**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 100:

Legal Expense. Refer to the Application generally. Itemize the amount of outside legal expense (direct & allocated), by vendor, for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

Please refer to 2026-00099_AG_DR_Set_1_No_100_Attachment_A for the requested Operations and Maintenance ("O&M") Expenses for the Legal department, separately identified by Outside and Internal Legal. Note, the O&M Expenses provided in Attachment A for the Legal department are primarily allocated charges billed / budgeted to Columbia from NiSource Corporate Services Company. Additionally, the budget is not established at the vendor level and as a result, the information at the vendor level in the BP and FTP is not available. However, the total amount budgeted in the BP and FTP for outside legal expense is $382,962 and $467,843 respectively. Furthermore, please see workpapers WPD-2.7.H (Columbia) and WPD-2.7.I (NCSC billed to Columbia) for ratemaking adjustments to remove O&M Expenses for non-recoverable items from the revenue requirement for the FTP, inclusive of any identified adjustments made Legal department expenses.

ATTACHMENT A IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

<u>Data Request No. 101</u>:

Legal Expense. Refer to the Application generally. Provide the total amount of internal legal expense (direct & allocated), for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

Please refer to 2026-00099_AG_DR_Set_1_No_100_Attachment_A for the total amount of internal legal expense (direct & allocated), for calendar years 2021 through 2025, the BP and included for recovery in the FTP.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 102:

Lobbying/Government Relations Costs. Refer to the Application generally.

a. Please identify all lobbying/government relations costs (direct & allocated) included in above-the-line accounts for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

b. Identify all employees that engage in lobbying/governmental relations activities on the local, state, or national level. For each employee provide in schedule form:

   i. Their fully loaded annual salaries included in 2025, the BP and FTP,

   ii. Percent of time spent on lobbying activities in 2025, the BP and FTP,

   iii. The organizations or trade associations involved,

   iv. All company-paid or reimbursed expenses or allowances in the BP period and the FTP and the accounts charged.

Response:

Please see Columbia's Response to Staff Request 1-13 for Lobbying Expenses for Director of Government and Public Affairs, Employee 1 and Employee 2 who are registered lobbyists for Columbia Gas of Kentucky. Please note, the Columbia Gas of Kentucky Director of Government & Public Affairs was in the position until April 2025, and was the NiSource Corporate Service Company Director of Regulatory Strategy and Support providing transition support to the Employee 2 - Columbia Gas of Kentucky Director of Government & Public Affairs until the employee's retirement in May 2025.

As explained in Columbia's responses to the referenced data requests, the Company has removed a representative amount of lobbying expenses from the FTP in developing the revenue requirement.

Please see 2026-00099_AG_DR_Set_1_No_102_Attachment_A_CONFIDENTIAL for the requested costs of Federal Governmental Affairs employees Employee 3 - Vice President Public Affairs and Sustainability, Employee 4 - Senior Director Federal Governmental Affairs, and Employee 5 - Federal Governmental Affairs Manager, who are a registered lobbyists and have reportable compensation for 2021-2025 as filed in accordance with the Lobbying Disclosure Act of 1995 (Section 5) with the U.S. Federal Government. Please note, Attachment A reflects total NiSource Corporate Services Company ("NCSC") costs for these employees and does not represent Columbia's costs for these employees billed from NCSC. Generally, Columbia's ratio of labor to total NCSC is approximately 4.5% (see workpaper WPD-2.7.J(2) footnote 1). Columbia has removed $28,948 from its FTP for lobbying-related actives for these individuals. Upon further investigation in preparation of this response, Columbia identified additional lobbying expenses to be removed from its FTP in the amount of $6,283.

ATTACHMENT FILED UNDER SEAL PURSUANT TO A MOTION FOR CONFIDENTIAL TREATMENT

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 103:

Meter Reading Expense. Refer to the Application generally. Provide the total amount of meter reading expense, for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

The meter reading expense (charges to Account 902) are as follows:

2021 - $221,577

2022 - $243,818

2023 - $292,794

2024 - $293,297

2025 - $258,412

Unadjusted BP – $261,759

(Located in the Application at Tab 72 FR 807 KAR 5:001 Section 16(8)(a):

- Page 143 of 247, Schedule C-2.1.A, Sheet 2 of 2, Line 13;
- Page 147 of 247, Schedule C-2.2.A, Sheet 2 of 2, Line 5;
- Page 152 of 247, Schedule D-1.A, Sheet 2 of 3, Line 25, Column 1)

Adjusted BP, as well as Unadjusted & Adjusted FTP – $310,029

(Located in the Application at Tab 72 FR 807 KAR 5:001 Section 16(8)(a):

- Page 145 of 247, Schedule C-2.1.B, Sheet 2 of 2, Line 13;
- Page 152 of 247, Schedule D-1.A, Sheet 2 of 3, Line 25, Column 11;
- Page 155 of 247, Schedule D-1.B, Sheet 2 of 3, Line 24, Columns 1 and 20)

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 104:

Non-Recurring Costs. Refer to the Application generally.

a. For each expense account in 2025, the BP and FTP, list each non-recurring charge or credit exceeding $50,000. (direct and allocated)

b. For each item provide an explanation of the cost.

Response:

Columbia did not experience any non-recurring expenses / credits exceeding $50,000 in its review of individual transactions for the actual BP (September 2025 – February 2026), or the most recent calendar year (2025) which was utilized as a proxy in the Company's review of Operations and Maintenance Expenses in determining non-recoverable items to remove from the FTP as described in the testimony of Witness Davis at Page 20. Calendar 2025 was utilized as a proxy basis as the forecasted BP and FTP are not maintained at a transactional level of detail to determine non-recurring costs.

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 105:

Non-Utility Property.

a. Identify all amounts (direct and allocated) of non-utility property that the Company owned for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

b. For each property, provide the date the property was acquired, a description of the property and what it is used for and why it should be recovered from ratepayers.

Response:

Columbia did not own any non-utility property during calendar years 2021 through 2025, the actual Base Period, nor has Columbia budgeted for non-utility property in the forecasted Base Period or the Forecasted Test Period (2027).

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 106:

Normalization. Refer to Application, 807 KAR 5:001, Section 16-(8)(a), page 6 of 247, Schedule B-1 line 8d. Explain what the normalization proration adjustment represents and why it is included in the FTP rate base.

Response:

The normalization proration adjustment is an adjustment required under Treas. Reg. §1.167(l) to spread the tax benefits of certain tax law provisions (such as accelerated depreciation under IRC §168) over the life of the related assets during ratemaking. When a public utility elects accelerated depreciation for federal income tax purposes, this normalization method of accounting is required.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 107:

Other Revenues (Adj 2). Refer to the Application, 807 KAR 5:001, Section 16-(8)(a), page 161 of 247, Schedule D-2.3. Provide the "multi-year average" calculations for forfeited discounts and misc. service revenue for the BP and the FTP.

Response:

The Company did not use historical data to calculate forfeited discounts for the BP and FTP because, in Case No. 2024-00092, the Commission approved the Company's proposal to eliminate late payment penalties for residential service. In that case, the Company reviewed actual late payment charges from January 2021 through December 2023 and removed residential late payment charges, resulting in an average of $182,000 of remaining late payment charges attributable to non-residential customers for the forecasted test period projection. In this proceeding, the Company used that $182,000 amount as a proxy and estimated $150,000 for the FTP. The BP forfeited discounts amount of $171,000 was calculated using actual non-residential late payment information from September 2025 through February 2026 and projected amounts for March 2026 through August 2026.

To calculate miscellaneous service revenues for the BP and FTP, the Company reviewed actual miscellaneous service revenues for 2022, 2023, and 2024, resulting in a three-year average of $110,000. After further review, the Company adjusted the actual information to develop the $116,000 FTP projection. The $88,000 BP miscellaneous service revenue was calculated using actual results from September 2025 through February 2026 and projected amounts for March 2026 through August 2026.

Misc. Service Revenue	1	2	3	4	5	6	7	8	9	10	11	12	Grand Total
2022													
-	(4,813)	(8,876)	(14,695)	(16,957)	(2,732)	(5,966)	(7,900)	(5,600)	(14,674)	(14,948)	(12,296)	(5,792)	(115,248)
Service Charge Returned Checks	(2,832)	(2,520)	(2,394)	(2,436)	(1,932)	(2,576)	(1,960)	(2,170)	(2,016)	(1,974)	(2,016)	(2,352)	(27,178)
2022 Total	**(7,645)**	**(11,396)**	**(17,089)**	**(19,393)**	**(4,664)**	**(8,542)**	**(9,860)**	**(7,770)**	**(16,690)**	**(16,922)**	**(14,312)**	**(8,144)**	**(142,426)**
2023													
-	3,331	(2,464)	(15,127)	(13,930)	2,332	(1,799)	(7,403)	(573)	(2,172)	(14,896)	(25,576)	(4,195)	(82,471)
Service Charge Returned Checks	(2,492)	(2,688)	(2,170)	(2,436)	(2,086)	(1,778)	(1,932)	(1,960)	(2,058)	(1,624)	(294)	(182)	(21,700)
2023 Total	**839**	**(5,152)**	**(17,297)**	**(16,366)**	**246**	**(3,577)**	**(9,335)**	**(2,533)**	**(4,230)**	**(16,520)**	**(25,870)**	**(4,377)**	**(104,171)**
2024													
-	10,623	(4,576)	(17,318)	1,194	(2,603)	(53,871)	43,191	(4,939)	(4,671)	(24,464)	(5,832)	(17,073)	(80,339)
Service Charge Returned Checks	(112)	(420)	(308)	(238)	(224)	(280)	(140)	(182)	(266)	(266)	(364)	(462)	(3,262)
2024 Total	**10,511**	**(4,996)**	**(17,626)**	**956**	**(2,827)**	**(54,151)**	**43,051**	**(5,121)**	**(4,937)**	**(24,730)**	**(6,196)**	**(17,535)**	**(83,601)**
Grand Total	**3,705**	**(21,543)**	**(52,012)**	**(34,803)**	**(7,245)**	**(66,270)**	**23,856**	**(15,424)**	**(25,857)**	**(58,173)**	**(46,377)**	**(30,056)**	**(330,199)**
	3,705	**(21,543)**	**(52,012)**	**(34,803)**	**(7,245)**	**(66,270)**	**23,856**	**(15,424)**	**(25,857)**	**(58,173)**	**(46,377)**	**(30,056)**	**(330,199)**
												3-Year Average	**(110,066)**
FTP Projections	**9,705**	**9,705**	**9,705**	**9,705**	**9,705**	**9,705**	**9,705**	**9,705**	**9,705**	**9,705**	**9,705**	**9,705**	**116,466**

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 108:

Overtime. Refer to the Application, 807 KAR 5:001, Section 16-(8)(a), page 173 of 247, Workpaper WPD-2.7.B(2). Update the chart in footnote [2] to contain the years 2021 and 2022.

Response:

Please see "Table: Overtime and Premium Pay to Total Straight-Time Labor Ratio" below for 807 KAR 5:001, Section 16-(8)(a), page 173 of 247, Workpaper WPD-2.7.B(2) Annualized Columbia Gas of Kentucky Labor O&M Expense Adjustment Footnote [2] to provide a five-year average of the experience factor of Overtime and Premium Pay to Straight-Time Labor per NiSource Payroll Department payroll files.

