs, and ultimately the actual  
20 revenue requirement. The difference between the customer billings and the

1 actual revenue requirement becomes the SMRP BA. This factor is included  
2 in the SMRP on customer bills to match the actual cost recovery with the  
3 actual revenue requirement once the actuals are known for the prior  
4 calendar year.

5 **Q: Is this process of having customer bills based on estimated cost recovery**  
6 **followed up by a reconciling process used in other parts of the customer**  
7 **bill?**

8 A: Yes. In a similar manner to the SMRP process, the Company's Gas Cost  
9 Adjustment ("GCA") includes multiple components. The CGA's Expected  
10 Gas Cost Component component includes an estimate for the gas costs to  
11 be incurred during the billing period. The Actual Cost Adjustment and  
12 Balancing Adjustment components within the GCA provide for adjusting  
13 future customer bills to ensure the customer billed amounts reflect the  
14 actual costs for recovery for historical periods.

15 **III. SMRP APPLICATION**

16 **Q: Will you provide a high-level summary of the format provided in**  
17 **Columbia's Application?**

18 A: Yes. Please refer to the Table of Contents.

- 1           • Form No. 1.0 provides the calculation of the proposed customer  
2           billing rates as well as details the approved existing rates from Case  
3           No. 2023-00335,
- 4           • Form 1.1 provides the estimated 2025 billing volumes by Rate  
5           Schedule used in the calculation of customer volumetric rates,
- 6           • Form 2.0 provides the revenue requirement calculation,
- 7           • Form 2.1 provides the capital structure and return used in the  
8           revenue requirement calculation. The 7.41% return is the same as  
9           the return included in the Rate Case Stipulation (“Stipulation”) filed  
10          October 14, 2024. Witness Cooper and Witness Rea will provide  
11          support for using the Stipulation return in this filing,
- 12          • Form 2.2 provides the Gross Revenue Conversion Factor used in the  
13          revenue requirement,
- 14          • Form 3.0 provides the Plant Additions and Retirements for SMRP  
15          investments for calendar year 2023, and forecasted 2024 and 2025  
16          years,
- 17          • Form 4.0 provides the Accumulated Reserve activity for SMRP  
18          investments for calendar year 2023 and forecasted 2024 and 2025  
19          years,

- 1           • Form 5.0 provides the depreciation expense associated with the
- 2           SMRP investments noted in Form 3.0,
- 3           • Forms 6.0 and 6.1 provide the ADIT balances associated with the
- 4           SMRP investments,
- 5           • Form 7.0 provides the property tax expense calculation,
- 6           • Form 8.0 provides the calculation of O&M savings used in the
- 7           revenue requirement calculation.

8   **Q: Please provide a more detailed summary of Form 1.0.**

9   A: The proposed revenue requirement from Form 1.1 is noted in Column C.  
10 The Line 5 total is allocated to the four “Rate Schedule” summaries utilizing  
11 the Allocation percentages in Column B. These percentages are based on  
12 the overall base revenue distribution in PSC Case No. 2024-00092. The  
13 Billing Determinants in Column D reflect the expected 2025 billing  
14 volumes. Column E reflects the volumetric billing rates from each Rate  
15 Schedule summary group. The Column E billing rates are the proposed  
16 rates that are being requested in this filing.

17 The remaining information is provided for informational purposes only.  
18 Column F details the currently approved SMRP BA volumetric rates as  
19 approved in Case No. 2024-00074. These rates will be in effect through May  
20 2025 and are planned to be replaced with new SMRP BA rates that will be

1 filed in March 2025. Finally, the rates in Column G reflect the sum of the  
2 rates in Column E and F. If the rates in Column E are approved in this filing,  
3 the Column G rates will reflect the total SMRP related rates in customer  
4 bills starting in January 2025.

5 **Q: Please provide a more detailed summary of Form 2.0.**

6 A: The calculation of the revenue requirement is based on a 13-month average  
7 2025 balances for SMRP related Plant and ADIT activity. The calculated  
8 SMRP net Rate Base is summarized on Line 4 and multiplied by the Return  
9 to calculate the required return on Line 6. Lines 7 through 10 detail the  
10 associated operating expenses that are added to the Line 6 return to  
11 generate the total revenue requirement before the Gross Conversion Factor  
12 on Line 11. The total revenue requirement on Line 13 is the sum of Line 11  
13 and the impact of the Gross Revenue Conversion Factor calculation.

14 **Q: Please provide a more detailed summary of Form 2.1.**

15 A: The return information used in the calculation is the same as the proposed  
16 return from the Stipulation. Please refer to Witness Cooper and Witness Rea  
17 testimony for support to use this return.

