

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED DECEMBER 17, 2024

1. Refer to Columbia Kentucky's response to Commission Staff's First Request for Information (Staff's First Request), Item 4.

- a. Provide the results of the probabilistic risk assessments (PRA) for the 2025 Project List.
- b. Confirm that the PRA assesses all bare steel pipeline in need of replacement.
- c. State whether Columbia Kentucky provides the results of the risk assessments to NiSource as part of the capital budget planning process.
- d. State whether NiSource plays a role in the choice and design of SMRP projects each year. If so, explain the role.

RESPONSE:

- a. Please refer to KY PSC Case No. 2024-00328 Staff 2-1 Attachment A.
- b. Columbia utilizes the PRA method to assess all segments of bare steel pipe throughout its distribution system.
- c. The numerical results of the PRA on individual pipeline segments are not provided as an input to the capital budgeting process as described in Columbia's Response to Staff's First Set of Requests for Information, No. 8. Please see Columbia's

Response to Commission Staff's Second Request for Information No 2 for a description of how SMRP Projects are considered in the capital budgeting process.

- d. Employees of NiSource Corporate Services Company ("NCSC") work together with employees of Columbia Gas of Kentucky, Inc. ("Columbia") in order to design SMRP projects. The majority of the project design is conducted by Columbia employees. However, this work is informed by information from NCSC employees who are dedicated experts in the area of gas systems planning, asset risk management, and design engineering.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION
DATED DECEMBER 17, 2024

2. Refer to Columbia Kentucky's response to Staff's First Request, Item 8.
 - a. Provide the latest multi-year capital investment plan.
 - b. Explain what information related to SMRP projects Columbia Kentucky provides to NiSource prior to approval of NiSource's allocation to Columbia's capital budget.
 - c. Describe how SMRP projects are discussed during Columbia Kentucky's capital planning process with NiSource.
 - d. Provide approximately when Columbia Kentucky's capital budget is approved each year.

RESPONSE:

- a. Please refer to KY PSC Case No. 2024-00328 Staff 2-2 Attachment A.
- b. and c. When setting the amount of capital allocated for projects that are recovered through the SMRP Rider, Columbia's local engineering department provides insights to the capital budgeting team on a number of topics. Chief among these are the projected availability of resources (including the availability of personnel and materials to complete projects) and a high level review of the output of the PRA risk modeling referenced in

Columbia's Responses to Commission Staff's First Requests for Information in order to assess what SMRP Projects must be completed in the next year. In the spirit of continuous improvement, Columbia and NiSource explore new methods and tools for sharing information during the budgeting process. The capital budgeting team begins its analysis by considering the value allocated to capital outlined in the multi-year capital investment plan referenced above. This amount is adjusted based on these inputs, weighed against other concerns, including customer affordability and the pace of replacement of priority pipe. Columbia's leadership team also provides additional input into the process, such as municipality and community commitments, which can result in changes to this amount. For example, the amount requested for recovery in this proceeding is approximately \$8.7 million higher than what was anticipated when Columbia filed its most recent rate case.¹ This was a result of Columbia's leadership advocating for additional capital to be allocated to the SMRP Rider.

d. The capital budget is typically approved each October.

¹ See Case No. 2024-00092, *In the Matter of the Electronic Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates; Approval of Depreciation Study; Approval of Tariff Revisions; and Other Relief*, Application Volume 4, Tab 36 (May 16, 2024).

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
THE ELECTRONIC APPLICATION OF)
COLUMBIA GAS OF KENTUCKY, INC. FOR: 1))
APPROVAL OF AN AMENDMENT TO ITS)
SAFETY MODIFICATION AND REPLACEMENT)
TARIFF; AND 2) APPROVAL TO UPDATE SMRP)
RATES)

Case No. 2024-00328

VERIFICATION OF JUDY COOPER

STATE OF KENTUCKY)
)
COUNTY OF FAYETTE)

Judy Cooper, Director of Regulatory Affairs for Columbia Gas of Kentucky, Inc., being duly sworn, states that she has supervised the preparation of responses to requests for information 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.

Judy Cooper

Judy Cooper

The foregoing Verification was signed, acknowledged and sworn to before me this 9th day of January, 2025, by Judy Cooper.

Evelyn Long Durr

Notary Commission No. KYNP 49615

Commission expiration: May 15, 2026