Table: Overtime and Premium Pay to Total Straight-Time Labor Ratio

Calendar Year	Straight-Time (1)	Overtime and Premium Pay (2)	Overtime and Premium Pay Ratio (3 = 2 / 1)
2021	$16,662,660	$3,073,707	18.45%
2022	$17,407,470	$2,398,954	13.78%
2023	$17,888,348	$1,669,654	9.33%
2024	$18,802,898	$1,823,204	9.70%
2025	$19,100,068	$1,984,175	10.39%
5-Year Average	$89,861,444	$10,949,695	12.19%

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 109:

Outside Services (Adj 5). Refer to the Application, 807 KAR 5:001, Section 16-(8)(a), page 163 of 247, Schedule D-2.4. Provide total outside services broken down by vendor for the each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

Please refer to 2026-00099_AG_DR_Set_1_No_109_Attachment_A for a listing of Columbia Outside Services expenses for calendar years 2021 through 2025, and Base Period actuals for September 2025 to February 2026, by vendor. Please see Tab 72 807 KAR 5:001 Section 16-(8)(a), page 165 of 247, Workpaper WPD-2.4.A, Line 17 (Base Period actual and forecasted for the period March 2026 to August 2026) and Workpaper WPD-2.4.B, Line 17 for the Forecasted Test Period. Please note, the budget is not available / developed at the same level of detail as actuals, as such, information by vendor for Outside Services is not available. Additionally, please see Tab 72 807 KAR 5:001 Section 16-(8)(a), page 183 of 247, Workpaper WPD-2.7.H (Columbia), Line 4 for ratemaking adjustments to remove identified non-recoverable Outside Services O&M Expenses.

ATTACHMENT A IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 110:

Profit Sharing Plan. Refer to the Application generally.

a. Provide the total amount (direct and allocated) of profit sharing expense in each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

b. Provide a description of the plan and state which employees are eligible for this benefit.

c. Provide the amount and percent of FTP expense related to financial measures.

Response:

a. Please refer to 2026-00099_PSC_DR_AG_Set_1_No_91_Attachment_A for the total amount (direct and allocated) of Contributions to Employees' Retirement Savings Accounts "CERSA" (or profit sharing) expense, as described in Company Witness Owen's Direct Testimony, for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

b. Please refer to the testimony of Witness Owens at Pages 30 through 31 "NiSource Contributions to Employee Retirement Savings Accounts."

c. NiSource's CERSA metrics are calculated using the same results as the Short-Term Incentive ("STI") plan. The specific STI goals for the FTP have not been determined yet but the last several years have been consistently 70% financial metrics and 30% non-financial metrics so can anticipate that will be consistent. As such, please see the table below in applying this percentage to the figures provided in 2026-00099_PSC_DR_AG_Set_1_No_91_Attachment_A for the FTP.

	Columbia	NCSC Billed to Columbia
Financial (70%)	$85,904	$61,562
Non-Financial (30%)	$36,816	$26,384
Total CERSA	$122,720	$87,945

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 111:

Payroll. Refer to the Application generally. Provide the total signing bonuses paid (direct and allocated) in each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

Please see Columbia's Response to 2026-00099 AG_DR_Set_1_No_1-6 Attachment A for the Columbia total signing bonuses paid and 2026-00099 AG_DR_Set_1_No_1-6 Attachment B for the NCSC billed to Columbia total signing bonuses paid in calendar years 2021 through 2025, the BP and included for recovery in the FTP. The Payroll W-2 earnings code for signing bonuses is 330 Sign On/Hire Bonus. Signing bonuses are not explicitly budgeted.

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 112:

Payroll. Refer to the Application generally. Provide, for each employee group (direct and allocated), by month, for each of the years 2021, 2022, 2023, 2024, 2025, the BP, and included in the FTP, the number of full-time employees budgeted, the number of part-time employees budgeted and the actual number of full-time employees and part-time employees (not Full Time Equivalents ("FTE")). Also, provide for each period the budgeted and actual FTEs (direct and allocated).

Response:

Please refer to Columbia's Response to 2026-00099_PSC_Staff_DR_Set_2_No_38_ Attachment_A for Columbia Gas of Kentucky budgeted and actual number of full-time and part-time employees for the historical actual months of January 2023 through April 2026, the Base Period ("BP") reflecting September 2025 through April 2026 actuals and May through August 2026 forecast, and the calendar 2027 Forecasted Test Period ("FTP"). Actual data reflects employees that are active during the periods. Please also refer to Columbia's Response to the Attorney General's Data Request 1-113 and 1-114 for detail on the budgeted headcount and assumptions around vacancies and Columbia's proposed labor ratemaking adjustments, as well as Direct Testimony of Witness Davis.

Please refer to 2026-00099_DR_AG_Set_1_112_Attachment_A for NiSource Corporate Services Company budgeted and actual number of full-time and part-time employees for the historical actual months of January 2023 through December 2025, the Base Period ("BP") reflecting September 2025 through December 2025 actuals and January through August 2026 forecast, and the calendar 2027 Forecasted Test Period ("FTP").

An update of actuals can be provided upon request.

ATTACHMENT IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 113:

Payroll. Refer to the Application generally. Has the Company used a vacancy factor in its payroll (direct and allocated) forecast for the FTP? If so, provide the factor used and the supporting calculations. If not, explain why not.

Response:

Columbia did not utilize a vacancy factor. However, Columbia included an adjustment for known and budgeted vacant NCSC positions, as described below in its labor (payroll) calculation.

Columbia's FTP labor (payroll) is reflective of active employee headcount for Columbia (Company 32) and NiSource Corporate Services Company (Company 12) as of December 31, 2025, adjusted for 2026 and 2027 merit increases per Columbia Witness Owens. Columbia also included an adjustment to NCSC labor for vacant positions that were either filled or anticipated to be filled by June 2026, due to employee terminations or retirements, as well as incremental positions in gas supply, major projects, cybersecurity, supply chain, data analytics, and customer transformation (see Schedule D-2.7, Adjustment 9.3, and the Direct Testimony of Witness Davis at page 21).

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 114:

Payroll. Refer to the Application generally. How many new hires (direct and allocated) has the Company included in the FTP that were not hired as of 2/28/2026? For each new position provide:

a. Planned hiring date

b. Hiring dates for any of these positions that have been filled

c. Fully loaded annual salary

d. Job Title

Response:

Please see CONFIDENTIAL 2026-00099_AG_DR_Set_1_No_114_Attachment_A for an update of Schedule D-2.7, Adjustment 9.3, specifically supporting workpaper WPD-2.7.J(5), and latest information on the Company's proposed FTP NiSource Corporate Services Company ("NCSC") headcount complement adjustment to reflect the current hiring status as of July 7, 2026. CONFIDENTIAL 2026-00099_AG_DR_Set_1_No_114_Attachment_A contains other revisions made upon preparation of this response and Columbia's CONFIDENTIAL response to the Attorney

General's Request 1-116. A column (Column 10 – Job Posting Reason) has been added to the Attachment A to signify whether the position is a backfill or an added (new) position. Attachment A, Column 11, provides the current hiring status (date) as of July 7, 2026. Additionally, please see CONFIDENTIAL 2026-00099_AG_DR_Set_1_No_114_Attachment_B for the March 1, 2026, Hired and Open Positions Report for added positions from the NiSource Human Resources Department providing this information.

ATTACHMENTS FILED UNDER SEAL PURSUANT TO A MOTION FOR CONFIDENTIAL TREATMENT

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 115:

Payroll. Refer to the Application generally. Provide a list of all vacant positions (direct and allocated) included in the FTP including:

a. Length of time that the position has been open

b. Planned hiring dates for each position

c. Hiring dates for any of these positions that have been filled

d. Fully loaded annual salary for unfilled positions

e. Job Title

Response:

Please see Columbia's responses to CONFIDENTIAL Attorney General's Requests 1-114 and 116.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 116:

Payroll. Refer to the Application generally. Provide support for all new employee/FTE's requested in the FTP including all documentation and calculations.

Response:

Please see Columbia's response to Staff Request 2-19. The FTP reflects annualized labor based on Columbia's 191 active employees at December 31, 2025. No added positions beyond the 191 were included in the FTP.

Please see Columbia's response to CONFIDENTIAL 2026-00099_AG_DR_Set_1_No_114_Attachment_A (an update of Schedule D-2.7, Adjustment 9.3, specifically supporting workpaper WPD-2.7.J(5)), for the latest information on the Company's proposed FTP NiSource Corporate Services Company ("NCSC") headcount complement adjustment. CONFIDENTIAL 2026-00099_AG_DR_Set_1_No_114_Attachment_A reflects the current hiring status as of July 7, 2026, and other revisions made upon preparation of this response and Columbia's CONFIDENTIAL response to AG DR 1-114. A column (Column 10 – Job Posting Reason) has been added to Attachment A to signify whether the position is a backfill or an added (new) position.

Referring to Columbia's response to CONFIDENTIAL 2026-00099_AG_DR_Set_1_No_114_Attachment_A, please see the following for supporting documentation, or explanation, for each of the Columns in the update of workpaper WPD-2.7.J(5):

- Column 2 - Gross Base Salary: Please see Columbia's response to Attorney General's Request 1-114 Attachment B for the March 1, 2026, Hired and Open Positions Report provided by the NiSource Human Resources Department for the gross annual base salary for each job.
- Column 3 - Percentage of Allocation to Columbia: Please see 2026-00099_AG_DR_Set_1_No_116_Attachment_A for the supporting documentation of the percentage of allocation to Columbia (CKY). As explained in footnote number 2, the "Percentages of allocation to CKY per calendar 2025 ratable usage of billing pools allocated to CKY and CKY's NCSC Allocation Survey rates effective February 2026."
- Column 4 - Gross Base Salary Billed to Columbia: Mathematical calculation.
- Column 5 - Gross Base Salary Billed to Columbia, including Merit Increase: Mathematical calculation. See workpaper WPD-2.7.J(2), Line 8 for the percentage increase and testimony of Witness Owens.

- Column 6 - O&M Experience Ratio: Please see 2026_00099_AG_DR_Set_1_No_116_Attachment_B for the supporting documentation of the percentage of historical allocation to O&M Expense.
- Column 7 - Base Salary O&M Expense Billed to Columbia, including Merit Increase: Mathematical calculation.
- Columns 8, 9, 10, 11 and 12 - Location, Job Title, Job Posting Reason, Hire Date and Target Short-Term Incentive Percentage, respectively: See support for Column 2.
- Columns 13 and 14 - Target Short-Term Incentive Gross and O&M Expense: Mathematical calculations.
- Column 15 - Employee Benefits Experience Factor: See footnote number 5, the "Benefits Experience Factor is based on calendar year 2025 experience calculated as shown" in the footnote;
- Columns 16 and 17 - Employee Benefits Costs-Gross and O&M Expense: Mathematical calculations.
- Column 18 - Payroll Tax Experience Factor: See footnote number 6, "Payroll Tax experience factor per WPD-2.7.J(4), Line 5 and 2026 Social Security Maximum Taxable Earnings of $184,500"; and
- Columns 19 and 20 - Employee Benefits Costs-Gross and O&M Expense: Mathematical calculations.

- Column 21 – Total NCSC Billed to Columbia Headcount Complement O&M Expense

  Adjustment: Mathematical calculation.