18 **Q: Please provide a more detailed summary of Form 2.2.**



1 A: The Gross Revenue Conversion Factor used in the calculation is the same  
2 as the proposed factor used in the Stipulation. Please refer to Witness  
3 Cooper testimony for support in using this factor.

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

5 A: The SMRP Gross Plant balances are provided for 2023, and forecasted 2024  
6 and 2025. The 2023 Plant activity including additions and retirements is  
7 aligned with the actual activity included in the approved Case No. 2024-  
8 00074 Balancing Adjustment. The 2024 Plant activity is aligned with the  
9 forecasted 2024 activity included in Case No. 2023-00335. The 2025 plant  
10 activity reflects capital additions that align with the 2025 project list, and  
11 forecasted retirements.

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

13 A: The SMRP Plant Reserve balances are provided for 2023, and forecasted  
14 2024 and 2025. The 2023 Plant activity including depreciation, retirements  
15 and cost of removal is aligned with the 2023 Plant activity included in the  
16 approved Case No. 2024-00074 Balancing Adjustment. The 2024 Plant  
17 activity is aligned with the forecasted 2024 activity included in Case No.  
18 2023-00335. The 2025 plant activity reflects depreciation as calculated in  
19 Form 5.0, and forecasted retirements and cost of removal.

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

1 A: The SMRP depreciation expense is calculated in this Form. Similar to the  
2 Plant activity in Forms 3.0 and 4.0, the 2023 and 2024 activity aligns with  
3 the 2023 activity included in Case No. 2024-00074 Balancing Adjustment  
4 and the 2024 activity projected in Case No. 2023-00335. The 2025 plant  
5 depreciation expense is calculated utilizing the new depreciation rates  
6 included in the Stipulation. Witness Cooper will support the use of these  
7 depreciation rates in the SMRP revenue requirement.

8 **Q: Why was the 2024 Plant Activity in Forms 3.0, 4.0 and 5.0 not updated for**  
9 **actual SMRP plant activity for the all the months that have actual data**  
10 **available?**

11 A: In the October 2023 filing (Case No. 2023-00335), the Company attempted  
12 to update a partial year actual information for calendar year 2023. The  
13 impact on the estimated customer rates was de minimis and, from a review  
14 of discovery from that case, might have been unclear. As part of the  
15 response to KY PSC Staff Data Request Set 2, No.2, the Company indicated  
16 it would discontinue the partial year update of the current year work in  
17 future October filings for work in the next calendar year. The actual  
18 monthly plant activity will only be updated in the March Balancing  
19 Adjustments going forward. This process makes validation of the October

1 filings more efficient as the plant activity can be verified with prior SMRP  
2 filings.

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

4 A: Form 6.1 details the calculated ADIT balances for calendar year 2023, and  
5 forecasted 2024 and 2025. Pages 2 and 3 separate the ADIT calculation for  
6 investments in mains and services from other investments. Mains and  
7 services ADIT includes a tax repairs deduction not applicable to the  
8 remaining investments. Page 1 summarizes Pages 2 and 3 and detail the  
9 total year-end ADIT balances.

10 Form 6.0 normalizes the year-end ADIT balances to generate a monthly  
11 ADIT balance utilized to calculate the 13-month average balance.

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

13 A: Form 7.0 details the property tax expense for 2025. The net investment at  
14 the end of the calendar year 2024 is multiplied by the property tax rates as  
15 included in the Stipulation. Witness Cooper will support the use of this  
16 property tax factor in the SMRP revenue requirement.

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

18 A: Form 8.0 details the Operation and Maintenance savings that could be  
19 included as a reduction in the revenue requirement. The 2023 actual  
20 expense in Account 887 is compared to the amounts being recovered in base

1 rates to determine if the company actual expense reflects a savings. In this  
2 instance, the 2023 incurred costs exceed the amounts recovered in base  
3 rates, therefore the projected O&M savings adjustment is zero.

4 The O&M savings calculation will be updated to reflect actual 2024 costs as  
5 part of the March 2025 SMRP BA filing.

6 **Q: Does this conclude your Direct Testimony?**

7 **A: Yes.**

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Case No. 2024-00328

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 testimony and Application Schedules 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.

Handwritten signature of Jeffery Gore over a horizontal line.

The foregoing Verification was signed, acknowledged and sworn to before me this 15 day of October, 2024, by Jeffery Gore.

Handwritten signature of the Notary Public over a horizontal line.

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.