ATTACHMENT IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 117:

Payroll. Refer to the Application generally. Provide the current number of employees and FTEs. (direct and allocated)

Response:

Please refer to Columbia's Response to Attorney General's Data Request 1-112.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 118:

Payroll. Refer to the Application generally. Provide for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP, the amount of base pay, overtime, incentive compensation, and the amount of other pay broken down in the most detailed format available including the amount charged to capital, amount charged to expense and amounts charged to other (specify). If any of the other is ultimately expensed, provide the amount ultimately expensed in each year.

Response:

Please refer to 2026-00099_PSC_AG_DR_Set_1_No_118_Attachment_A for calendar years 2021 through 2025, the BP and FTP total labor.

Please refer to 2026-00099_PSC_AG_DR_Set_1_No_91_Attachment_A for calendar years 2021 through 2025, the BP, and the FTP incentive compensation.

Please refer to 2026-00099_PSC_AG_DR_Set_1_No_6_Attachment_A and 2026-00099_PSC_AG_DR_Set_1_No_6_Attachment_B for calendar years 2021 through 2025, the BP, and the FTP overtime and other pay. Overtime and other pay is not separately identified in the general ledger or in the budget to provide a split of capital and expense.

ATTACHMENT IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 119:

Payroll. Refer to the Application generally.

a. Provide total (direct & allocated) budgeted Capital and O&M payroll for each of the years 2021, 2022, 2023, 2024, 2025, the BP, and included for recovery in the FTP.

b. Provide the total (direct & allocated) actual Capital and O&M payroll for each of the years: 2021, 2022, 2023, 2024, and 2025.

c. Provide the total (direct & allocated) Capital and O&M payroll approved by the Commission for each of the years: 2021, 2022, 2023, 2024, and 2025.

Response:

a. Please see the table below for the budgeted Capital and O&M payroll information for the requested periods for Columbia and NiSource Corporate Services Company ("NCSC") budgeted to Columbia.

	Unadjusted Payroll Budget					
	Columbia Budgeted Payroll			NCSC Payroll Budgeted to Columbia		
Period	O&M	Capital	Total	O&M	Capital	Total
2021	12,712,378	9,321,105	22,033,483	7,729,587	1,987,715	9,717,302
2022	12,969,690	9,600,789	22,570,478	7,699,014	2,284,769	9,983,783
2023	12,689,739	8,965,567	21,655,306	6,888,210	2,829,244	9,717,454
2024	11,464,853	8,137,228	19,602,081	7,775,488	4,229,339	12,004,827
2025	11,546,494	8,195,173	19,741,668	8,366,822	4,514,786	12,881,608
BP	11,992,048	8,340,518	20,332,566	8,753,793	4,842,949	13,596,742
FTY	11,942,246	8,669,156	20,611,402	9,306,727	5,136,236	14,442,963

b. Please see Columbia's response to Attorney General's Request 1-118.

c. Payroll expenses are only reviewed and approved by the Kentucky Public Service Commission in a base rate case proceeding. In the Company's 2021 Rate Case (Case No. 2021-00183), which was based on a calendar 2022 Forecasted Test Year, the pro forma level of payroll expenses was not defined in the Stipulation, nor in the Commission's Final Order in the case. In the Company's 2024 Rate Case (Case No. 2024-00092), which was based on a calendar 2025 Forecasted Test Year, the pro forma level of payroll capital and O&M expense per Columbia's response to AG 1-99, Attachment A was Columbia: Capital - $8,553,891 and O&M - $11,529,946 and NCSC Billed to Columbia: Capital - $4,293,821 and O&M - $7,828,724.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 120:

Payroll. Refer to the Application generally. Provide a description of the Company's merit and cost of living wage rate increase policies applicable to the BP and FTP.

Response:

Please refer to the Direct Testimony of Columbia Witness Owens at Page 14-19.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 121:

Payroll. Refer to the Owens Testimony, page 18. Did the Company include any union ratification bonus expense in the BP or FTP? If so, identify the total amount (direct & allocated) included in the BP and included for recovery in the FTP.

Response:

Union Contract Signing Bonuses (if any) are recorded on the company's general ledger to Miscellaneous & Other Cost Element 3660. As shown in Columbia's Response to the Attorney General's Data Request 1-133, there were no Union Contract Signing Bonuses paid / expensed in the BP or the FTP.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 122:

Penalties/Fines. Refer to the Application generally. Provide the total amount (direct & allocated) of all penalties and fines incurred in 2025, included in the BP and for recovery in the FTP. Provide a brief description of the nature of the penalties/fines.

Response:

There were no penalties and fines recorded to above-the-line expense during the periods requested, nor are penalties forecasted in the company's budget. Penalties are generally recorded below-the-line to FERC Account 426.3. Costs recorded / budgeted to FERC Account 426 are not included in the calculation of the company's revenue requirement.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 123:

Pet Insurance. Does the Company offer health/medical insurance for pets as a benefit to employees? If so:

a. Provide a detailed description of the program and identify which employees are eligible for the benefit.

b. Provide the amount of pet insurance expense (direct and allocated) for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

The Company does not have a pet insurance program.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 124:

Plant. Refer to the Application, 807 KAR 5:001, Section 16-(8)(a), page 244 of 247 Schedule K. Explain the reason for the large increase to FTP distribution plant over the BP and prior year levels of additions.

Response:

Objection: Columbia objects that this request to the extent it mischaracterizes the Company's filing; specifically, the reference to "large increase," which is subjective in nature. Notwithstanding and without waiving this objection, Columbia responds as follows. There are many factors that cause the increase to FTP distribution plant over the BP and prior year levels of additions, which contribute to the increase in their totality. One example of those factors, however is the result of a forecasted costs associated with the replacement of approximately 8 miles of mainline pipe due to age and condition as well as the corresponding services. There are various other forecasted capital investments in distribution plant targeting bare steel and ineffectively coated pipe in order to maintain pace with the Company's priority pipe replacement program.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 125:

Plant Additions. Refer to the Application, 807 KAR 5:001, Section 16-(8)(a), Schedule B-2, page 8 of 247.

a. Provide the total actual amount of plant additions incurred for each of the following years: 2021, 2022, 2023, 2024 and 2025.

b. Provide the total budgeted plant additions for each of the following years: 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

a. Provide the total actual amount of plant additions incurred for each of the following years: 2021, 2022, 2023, 2024 and 2025.

Year	Actual Plant Additions
2021	70,215,640.27
2022	77,755,989.01
2023	78,034,757.94
2024	65,289,973.47
2025	90,275,667.06

b. Please refer to PSC AG 1-48.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 126:

Picarro Leak Detection System Costs. Refer to the Application generally. Provide the amount of leak detection expense for 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

Leakage detection utilizing Picarro technology has only taken place during a pilot in 2022. In 2022, the expense was $260,000.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 127:

Leak Repairs. Refer to the Application generally.

a. Provide the number of leaks detected in each year 2021, 2022, 2023, 2024, and 2025.

b. Provide the number of leaks repaired in each year 2021, 2022, 2023, 2024, 2025, and forecasted for the BP and the FTP.

Response:

a and b: Please see the table below for the number of leaks detected in each year 2021, 2022, 2023, 2024, the number of leaks repaired in 2021, 2022, 2023, 2024, and 2025. Please note that the number of leaks detected in total for 2025 will be supplemented when the data becomes available. Further, Columbia does not forecast the number of leaks detected or repaired for the BP and the FTP.

Year	Number of Leaks Detected by Year	Number of Leaks Repaired by Year
2021	1401	1283
2022	1724	1137
2023	1373	1339
2024	1700	1680
2025	- -	1104

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 128:

Property Taxes. Refer to the Application, 807 KAR 5:001, Section 16-(8)(a), page 191 of 247, Workpaper WPD-2.7.L.

a. Provide the property tax expense broken out by the same categories (Total, SMRP and Gas Storage) for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

b. Explain why Kentucky ratepayers are assessed West Virginia Property Tax on the Gas Storage Balance. Is the portion paid by Kentucky ratepayers deducted from the West Virginia rates?

Response:

a. The tables below summarize the requested property tax expense amounts for 2021 through 2025 and provide the related BP, FTP, SMRP adjustment, and source references.

Description	2021	2022	2023	2024	2025
Total company property tax expense, including SMRP and WV Storage	$6,281,816	$5,671,715	$3,115,772	$8,676,000	$7,095,201
West Virginia stored gas property tax expense	$169,061	$165,000	$213,000	$180,000	$191,469
SMRP property tax expense	$1,405,412 [1]	$0 [2]	$215,066 [3]	$646,348 [4]	$1,333,864 [5]

Description	Amount	Source
Unadjusted BP	$8,432,904	Tab 72 FR 807 KAR 5:001, Section 16(8)(a), Page 153 of 247, Schedule D-1.A, Sheet 3, Line 10, Column 1.
Unadjusted FTP	$9,614,592	Tab 72 FR 807 KAR 5:001, Section 16(8)(a), Page 156 of 247, Schedule D-1.B, Sheet 3, Line 10, Column 1.
BP SMRP Adjustment	$549,010	Tab 72 FR 807 KAR 5:001, Section 16(8)(a), Page 153 of 247, Schedule D-1.A, Sheet 3, Line 10, Column 3.
FTP SMRP Adjustment	$3,386,533	Tab 72 FR 807 KAR 5:001, Section 16(8)(a), Page 156 of 247, Schedule D-1.B, Sheet 3, Line 10, Column 18.
Adjusted BP	$7,883,894	Tab 72 FR 807 KAR 5:001, Section 16(8)(a), Page 153 of 247, Schedule D-1.A, Sheet 3, Line 10, Column 5.
FTP, less SMRP	$6,228,059	Unadjusted FTP total company $9,614,592 less SMRP $3,386,533.

Footnotes:

[1] 2021 SMRP: Case No. 2021-00151, Application, Form 1.1, Line 10.

[2] 2022 SMRP: Prior SMRP investments rolled into base rates.

[3] 2023 SMRP: WPD-2.2.A, Line 5.

[4] 2024 SMRP: Case No. 2025-00071.
[5] 2025 SMRP: Case No. 2026-00083.

b. The West Virginia property taxes are associated with natural gas storage facilities and related inventory physically located in West Virginia owned by Columbia Gas of Kentucky to serve its Kentucky customers. The storage assets do not serve West Virginia retail customers. There is no recovery of these costs in West Virginia. These costs are included solely in the Kentucky jurisdiction's revenue requirement.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 129:

Rate Case Expense. Refer to the Application, KAR 5:001, Section 16-(8)(a), page 223 of 247, Schedule F-9.

a. Explain the basis for a one-year amortization.

b. If rates are not reset until the next rate case, confirm that the Company will collect this amount annually.

c. State when the Company anticipates it will file its next rate case.

Response:

a. Please see response to Columbia's response to KY PSC Staff 2-3 and Attorney General's data request 1-5.

b. Columbia cannot answer this question because it is an incomplete hypothetical that seeks information or commitments dependent upon the ultimate outcome of this proceeding, which has not yet been determined.

c. This decision has not been made.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 130:

Rate Case Expense. Refer to the Application generally.

a. Has the Company included any unamortized rate case expense from the prior rate case in the FTP expense and rate base? If so, provide the amount included in the FTP.

b. If so, provide a schedule showing the monthly amortization of the rate case expense allowed in the last rate case through the most current date.

Response:

a. and b.

Columbia has not included any unamortized rate case expense in its FTP revenue requirement as the rate case expense deferral of the 2024 Rate Case (Case No. 2024-00092) will be fully amortized by December 31, 2026 (prior to the anticipated effective date of rates from this Case).

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 131:

Relocation Expense. Refer to the Application generally. Provide the amount of employee relocation expense for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP. For each, explain the reason for the relocation.

Response:

Please see Columbia's Response to Attorney General's Data Request 1-133, specifically Cost Category titled Employee Expenses and Cost Element 9021-Moving Expense. Note, the budget is not maintained at the level of detail requested, however Columbia has utilized the most recent calendar year actual (2025) as a basis of allocation to arrive at a budgeted amount for Cost Element 9021-Moving Expense shown in AG 1-133 for the projected BP and FTP. Please also see CONFIDENTIAL_2026-00099_DR_AG_Set_1_No_131_Attachment_A for a copy of the NiSource "Company Offered Relocation" Policy providing the eligibility criteria for relocation assistance. Employees who received relocation assistance were eligible due to a change in their job with the Company and required location of the position.

ATTACHMENT FILED UNDER SEAL PURSUANT TO A MOTION FOR CONFIDENTIAL TREATMENT

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 132:

Recruitment Expenses. Refer to the Application generally. Provide the annual expenses associated with the Company's recruitment efforts for each of the years 2021, 2022, 2023, 2024, 2025, the BP and the FTP. If increased costs are reflected in the FTP, explain why these expenses should be considered recurring if the Company plans to fill the requested new positions during the FTP.

Response:

Columbia does not specifically track expense associated with recruiting efforts in actuals or the budget.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 133:

O&M Expenses. Refer to the Application, 807 KAR 5:001, Section 16-(8)(a), page 166 of 247, Workpaper D-2.4B. Provide the annual amounts for each line for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

Please refer to 2026-00099_AG_DR_Set_1_No_133_Attachment_A for the Operation and Maintenance ("O&M") Expenses by Cost Category, and by Cost Element (for actuals only), for Unadjusted (per books) calendar years 2021 through 2025, the Unadjusted BP, and Unadjusted and Adjusted FTP for Columbia.

Please refer to 2026-00099_AG_DR_Set_1_No_133_Attachment_B for the O&M Expenses by Cost Category, and by Cost Element (for actuals only), for Unadjusted (per books calendar years 2021 through 2025, the Unadjusted BP, and Unadjusted and Adjusted FTP for NiSource Corporate Service Company ("NCSC") billed to Columbia.

Note, the Company's budgets are not maintained at the same level of detail (by Cost Element) as actuals. Where applicable, the Company has utilized calendar year 2025 experience as a basis of allocation of the unadjusted budget to derive certain levels of expense.

ATTACHMENTS A AND B ARE EXCEL SPREADSHEETS AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 134:

Revenues & Expenses. Refer to the Application, 807 KAR 5:001, Section 16-(8)(a), pages 154-156 of 247, Schedule D-1.B. Provide the unadjusted and adjusted revenues and expenses by account for each of the years 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

Please refer to 2026-00099_AG_DR_Set_1_No_134_Attachment_A for the monthly Income Statements for revenues and expenses by account for each of the years 2021 through May 31, 2026, for Columbia.

Please see Tab 72, 807 KAR 5:001 Section 16(8)(a) for the Income Statement for the following: Schedule D-1.A, Column 1 for the unadjusted BP, Column 5 for the adjusted BP and Column 11 for the unadjusted FTP.

Please see Tab 72, 807 KAR 5:001 Section 16(8)(a) for the Income Statement for the following: Schedule D-1.B, Column 1 for the unadjusted FTP (this column is the same information presented in Schedule D-1.A, Column 11), and Column 20 for the adjusted FTP.

ATTACHMENT IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 135:

Related Party Transactions. Refer to the Application generally. Provide a detailed listing of any related party transactions between the Company/parent/service company/affiliates and any employee or employee's immediate family member (excluding employee compensation and benefits,) for each of the years 2021, 2022, 2023, 2024, 2025 and the BP and included in the FTP. This should include, but not be limited to, transactions for consulting services, purchasing, charitable contributions, loans, investments, or general benefits that are not available to all employees. Provide specific details regarding the amount(s), timing, type of service(s) provided, and specific details as to if any amount is included in the FTP revenue requirement. If applicable, provide copies of contracts or agreements.

Response:

No such transactions exist.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 136:

Supplemental Executive Retirement Plan ("SERP"). Refer to the Application generally.

a. Provide the total (direct and allocated) amount of SERP expense for each of the years 2023, 2024, 2025, the BP and included for recovery in the FTP.

b. Describe the benefits to customers provided by the NiSource and the Company's SERP plans.

c. Identify both the number of employees (direct and allocated) eligible for SERP and the number of employees (direct and allocated) ineligible for SERP in 2025, the BP and the FTP.

d. Explain how eligibility for SERP is determined.

Response:

a. Please see the table below for Columbia's SERP expense.

Year	Columbia	NCSC Billed to Columbia
2023	$0	$2,592
2024	$0	$3,562
2025	$0	$40,064
Base Period (Sept. 2025-Feb. 2026 actuals and March-Aug. 2026 unadjusted budget)	$0	$40,547
FTP (2027 unadjusted budget)	$0	$39,444

b. NiSource's total rewards philosophy, per the testimony of Witness Owens, is to compensate employees and provide benefits that are competitive in comparison to utility industry and general industry employers to attract, retain, and motivate employees who are qualified to perform the functions needed by the Company. This philosophy enables the Company to meet its obligations to provide safe, reliable, and affordable service to its customers. The Supplemental Employees' Retirement Plan ("SERP") provides retirement savings for a small number of retired employees. This allowed the Company to retain talented employees that were critical to maintain high quality of service to our customers, efficiently and safely.

c. Please refer to the table below for the number of current employees eligible and ineligible for SERP.

SERP	**Eligible**	**Ineligible**
Columbia	0	The full CKY population
NCSC	0	The full NCSC population

In addition, there are twenty-two inactive people from Columbia that are in payment status, so the SERP liability for these retired employees is on NCSC.

d. There are no current employees who are eligible for SERP. The SERP expense is related to retired employees.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 137:

Severance Pay. Refer to the Application generally. Provide the total (direct and allocated) amount of severance pay for each of the years 2021, 2022, 2023, 2024, 2025 the BP and included for recovery in the FTP.

Response:

Please refer to Columbia's Response to the Attorney General's Data Request 1-133. Note, the budget for Miscellaneous and Other is not maintained at a level of detail requested to identify costs related specific to Severance Pay Expense.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 138:

SMRP. Refer to the Application generally. Provide an alternative revenue requirement calculation for the BP and FTP excluding the roll in of all the SMRP additions subsequent to the last rate case including all corresponding adjustments to rate base, revenues and expenses. Include all supporting workpapers.

Response:

Objection: Columbia objects to this request seeks information that is not kept in the ordinary course of business and would be unduly burdensome to provide as it requires Columbia to review and analyze voluminous data and other information in order to create documents that do not already exist for an alternate revenue requirement that is not being requested in this case.

COLUMBIA GAS OF KENTUCKY, INC.'S RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 139:

Storm Restoration Expense. Refer to the Application generally. Provide the annual storm restoration expense for each year 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

Please see Table: 2021-2025 Annual Storm Expenses for a listing of Columbia's storm expenses for years 2021 through 2025. Columbia has not incurred any storm expenses to-date for 2026, nor budgeted for storm expenses in its forecasted BP or FTP.

Table: 2021-2025 Annual Storm Expenses

Description	2021	2022	2023	2024	2025
Irvine / Ravena Flood	$27,501	$0	$0	$0	$0
Eastern Kentucky Flood	$0	$93,157	$0	$0	$0
March & April Windstorms	$0	$0	$22,740	$0	$0
February 2025 Flooding	$0	$0	$0	$0	$23,853

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 140:

Student Loan Repayment/Debt Repayment Expenses. Refer to the Application generally.

a. Does the Company provide student loan or other debt repayment as a benefit to its employees? If so, please describe the benefit offered and identify which employees are eligible for the benefit.

b. Provide the total amounts (direct & allocated) of expense for 2025, the BP and included for recovery in the FTP.

Response:

The Company does not have a student loan repayment program.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 141:

Temporary Employee Expense. Refer to the Application generally.

a. Provide the total (direct and allocated) amounts of expense for temporary employees (i.e. employees retained through a temporary hiring agency, interns, etc.) for each of the years 2021, 2022, 2023, 2024, 2025, the BP and FTP.

b. For any year over year increases over 10%, explain the reason for the increase.

Response:

a. Please refer to Columbia's Response to the Attorney General's Data Request 01-133 Attachment A (Columbia Direct) and Attachment B (NiSource Corporate Services Company ("NCSC") billed to Columbia) for actual 2021, 2022, 2023 expense for Operations and Maintenance Expense cost category Outside Services, Cost Element 3011 – Temporary Personnel Services. Columbia's budget is not maintained at a Cost Element level of detail; as such, a proxy was developed by utilizing calendar year 2025 as a basis of allocation to derive the amount of Temporary Personnel Services associated with the Outside Services forecast as shown below. The calculated expense based on the Cost Element allocation of

Temporary Personnel Services to Total Outside Services O&M expenses for totals $302,228 for the Base Period, and $275,111 for the Forecasted Test Period.

b. Temporary Personnel Services costs can fluctuate from year-to-year / period-to-period based on business activity levels, project-specific resource requirements, and the timing of operational and business initiatives. Temporary personnel are utilized to provide specialized expertise, address short-term workload demands, support vacant positions during recruitment periods, and supplement internal staff during peak work periods. As a result, annual spending may vary depending on the scope, duration, and timing of these needs.

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 142:

Training Expense. Refer to the Application generally.

a. Provide the total amount (direct & allocated) of employee training expense for each year 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

b. Provide a description of the types and purposes of the training conducted each year and why the amount included in the FTP is expected to continue annually.

Response:

a. Please refer to Columbia's Response to the Attorney General's Data Request 1-133, specifically the Cost Category for Operations and Maintenance Expense labeled Miscellaneous & Other, and Cost Element 3637 - Training.

b. Generally, all employees receive some degree of training through the Learning Management System. The trainings include topics such as but not limited to safety, emergency response, cybersecurity, corporate policies (e.g. accounting, HR), and proper time charging. Additionally, department level budgets may include continuing education, upskilling, and training to maintain credentials and qualifications. Training is expected to continue because both general training and role specific training as essential to providing safe, reliable, and cost-effective service. Columbia sponsors a portion of pipeline safety training for excavators, emergency responders, and public officials throughout the service area. The audiences and the topics covered in these training meetings are required as part of the RP 1162 Public Awareness Program.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 143:

Trackers. Refer to the Application generally. Identify all new surcharges, trackers, rate recovery mechanism, etc. approved by the Commission since the last rate case.

Response:

The Commission has not approved any new surcharges, trackers, rate recovery mechanisms, etc. since Columbia's last rate case, Case No. 2024-00092.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

<u>Data Request No. 144</u>:

Third Party Damages. Refer to the Application generally.

a. Provide the total amount of third-party damage reimbursements for each year 2021, 2022, 2023, 2024, 2025, the BP and included in the FTP.

b. Provide the total amount of third-party damages expense for each year 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

c. Explain how and where the amounts in subparts (a) and (b) are reflected in the FTP revenue requirement.

Response:

a. and b. Please see the table for Cost Element 3621-Miscellaneous Revenue Billings. Credits to Cost Element 3621 represent billed amounts to damaging parties while debits represent amounts written-off due to non-payment. Please see part (c) of this response for a breakdown of the damages and recovery process.

		2021	2022	2023	2024	2025	BP Actuals (Sep'25 - Feb'26)	BP Budget (Mar'24 - Aug'24)	BP Total	FTP
Write-off Amounts	3621	128,937	122,452	48,733	55,116	22,050	5,908	22,226	28,134	45,243

Billed Amounts	3621	(277,632)	(203,023)	(221,622)	(178,976)	(85,719)	(29,296)	(85,728)	(115,024)	(174,509)
Total		**(148,695)**	**(80,572)**	**(172,889)**	**(123,861)**	**(63,669)**	**(23,389)**	**(63,502)**	**(86,691)**	**(129,266)**

c. As shown in the last column of the response to subpart (a), third party damages reduced the revenue requirement in the FTP by $129,266. In addition, the process for damages and recovery follows the cadence of: 1) our facility is damaged by a third party, 2) Columbia incurs cost to fix the damage, 3) Columbia bills the damaging party and records an accounts receivable and credit to Cost Element 3621, 4) if the billed amount is paid, the receivable will be removed, 5) if the billed amount is not paid, Columbia will write-off the receivable and reverse the credit in Cost Element 3621.

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 145:

Trial Balance. Refer to the Application generally. Provide copies of the trial balances for each of the periods: 12/31/24 and 12/31/25.

Response:

Please refer to 2026-00099_AG_DR_Set_1_No_145_Attachment_A for the December 31, 2024, trial balance, and 2026-00099_AG_DR_Set_1_No_145_Attachment_B for the December 31, 2025, trial balance.

ATTACHMENTS ARE EXCEL SPREADSHEETS AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 146:

Unclaimed funds. Refer to the Application generally.

a. Provide the monthly unclaimed funds balances for the each of the years for 2021, 2022, 2023, 2024, 2025, 2026 year-to-date, the BP and included the FTP. If the Company has not reflected these amounts in the FTP revenue requirement explain why not.

b. Provide an explanation of what these balances represent;

c. The account number in which the Company records these funds;

d. How the Company treats these costs for ratemaking purposes; and,

e. How and when the Company returns these funds.

Response:

a. Please see the table below for the monthly Unclaimed Funds Balance for the period January 2021 through May 2026.

COLUMBIA GAS OF KENTUCKY – Unclaimed Funds Liability, Account 24201629

	Year					
	2021	**2022**	**2023**	**2024**	**2025**	**2026**
Month	**$**	**$**	**$**	**$**	**$**	**$**
January	(318,386.50)	(351,857.36)	(408,197.13)	(394,007.14)	(557,285.62)	(598,209.08)
February	(324,732.26)	(357,037.70)	(419,037.59)	(410,097.96)	(623,185.49)	(608,277.25)
March	(359,055.93)	(388,116.78)	(430,293.57)	(423,162.34)	(640,807.04)	(617,398.81)
April	(310,068.31)	(395,999.05)	(429,298.80)	(430,969.56)	(659,167.66)	(631,882.13)
May	(310,068.31)	(402,439.34)	(448,249.72)	(492,024.55)	(668,215.50)	(631,882.13)
June	(309,981.13)	(408,731.54)	(454,090.79)	(442,843.67)	(678,878.33)	
July	(309,981.13)	(427,531.97)	(465,502.20)	(453,459.36)	(684,060.13)	
August	(310,141.13)	(434,815.79)	(468,564.49)	(459,748.73)	(689,645.67)	
September	(310,141.13)	(439,824.02)	(472,534.82)	(460,356.86)	(691,242.66)	
October	(310,141.13)	(444,230.92)	(471,772.07)	(510,647.38)	(583,262.52)	
November	(389,007.91)	(401,530.07)	(366,083.86)	(521,337.50)	(585,291.70)	
December	(347,487.43)	(403,018.03)	(386,263.40)	(527,889.02)	(591,603.21)	

b. Unclaimed funds consist of customer / vendor remittances (refunds or checks), typically deposits or overpayments, that have not been cashed and whose rightful owner has not / cannot be located. The BP and FTP would include a trended level of activity based on the most recent experience. However, the forecasted level of unclaimed funds is not included in Columbia's calculation of revenue requirement.

c. See table above.

d. Unclaimed funds are not included in Columbia's calculation of the revenue requirement.

e. After a period of 180 days, any outstanding checks (not deposited and cleared on from the bank account) are transferred on the general ledger from an Accounts Payable Liability account to the Unclaimed Funds Liability (Account - 24201629).

The outstanding checks are held until required to be turned over to state authorities (generally after three years). After three years, if not claimed by an owner or successor, or other claimant who proves a right to the funds, Columbia Gas of Kentucky sends notices via due diligence letters to identified owners of the unclaimed funds based on the Company's records. Owners have sixty days to respond and claim the funds. A check is reissued to the owner (or verified party) for the funds that are claimed. Any funds that remain unclaimed are then remitted to the appropriate state.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 147:

Uncollectible expense. Refer to the Application generally. For each of the years 2021, 2022, 2023, 2024, 2025, and forecasted for the BP and FTP provide the revenues, write-offs, and recoveries.

Response:

Please see Tab 72 807 KAR 5:001, Section 16-(8)(a), page 178 of 247, Workpaper WPD-2.7.D(2) for the requested uncollectible accounts expense information for 2021 to 2025, and Columbia's response to the Attorney General's Request 1-133; specifically, Cost Elements 3250-Uncollectible Accounts and 3252-Uncollectible Accounts High-Pressure for the Base Period and Forecasted Test Period O&M Expense. Columbia does not separately budget uncollectible write-offs and recoveries. Please see Schedule M for the Base Period and Forecasted Test Period revenues.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 148:

ROW/Vegetation management Expense. Refer to the Application generally.

a. Provide the total actual amount of ROW/vegetation management expense (direct and allocated) for each of the following years: 2021, 2022, 2023, 2024, 2025.

b. Provide the total budgeted ROW/vegetation management expense (direct and allocated) for each of the following years: 2021, 2022, 2023, 2024, 2025, the BP and included for recovery in the FTP.

Response:

a and b:

Please refer to Columbia's Response to the Attorney General's Data Request 1-133, specifically Cost Elements 4515 and 5015 for ROW Expense for the requested periods. Note, the Company's budgets are not maintained at the same level of detail (by Cost Element) as actuals. Where applicable, the Company has utilized calendar year 2025 experience as a basis of allocation of the budget to derive certain levels of expense.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 149:

ROW/Vegetation management Expense. Refer to the Application generally.

a. Provide the total budgeted miles trimmed for each of the following years: 2021, 2022, 2023, 2024, 2025, the BP and the FTP.

b. Provide the actual amount of miles trimmed for each of the following years: 2021, 2022, 2023, 2024, 2025.

Response:

a and b: Please see the table below. Please note that Columbia does not budget by miles and therefore cannot provide the total budget miles.

Miles Trimmed (actuals)

Year	Miles Trimmed
2021	36.8
2022	42.3
2023	63.2
2024	36.8
2025	42.3

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 150:

Volunteer time. Refer to the Application generally. Provide the total amount (direct & allocated) of payroll expense for paid time off for employees volunteering in 2025, the BP and requested for recovery in the FTP. Also provide the amount of related expenses (e.g., t-shirts, banners, hats, prizes, gifts, food, beverages, utilized at the events, etc.) for each of the time periods listed above.

Response:

Columbia does not offer paid time off to its employees to volunteer in the community.

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 151:

Working Capital. Refer to page 5 of the Johnson Testimony, which states "…Columbia is providing a full Lead Lag study calculating the CWC component that excludes non-cash items and the Balance Sheet Analysis from the CWC calculation."

a. Confirm that the Company has included non-cash items in the lead lag study using zero lag days. If yes, explain how including these items with zero lag days is excluding them from the CWC calculation.

b. Is it the Company's position that including non-cash items with zero lag days has no impact on the CWC calculation? If so, please update the lead lag study to completely remove the non-cash items (i.e., the zero lag and the dollars).

Response:

a. The Company has excluded the impact of non-cash items from the Lead Lag study. Please see line 14, Depreciation and Amortization, and line 22, Deferred: Federal & State (Including ITC) on Schedule B-5.2.A CWC (Forecast) that shows the Revenue Lag and Expense Lead Days being the same, resulting a Net Lag Days of zero (see Column 7) and a Working Capital requirement of $0 (see Column 8). This results in these two line items, which are non-cash, having no impact on the CWC calculation.

b. Please see the Company's response to sub-part (a).

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 152:

Provide the actual balance of short-term debt used by Columbia Gas of Kentucky ("Columbia") for each month (or most frequently available) from January 1, 2022, to the most currently available in live Excel format.

Response:

Please see 2026-00099_AG_DR_Set_1_No_152_Attachment_A.

ATTACHMENT IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

KY PSC Case No. 2026-00099
Response to Attorney General's Data Request Set One No. 153
Respondent: Linda E. Black

COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026

Data Request No. 153:

Provide the total actual balance of CWIP broken down into CWIP earning AFUDC and CWIP not earning AFUDC for Columbia for each month (or most frequently available) from January 1, 2022, to the most currently available.

Response:

The total actual balance of CWIP broken down into earning AFUDC and not earning AFUDC for each month from January 2022 to May 2026 are shown below.

CWIP Earning AFUDC Balances					
Month	2022	2023	2024	2025	2026
January	$ 15,219,902.43	$ 15,305,313.65	$ 14,398,430.74	$ 10,353,315.29	$ 5,154,575.40
February	$ 17,144,269.72	$ 16,513,016.35	$ 16,670,618.28	$ 12,541,432.36	$ 6,998,088.88
March	$ 18,605,659.18	$ 15,899,313.05	$ 20,031,908.46	$ 16,183,017.66	$ 10,447,524.72
April	$ 21,482,897.34	$ 18,693,143.94	$ 19,828,777.73	$ 17,694,677.07	$ 12,872,921.65
May	$ 24,594,019.89	$ 18,453,080.70	$ 21,163,981.05	$ 20,056,181.15	$ 17,026,083.04
June	$ 26,129,607.76	$ 17,098,676.65	$ 20,785,744.50	$ 19,033,862.36	
July	$ 28,065,463.07	$ 16,648,797.42	$ 21,143,774.51	$ 18,124,944.30	
August	$ 32,475,521.41	$ 17,693,255.77	$ 22,936,336.60	$ 17,058,944.82	
September	$ 34,906,631.73	$ 16,947,872.40	$ 21,680,572.14	$ 20,686,920.66	
October	$ 30,358,077.76	$ 17,359,352.97	$ 21,781,306.44	$ 21,313,182.72	
November	$ 30,206,230.08	$ 17,233,442.20	$ 19,474,853.74	$ 15,347,091.32	
December	$ 14,098,226.03	$ 14,638,749.67	$ 10,572,931.20	$ 13,724,303.40	

CWIP NOT Earning AFUDC Balances					
Month	2022	2023	2024	2025	2026
January	$ 3,909,277.29	$ 6,301,897.78	$ 4,990,507.16	$ 13,128,688.27	$ 5,522,371.35
February	$ 5,046,651.64	$ 5,267,884.41	$ 4,756,139.03	$ 818,593.05	$ 5,850,105.44
March	$ 6,505,810.47	$ 5,282,312.69	$ 1,890,874.08	$ (195,748.37)	$ 7,419,194.79
April	$ 5,884,105.48	$ 5,746,214.12	$ 3,144,382.97	$ 4,162,756.17	$ 10,829,588.94
May	$ 3,263,659.08	$ 4,647,773.63	$ 2,963,412.04	$ 2,874,692.11	$ 11,268,301.58
June	$ 4,437,259.57	$ 6,674,157.15	$ 4,461,032.34	$ 7,041,344.28	
July	$ 4,737,750.78	$ 7,830,332.10	$ 5,766,853.93	$ 4,449,522.14	
August	$ 3,441,153.71	$ 7,246,668.80	$ 5,836,399.63	$ 11,577,462.40	
September	$ 28,824.49	$ 4,618,288.96	$ 8,738,945.53	$ 13,043,918.42	
October	$ 3,541,313.42	$ 4,817,385.19	$ 6,514,691.29	$ 1,217,745.18	
November	$ 1,899,249.78	$ 4,967,419.61	$ 6,660,640.17	$ 6,354,408.39	
December	$ 4,034,118.95	$ 3,195,228.85	$ 10,905,084.82	$ (3,306,068.96)	

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 154:

Provide the monthly (or most frequently available) balance sheet and income statements for Columbia for each year from January 1, 2022, to the most currently available in live Excel format.

Response:

Please refer to 2026-00099_AG_DR_Set_1_No_154_Attachment_A for all requested monthly balance sheets and 2026-00099_AG_DR_Set_1_No_134_Attachment_A for all requested monthly income statements for NiSource Corporate Services Company ("NCSC") through March 31, 2026.

ATTACHMENT A IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 155:

Provide the monthly (or most frequently available) balance sheet and income statements for NiSource Corporate Services Company ("NiSource") for each year from January 1, 2022, to the most currently available in live Excel format.

Response:

Please refer to 2026-00099_AG_DR_Set_1_No_155_Attachment_A for all requested monthly balance sheets and 2026-00099_AG_DR_Set_1_No_155_Attachment_B for all requested monthly income statements for NiSource Corporate Services Company ("NCSC") through March 31, 2026.

ATTACHMENTS A AND B ARE EXCEL SPREADSHEETS AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 156:

Provide Columbia's gas sales and throughput volumes to residential, commercial, industrial, and transportation customers for each month (or most frequently available) from January 1, 2022, to the most currently available.

Response:

Please see 2026-00099_AG_DR_Set_1_No_156_Attachment_A to this response for the actual billed gas sales and throughput volumes (Mcfs) from January 2022 to May 2026.

ATTACHMENT A IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 157:

With reference to Mr. Rea's testimony at page 15, lines 13-15, he states that 58.1 percent of Columbia's gas throughput to transportation customers is concentrated among five customers. Identify, by month (or most frequently available), the throughput volumes attributable to each of those five largest transportation customers from January 1, 2022, to the most currently available.

Response:

See CONFIDENTIAL_2026-00099_ AG_DR_Set_1_No_157_Attachment_A.

ATTACHMENT
FILED UNDER SEAL
PURSUANT TO A
MOTION FOR
CONFIDENTIAL
TREATMENT

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 158:

Provide a copy of all the major bond rating agency reports that cover NiSource and Columbia that were issued from January 1, 2022, to the most currently available.

Response:

Please see CONFIDENTIAL_2026-00099_AG_DR_Set_1_No_158_Attachment_A.

ATTACHMENT FILED UNDER SEAL PURSUANT TO A MOTION FOR CONFIDENTIAL TREATMENT

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 159:

List all debt and equity raised by NiSource and Columbia, since January 1, 2022, to the most currently available. For bonds, provide the CUSIP number for all securities raised over this time.

Response:

Please see 2026-00099_AG_DR_Set_1_No_159_Attachment_A for debt and equity raised by Columbia since January 1, 2022. Please see NiSource's SEC filings at the following link for debt and equity raised by NiSource since January 1, 2022 including CUSIP numbers:

https://investors.nisource.com/financial-filings-and-reports/sec-filings/default.aspx

ATTACHMENT A IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 160:

Does NiSource or any other entity provide lines of credit to Columbia? If yes, explain how much the amount of funds available as of the most currently available data and quarterly, or the most frequently available, since January 1, 2022.

Response:

Columbia is a party to NiSource's System Money Pool Agreement. Please see the Company's response to AG Set 1 No 152 for additional information.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 161:

Provide all the sources cited in Witness Vincent V. Rea's Direct Testimony.

Response:

The source documents are provided in 2026-00099_PSC_AG_DR_Set_No_1_161 Attachment B through Attachment AP. In addition, 2026-00099_PSC_AG_DR_Set_No_1_161 Attachment A provides an index to the documents provided in Attachment B through Attachment AP.

ATTACHMENTS ARE VOLUMINOUS AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 162:

With reference to Mr. Rea's testimony (page 50 and Attachment VVR-6) that Columbia plans to issue $55.0 million of new long-term debt to NiSource at an estimated rate of 6.50% during the remainder of 2026 and 2027, provide all workpapers, term sheets, internal analyses, or correspondence supporting the 6.50% estimated cost rate, and explain how that intercompany rate was determined, including any comparison to the rate at which Columbia could issue long-term debt on a stand-alone basis to third-party lenders.

Response:

Please see 2026-00099_PSC_AG_DR_Set_1_No_162_Attachment_A for additional details on the estimated rate. Columbia does not have a comparison of the rate at which Columbia could issue long-term debt on a stand-alone basis to third-party lenders. As discussed in Case No. 2025-00070, issuing debt to NiSource allows Columbia and its affiliates to share the transaction costs rather than each entity bearing the full cost of issuance.

ATTACHMENT A IS AN EXCEL SPREADSHEET AND UPLOADED SEPARATELY

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 163:

With reference to Mr. Rea's Direct Testimony, specifically his statements on pages 55-57, supporting the use of "a variety of analytical methods in estimating a utility's cost of equity" and his reference to a quote from Villadsen, Vilbert, Harris, and Kolbe that says that "[t]he generally recommended 'best practice' is therefore to look at a totality of information from alternative methodologies":

a. Did Mr. Rea perform a correlation analysis or a sensitivity test to quantify the degree to which the outputs of his multiple models (e.g., the Constant Growth DCF, CAPM, CAPM with size adjustment, ECAPM, and Risk Premium Method) vary in response to changes in shared variables, specifically the analyst EPS growth projections used as the "g" in his DCF models and as a component of his forward-looking market return in the CAPM and Risk Premium Method?

b. If so, provide all workpapers and statistical outputs associated with this analysis.

c. If such an analysis was performed, what specific coefficient of correlation or degree of redundancy did Mr. Rea deem acceptable to maintain the integrity he claims these models provide?

d. If no quantitative test for independence or redundancy was performed, on what empirical basis does Mr. Rea cite the claim that these models provide "totality of information" rather than merely generating highly correlated results based on the same underlying analyst sentiment?

Response:

Objection: Columbia objects that this request to the extent it mischaracterizes the Company's filing and/or the Direct Testimony of Company Witness Rea. Notwithstanding and without waiving this objection, Columbia responds as follows:

(a) No. Mr. Rea is not aware of instances where the cost of capital witness in utility rate proceedings, appearing either on behalf of the utility company or intervening parties[1], conducted correlation analyses or sensitivity tests to quantify the degree to which the multiple models they evaluated varied in response to changes in shared variables. Nor, to Mr. Rea's knowledge, do the authoritative guides on utility cost of capital matters[2] discuss the usefulness of such correlation analyses and sensitivity tests in the context of a utility rate proceeding.

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[1] This includes the cost of capital witness appearing on behalf of the Kentucky AG's office in the Company's two most recent base rate proceedings. See, Direct Testimony of Richard A. Baudino in Case No. 2024-00092 and Case No. 2021-00183.

[2] See, for example, Roger A. Morin, *Modern Regulatory Finance* (PUR Books LLC, 2021); Bente Villadsen, Michael J. Vilbert, Dan Harris and A. Lawrence Kolbe, *Risk and Return for Regulated Industries,* Academic Press, Elsevier Inc. (2017); David C. Parcell, *The Cost of Capital - A Practitioner's Guide*, Society of Utility and

(b) Please see the Company's response to sub-part (a).

(c) Please see the Company's response to sub-part (a).

(d) Objection: Columbia objects to the request as argumentative and misrepresents the analysis performed by Company Witness Rea. Notwithstanding and without waiving this objection, Columbia responds as follows. The authoritative literature is clear that the industry standard "best practice" for purposes of cost of capital estimation in utility rate proceedings is to evaluate a variety of widely-accepted analytical models (i.e., DCF, CAPM and Risk Premium models) and for the analyst to apply his/her informed judgment in interpreting the results of those models.[3] As stated in *Risk and Return for Regulated Industries*, *"cost of capital estimation continues to include art, not just science"*[4] and therefore this process cannot be reliably reduced to statistical techniques. The inherent strength in utilizing multiple analytical models in estimating the cost of equity is that a wide variety of investor perspectives and subjective judgments are incorporated into these models, which helps ensure that the cost of equity estimates produced by the models reflect a broad representation of the investor universe.

Regulatory Financial Analysts, 2020 Edition; James C. Bonbright, Albert L. Danielsen and David R. Kamerschen, *Principles of Public Utility Rates*, Public Utilities Reports, Inc.(1988).

[3] See, for example, Roger A. Morin, *Modern Regulatory Finance* (PUR Books LLC, 2021), at 36; Bente Villadsen, Michael J. Vilbert, Dan Harris and A. Lawrence Kolbe, *Risk and Return for Regulated Industries,* Academic Press, Elsevier Inc. (2017), at 38; and David C. Parcell, *The Cost of Capital - A Practitioner's Guide*, Society of Utility and Regulatory Financial Analysts, 2020 Edition, at 86.

[4] Bente Villadsen, Michael J. Vilbert, Dan Harris and A. Lawrence Kolbe, *Risk and Return for Regulated Industries,* Academic Press, Elsevier Inc. (2017), at 38.

Yet, at the same time, it is important to recognize that such models are only simplifications of reality and that they each examine investor behavior in different ways. For these reasons, any such correlation analyses or sensitivity tests would be of limited value due to the different ways that the models examine investor behavior and also because a wide variety of input assumptions are made by analysts in implementing the models. In Mr. Rea's judgment, this explains why these types of statistical analyses are not commonly referenced for purposes of utility rate proceedings.

The most compelling evidence that the cost of equity estimates produced by the analytical models evaluated by Mr. Rea reflect current investor expectations, and are therefore reliable for utility rate proceeding purposes, is the fact that the central tendency of the results for the three different models evaluated by Mr. Rea produce cost of equity estimates that range from 10.77 percent to 11.04 percent, thus reflecting a tight range differential of only 27 basis points. This can be seen in Table VVR-2 below, which appeared on page 12 of Mr. Rea's direct testimony. The consistency of these results across multiple analytical models provides a high degree of confidence and corroboration that Mr. Rea's cost of equity estimates accurately reflect investor return expectations in the current market environment.

Table VVR-2 Cost of Equity Estimates for CKY Measures of Central Tendency Gas LDC Group	
Median DCF Result	11.04%
Average DCF Result	11.04%
Median CAPM Result	10.89%
Average CAPM Result	10.77%
Median RPM Result	11.00%
Average RPM Result	11.00%

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 164:

With reference to Attachment VVR-10, which derives a prospective S&P 500 required market return of 12.55% from an expected dividend yield of 1.25% and a long-term earnings growth estimate of 11.30%, and which averages that result with a Value Line 1,700 stock universe DCF result of 10.88% (a 2.11% expected dividend yield plus an 8.78% earnings growth estimate) to arrive at the 11.72% average prospective market return that Mr. Rea applies in his CAPM analyses:

a. Identify the specific time horizon (e.g., 3-year, 5-year, or 10-year) of the underlying analyst earnings growth estimates that were aggregated to produce the 11.30% S&P 500 growth rate and the Value Line 1,700 Stock Universe growth rate of 8.78%.

b. Does the data source for these growth estimates explicitly state that these growth rates are intended for use in calculating the cost of equity? If so, provide the specific language and documentation from the source.

c. State whether the cited sources provide these growth rates as part of investment advisory services (intended for alpha-seeking investors) rather than as neutral estimates of the long-term, sustainable growth of the S&P 500 Index.

d. Did any of the sources provide a sensitivity analysis, confidence interval, or standard error associated with these growth projections? If only single-point estimates were provided, how did Mr. Rea assess the statistical reliability of these figures for use in a multi-year regulatory setting?

e. List all other financial data providers or economic forecasting services he considered but rejected for this analysis (e.g., Blue Chip, CBO, or Ibbotson). For each rejected source, provide the specific selection criteria used to determine that the figures he used were more appropriate.

f. Given that the 11.30% S&P 500 growth rate is significantly higher than the projected growth of the U.S. Gross Domestic Product (GDP), explain on what economic basis Mr. Rea believes an 11.30% growth rate is sustainable in perpetuity, as is typically assumed in a Constant Growth model.

Response:

(a) The 11.30 percent EPS growth estimate for the S&P 500 Index is a 3-to-5-year estimate reported by Bloomberg Finance LP. The 8.78 percent growth estimate for the Value Line 1,700 stock universe reflects the annual expected price appreciation growth rate for a four-year horizon.

(b) No. However, a substantial amount of academic research has demonstrated that the EPS growth estimates of equity analysts are an appropriate proxy for the expected growth rate component of the DCF constant growth rate model, and therefore for calculating the cost of equity. This topic was discussed at length in Appendix A to Mr. Rea's direct testimony.

(c) The EPS growth estimates from Bloomberg Finance referenced in sub-part (a) are "sell-side" equity analyst estimates disseminated by the major investment firms. The Value Line 1,700 stock universe annual expected price appreciation growth rate was derived from data reported by Value Line, which is one of the largest independent investment advisory firms in the world. Both of these growth rate estimates have a significant influence on the return expectations of equity investors.

(d) Regarding the first part of question, the answer is "No." Mr. Rea is not aware of any instances where the consensus EPS growth estimates of equity analysts (as reported by the major consolidators of this information) also include any such sensitivity analyses, confidence intervals or calculations of standard error. Regarding the second part of the question and as discussed in Appendix A to Mr. Rea's direct testimony, the finance literature is clear that the EPS growth estimates of equity analysts exert a strong influence on equity valuations and investor return expectations. However, to Mr. Rea's knowledge, the finance literature does not suggest that it is essential to conduct the types of statistical analyses referred to in the question as it relates to the EPS growth estimates of equity analysts in the context of conducting a cost of equity evaluation for utility ratemaking purposes.

(e) Mr. Rea did not consider other financial data providers or economic forecasting services such as the interest rate forecasts disseminated by Blue Chip, CBO or Ibbotson. Instead, Mr. Rea relied upon the forward interest rates directly reflected in the U.S. debt capital markets as reported by Bloomberg Finance L.P. In Mr. Rea's judgment, the forward interest rates reflected in the debt capital markets are a more direct and superior indication of investor return expectations as compared to the periodic interest rate forecasts prepared by economists and other data providers.

(f) In Mr. Rea's judgment, the question confuses the strict theoretical underpinnings of the DCF constant growth rate model, which is premised upon sustainable growth rates into perpetuity, with the practical implementation of that model in the real world. This is the case because the empirical finance literature has demonstrated that the EPS growth rate estimates of sell-side equity analysts, which generally cover only a 3-to-5-year forecast horizon, have by far the most influence on stock valuations and the return expectations of investors. This is discussed at length in Appendix A to Mr. Rea's direct testimony.

Moreover, in Attachment VVR-10 (page 1) to Mr. Rea's direct testimony, the 11.30 percent growth rate for the S&P 500 Index is combined with an assumed dividend yield of 1.25 percent, which yields a total return of 12.55 percent. This total return is largely consistent with the long-run historical average annual return for large-capitalization stocks. For example, during the 100-year historical period between 1925-2025, large capitalization stocks realized an average annual total return of 12.23 percent.[1] This further suggests that the 11.30 percent growth rate for the S&P 500 Index is not outside the bounds of reasonableness.

It should be further noted that in view of the rapidly expanding artificial intelligence ("AI") revolution and the widely-anticipated productivity gains arising from AI, it is not unreasonable to conclude that future earnings growth rates may be higher than historical earnings growth rates, at least for a significant subset of the companies comprising the U.S. equity market indices.

[1] Source of data: *Kroll Cost of Capital Navigator.*

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 165:

Reference Mr. Rea's Attachment VVR-10, where he presents the results of his S&P 500 required market return of 12.55% and Value Line 1,700 Stock Universe required market return of 10.88% using a Constant Growth DCF model.

a. Did Mr. Rea decompose 12.55% and 10.88% market returns into its specific constituent components: (1) Dividend Yield, (2) Earnings Growth, and (3) Change in Valuation Multiple (i.e., Price-to-Earnings (P/E) ratio expansion or contraction)?

b. If yes, provide the specific percentage or basis point contribution assigned to each of the three components listed in (a).

c. If no such decomposition was performed, answer the following:

    - Does Mr. Rea's application of the 12.55% and 10.88% in his CAPM analysis assume that the P/E ratio of the S&P 500 and the Value Line 1,700 Stock Universe will remain constant in perpetuity at its current level?

    - Alternatively, does the growth input implicitly assume a continuous, perpetual expansion of the market's valuation multiple?

d. If Mr. Rea assumes the P/E ratio will remain constant, provide the specific Long-Term Sustainable GDP Growth Rate he believes is consistent with 12.55% and 10.88% market returns in the absence of multiple expansion.

Response:

a. The dividend yield and earnings growth rate components were provided separately in Attachment VVR-10 (page 1). The valuation multiple was not separately evaluated.

b. Please see the Company's response to sub-part (a).

c. Regarding the first part of the question, no, Mr. Rea's analysis does not assume that the P/E ratio of the S&P 500 and the Value Line 1,700 Stock Universe will remain constant in perpetuity at its current level Regarding the second part of the question, no, Mr. Rea's growth input values do not implicitly assume a continuous perpetual expansion of the market's valuation multiple. At the end of 2025, the S&P 500 Index traded at approximately 22.3 times forward earnings. This is materially above the most recent 10-year average for the S&P 500 Index, which is approximately 18.7 times forward earnings. Furthermore, at the end of 2025, the information technology sector traded at about 27.0 times forward earnings, while the “Magnificent 7”[1] stocks traded at around 28.0 times forward earnings. It is therefore not unreasonable to conclude that as technology and AI-related companies continue to comprise an ever-growing relative share of the overall market capitalization of the S&P 500 Index, this would likely contribute to some further expansion of the Index’s valuation multiple going forward. However, this does not suggest, nor does Mr. Rea’s analysis assume that any such valuation multiple expansion would be continuous or perpetual.

d. Please see the Company’s response to sub-part (c)

[1] As of December 2025, these companies included Apple, Microsoft, Alphabet, Amazon, NVIDIA, Meta and Broadcom.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 166:

Is Mr. Rea aware of the financial concept of Valuation Mean Reversion, which suggests that high starting P/E ratios tend to contract toward their long-term historical average over time, creating a headwind for future equity returns?

a. Did Mr. Rea perform a sensitivity analysis to determine the impact on his 11.72% market return average if the S&P 500 P/E ratio were to revert to its historical averages over the next decade?

b. If Mr. Rea did not test for valuation contraction, does his recommendation implicitly assume that current valuation multiples will persist indefinitely?

Response:

Yes, Mr. Rea is aware of the financial concept of valuation mean reversion. However, in view of the anticipated productivity gains expected to result from the continued expansion of artificial intelligence, it remains unclear as to whether P/E multiples will continue to fully revert to their long-term historical averages in view of the AI-driven paradigm shift in the corporate environment.

a. No. The question reflects a hypothetical scenario that would not reflect the currently prevailing long-term return expectations of equity investors, which is the matter under consideration in the instant proceeding.

b. Please see the response to AG-165 subpart (c).

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 167:

Reference Attachments VVR-7, VVR-8, and VVR-9 (DCF analyses) and Attachment VVR-10 (CAPM analysis), as well as Appendix A regarding Mr. Rea's reliance on consensus or individual analyst Earnings Per Share (EPS) growth rate projections from S&P Global, Zacks Investment Research, or Value Line as primary inputs in his DCF, CAPM, and Risk Premium Method analyses.

a. Did Mr. Rea review the specific underlying financial models (e.g., discounted cash flow, relative valuation multiples, etc.) utilized by the individual analysts to generate their EPS growth forecasts? If yes, summarize the prevailing methodologies identified.

b. Did Mr. Rea identify and evaluate the specific macroeconomic assumptions (such as projected GDP growth, inflation rates, or interest rates) embedded within these analyst forecasts to ensure they are consistent with the long-term economic outlook utilized in Mr. Rea's own testimony?

c. Did Mr. Rea investigate whether the analyst reports relied upon provide a confidence interval, margin of error, or probability weighting for their projected growth rates? If so, how was this range of uncertainty incorporated into the analysis?

d. Is Mr. Rea aware of any language in the analyst reports or data services he relied upon that guarantees the accuracy of these projections, or do they explicitly disclaim liability for actual results differing from forecasts?

Response:

(a) No. The underling modeling and other analytical work conducted by equity analysts generally constitutes proprietary company information and is not shared with the public.

(b) No. As noted in subpart (a), the specific macroeconomic assumptions that are embedded in the modeling and analytical work conducted by equity analysts constitute proprietary information and is not shared with the public.

(c) No. Statistical measures of this type are generally not included with the EPS growth estimates of equity analysts as reported by S&P Global, Zacks or Value Line.

(d) Mr. Rea is not currently a client of any of the financial firms that employ sell-side equity analysts and therefore does not have access to the detailed analyst reports referenced in the question. Instead, Mr. Rea accesses the consensus EPS growth estimates of sell-side equity analysts from third-party consolidators of financial information such S&P Global and Zacks. However, Value Line's analyst reports do generally state the following:

Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. The publisher is not responsible for any errors or omissions herein.

KY PSC Case No. 2026-00099
Response to Attorney General's Data Request Set One No. 168
Respondent: Vincent V. Rea
As to the Objection: Counsel

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 168:

Regarding the professional services provided by Mr. Rea or Regulatory Finance Associates, LLC, and in view of Mr. Rea's prior service as Assistant Treasurer and Director of Corporate Finance for NiSource and its utility subsidiaries (including Columbia), during which he states he "led or co-led over twenty debt and equity financing transactions" (see Attachment VVR-1), clarify the scope of advice offered to NiSource's Board of Directors or Treasury Department. Specifically:

a. Does Mr. Rea or his firm provide direct advisory services regarding the final pricing, precise timing, or specific legal structuring of NiSource and or Columbia's actual debt or equity issuances?

b. If the answer is no, does Mr. Rea agree that there is a functional distinction between regulatory cost of equity estimates (developed for the purpose of setting utility rates) and the transactional market-clearing estimates required to successfully execute a specific capital raise in the primary markets?

c. Did Mr. Rea review any internal NiSource presentations, board materials, or investment banking pitch decks related to the Company's actual cost of raising equity-linked capital in the last 24 months? If yes, identify the specific documents reviewed. If no, explain how Mr. Rea verified that his theoretical calculation of the Cost of Equity is consistent with the actual marginal cost of equity capital currently being secured by the Company in the open market.

Response:

(a) No.

(b) Objection: Columbia objects to this request as vague, undefined, and overly broad.

(c) Regarding the first part of the question, the answer is "No." Regarding the second part of the question, the Company does not secure equity capital in the open market but rather receives periodic equity infusions from NiSource. The timing of these equity infusions are generally not synchronized with the timing of NiSource's equity issuances in the external capital markets.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 169:

Regarding Mr. Rea's professional experience in finance and capital market advisory services:

a. State whether Mr. Rea or his firm (Regulatory Finance Associates, LLC) provides specific financial advice to NiSource's Investment Committee, Benefits Committee, or Board of Directors—or to those of any other utility client—regarding the determination of the Expected Long-Term Rate of Return on Assets (EROA) used to manage a defined benefit pension plan.

b. If the answer is no, does Mr. Rea agree that his role in this proceeding is focused on providing regulatory estimates of the Cost of Equity for the purpose of rate-setting, rather than providing the fiduciary estimates relied upon by institutional investors to manage actual retirement assets?

c. If the answer is yes, identify the specific EROA recommendations Mr. Rea has provided in a fiduciary capacity over the last three years and explain any variance between those figures and the 10.95% ROE he recommends in this case.

Response:

a. No. Mr. Rea does not provide specific financial advice to any company with regard to the Expected Long-Term Rate of Return on Assets used to manage a defined benefit pension plan.

b. The breadth and focus of Mr. Rea's testimony speaks for itself.

c. Please see the Company's response to sub-part (b).

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 170:

In preparing his recommendation, did Mr. Rea review the Expected Return on Equity assumptions disclosed in the most recent Form 10-Ks of the companies included in his Gas LDC Group, Combination Utility Group, and Non-Regulated Group?

a. Confirm whether the average expected return on equity assets reported by these Proxy Group companies for pension accounting purposes is generally lower than the Cost of Equity results produced by Mr. Rea's DCF, CAPM, and Risk Premium models.

b. If Mr. Rea's calculated Cost of Equity (e.g., 10.95%) is significantly higher than the return these same companies expect to earn on their own equity portfolios (often 7.0%–8.5%), explain why a regulated utility requires a higher return than the professional asset managers at these utility companies expect to earn from the stock market?

Response:

With respect to the initial question prior to the subparts, no. The expected return assumptions incorporated into pension funding calculations are in large part based on historically focused geometric average return values, which is not an appropriate basis for estimating the cost of equity. In contrast, Mr. Rea's cost of equity recommendations in this proceeding reflects the forward-looking return expectations of utility stock investors, which incorporates arithmetic averages rather than geometric averages. The finance literature is clear that arithmetic averages are the appropriate basis for estimating the forward-looking return expectations of equity investors. For example, in *Risk and Return for Regulated Industries*, the authors state the following:

> A debate sometimes arises in regulatory settings as to whether a geometric or arithmetic historical average should be used to estimate the unconditional MRP (market risk premium). Since the choice can cause a 1%-2% difference in estimates, it is important to analysts and regulators.
> ….
> The geometric mean is a multiyear measure of performance that is often used to compare *past performance* across different securities or portfolios. However, it does not provide the right discount rate to estimate the present value of future cash flows. For that task, the arithmetic mean is more appropriate, since it reflects the expected annual value of future returns.[1]

For the above-stated reasons, Mr. Rea does not evaluate the pension plan return assumptions for the proxy group companies, as they serve a very different purpose. Such an evaluation would therefore constitute an "apples and oranges" comparison.

(a) Mr. Rea does not evaluate the pension plan return expectations disclosed in the

[1] Bente Villadsen, Michael J. Vilbert, Dan Harris and A. Lawrence Kolbe, *Risk and Return for Regulated Industries,* Academic Press, Elsevier Inc. (2017), at 61-62.

public filings of the proxy group companies. However, to the extent that those companies derive their pension plan return assumptions based on historical geometric averages, which is *not* the appropriate basis for estimating the forward-looking return expectations of equity investors, it is entirely possible that those pension plan return assumptions would be lower than Mr. Rea's modeling results and corresponding cost of equity recommendations in this proceeding.

(b) Objection: Columbia objects because the request assumes facts not in evidence and is argumentative. Notwithstanding and without waiving this objection, Columbia responds as follows. As noted above, this is an "apples and oranges" comparison because pension plan return expectations are typically based on historical geometric averages, while Mr. Rea's cost of equity recommendation is based on the forward-looking return expectations of equity investors, which evaluates arithmetic averages rather than geometric averages. As noted above in *Risk and Return for Regulated Industries,* when considered in isolation, this difference alone can account for as much as a 1%-2% difference in annual return estimates.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 171:

Reference is made to the earnings growth rates utilized in Mr. Rea's DCF analysis of the S&P 500 and Value Line 1,700 Stock Universe for the purposes of his CAPM and ECAPM market return estimate.

a. Did Mr. Rea calculate the specific weighted contribution to the 11.30% aggregate S&P 500 growth rate and 8.78% Value Line 1,700 Stock Universe growth rate derived from the so-called "Magnificent Seven" companies (Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta, and Tesla)?

b. If yes, state what percentage of the total weighted average growth rate is attributable to just these seven companies.

c. If no, does Mr. Rea agree that his Total Market proxy is heavily skewed by the growth prospects of a small number of mega-cap technology firms?

Response:

Objection: Columbia objects that this request to the extent it mischaracterizes the Company's filing and/or the Direct Testimony of Company Witness Rea. Columbia further objects that the request is argumentative. Notwithstanding and without waiving this objection, Columbia responds as follows:

(a) Regarding the 11.30 percent average growth rate for the S&P 500 Index (the "Index"), the growth rates for the "Magnificent Seven" stocks identified in the question were given the same equal weighting as the other 493 stocks in the Index. For this reason, the Index's average growth rate of 11.30 percent is not skewed by the larger market capitalization levels for these seven companies. Therefore, the calculation referenced in the question was not necessary.

    With regard to the specific weighting contribution for the "Magnificent Seven" companies as it relates to the 8.78 percent average growth rate for the Value Line 1,700 Stock Universe, Value Line does not disclose this information within their 3-5 year median appreciation potential estimates, which provided the basis for deriving the 8.78 percent average growth rate over the four-year horizon. This can be seen in Attachment VVR-10 (p. 1) to Mr. Rea's direct testimony.

(b) Please see the Company's response to sub-part (a).

(c) No. Please see the response to sub-part (a).

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 172:

Reference is made to Mr. Rea's testimony regarding the regulatory guidelines and principles relevant to cost of capital estimation, including the *Hope and Bluefield* standards.

a. Should an authorized ROE of a utility company always be set equal to a utility company's market-required return on its invested capital? Explain.

b. Do regulatory principles allow a Commission to authorize an ROE that is higher than a utility company's market-required return on its invested capital? Explain.

c. Explain what other criteria the Commission should consider when determining the appropriate authorized ROE for Columbia other than its market-required return on its invested capital.

Response:

a. Generally speaking, yes. Setting a utility's authorized ROE equal to the company's market-required equity return serves to ensure adherence to the fair rate of return standards established in *Hope and Bluefield,* which include the comparable earnings standard, the capital attraction standard and the financial integrity standard.

One notable exception to this rule relates to arguments suggesting that a utility's authorized ROE should be set slightly higher than the market-based equity return, due to the fact that the tariff rates set by regulatory commissions only provide the utility an *opportunity* to earn the authorized fair rate of return on rate base, rather than a *guarantee*. To the extent that instances arise where cost increases that are outside of the utility's control would otherwise result in earnings attrition, the slightly higher authorized ROE may serve to mitigate these effects.

Another notable exception involves the concept of gradualism. In instances where long-term capital costs have gone through a period of rapid change, regulatory commissions may elect to gradually adjust authorized ROEs, either upward or downward, at a slower pace than the degree of changes reflected in the capital markets. From the perspective of customers, when long-term capital costs are rapidly rising, the practice of gradualism may serve to help mitigate rate shock for utility customers. From the perspective of investors, when long-term capital costs are rapidly declining, the practice of gradualism may serve to avoid abrupt downward adjustments to a utility's authorized ROE, which might otherwise alarm the investment community, which could potentially make it more difficult for utilities to attract capital at reasonable rates over the near-term horizon.

b. Objection: Columbia objects that the request seeks a legal conclusion.

c. Please see the response to sub-part (a) for a few examples of other considerations.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 173:

Did Mr. Rea do an analysis to determine if the Company's requested regulatory capital structure of 52.64% common equity, 46.13% long-term debt, and 1.23% short-term debt will lead to the lowest possible rates for consumers? For example, did Mr. Rea conduct a cost-benefit analysis to determine if Columbia's rates would be higher or lower if its regulated capital structure had a common equity ratio of 50% (or any other common equity ratio instead of the proposed 52.64% common equity ratio)? If yes, explain. If not, provide said analysis.

Response:

No. Mr. Rea has not been directly involved in determining the composition of the Company's capital structure or in the development of the revenue requirement and corresponding customer rates that may result from this proceeding.

**COLUMBIA GAS OF KENTUCKY, INC.'S
RESPONSE TO ATTORNEY GENERAL'S
FIRST REQUEST FOR INFORMATION DATED JUNE 22, 2026**

Data Request No. 174:

In his direct testimony, Mr. Rea states that he considers the current and prospective capital market and the results of multiple financial models.

a. Did Mr. Rea use the long-term U.S. GDP growth rate (approximately 4.00%) as a control variable or limit when assessing the reasonableness of the 11.30% S&P 500 earnings growth rate used in his market-return estimate?

b. Mr. Rea's S&P 500 growth rate of 11.30% exceeds GDP growth by nearly triple, what specific test did he apply to determine that this divergence was reasonable and sustainable?

Response:

a. No. The nominal GDP growth rate, which measures the growth rate of the monetary value of finished goods and services produced in the U.S., has not been shown to have a material influence on stock valuations or on the growth and/or investment return expectations of equity investors. If GDP growth projections did have a significant influence on investor return expectations, financial information consolidators such as S&P Global, I/B/E/S, Bloomberg, Zacks and Value Line would report GDP growth rate estimates along with the EPS growth rate estimates they routinely disseminate to their clients and subscribers, but they do not. In fact, GDP growth rate estimates are rarely, if ever, discussed in the investment research of equity analysts.

b. Please see the response to subpart (a). Please also see the Company's response to 2026-00099_PSC_AG_DR_Set_1_Nos._165 and 171.