

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

In the matter of:	)	
	)	
ELECTRONIC APPLICATION OF	)	Case No. 2026-00099
COLUMBIA GAS OF KENTUCKY, INC.	)	
FOR AN ADJUSTMENT OF RATES;	)	
APPROVAL OF DEPRECIATION STUDY;	)	
APPROVAL OF TARIFF REVISIONS; AND	)	
OTHER RELIEF	)	

**PREPARED REBUTTAL TESTIMONY OF
KEVIN L. JOHNSON
ON BEHALF OF COLUMBIA GAS OF KENTUCKY, INC.**

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October 7, 2026

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VERIFICATION OF KEVIN L. JOHNSON

STATE OF OHIO)
)
COUNTY OF FRANKLIN)

Kevin L. Johnson, Principal Regulatory Analyst for NiSource Corporate Services Company, on behalf of Columbia Gas of Kentucky, Inc., being duly sworn, states that he has drafted and/or supervised the preparation of rebuttal testimony in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Kevin L. Johnson

The foregoing Verification was signed, acknowledged and sworn to before me this 7 day of October 2026, by Kevin L. Johnson.

Ashley G. LaRock
Attorney At Law
Notary Public, State of Ohio
My Commission has no expiration date
Sec. 147.03 R.C.



Notary Commission No. NA

Commission expiration: NA

PREPARED REBUTTAL TESTIMONY OF KEVIN L. JOHNSON

1 I. INTRODUCTION

2 Q: Please state your name and business address.

3 A: My name is Kevin L. Johnson and my business address is 290 West
4 Nationwide Boulevard, Columbus, Ohio 43215.

5 Q: Did you provide Direct Testimony in this proceeding?

6 A: Yes.

7 Q: Please list the attachment to your rebuttal testimony.

8 A: I am attaching the response to the Attorney General's first request for
9 information dated June 22, 2026, in Data Request No. 151, as Attachment
10 KLJ-1R.

11 Q: What is the purpose of your Rebuttal Testimony in this proceeding?

12 A: The purpose of my Rebuttal Testimony is to address an argument made by
13 Office of the Attorney General witness John Defever relating to Cash
14 Working Capital ("CWC").

15 Q: What argument from Mr. Defever's direct testimony are you addressing?

16 A: I am addressing witness Defever's notion that the Company's Lead Lag
17 Study is not calculated correctly. Importantly, on page 6 of Mr. Defever's
18 direct testimony, Mr. Defever asks, "did the Company's lead/lag study
19 exclude noncash items and balance sheet adjustments?" Mr. Defever

1 answers his question by saying “Not exactly. Instead of removing the non-
2 cash items, the Company included them at zero lag days. The result is not
3 the same as excluding them.”

4 **Q: Do you agree with Mr. Defever’s assessment that the Company did not**
5 **exclude non-cash items on the Company’s Lead Lag Study?**

6 A: No. The non-cash items Mr. Defever is referring to are Depreciation and
7 Amortization Expense and Deferred Federal & State Income Taxes
8 (Including ITC). In order to tie to the Company’s income statement, the
9 Depreciation and Amortization Expense and Deferred Federal & State
10 Income Taxes (Including ITC) lines are included on Schedule B-5.2.A.
11 However, these line items are assigned zero net lag days, which results in
12 impacts from these line items being excluded from the Company’s
13 calculated cash working capital using the Lead Lag Study method.

14 **Q: Did the Company discuss excluding the impact of non-cash items when**
15 **preparing the Lead Lag Study anywhere else in this rate case?**

16 A: Yes. Further discussion demonstrating the exclusion of all impact of non-
17 cash items from the Lead Lag Study is contained in response to the Attorney
18 General’s first request for information dated June 22, 2026, in Data Request
19 No. 151, which is attached to my rebuttal testimony as Attachment KLJ-1R.

1 **Q: Did the Company exclude balance sheet adjustments when preparing the**
2 **Lead Lag Study?**

3 A: Yes. Balance sheet adjustments were also excluded in the Company's Lead
4 Lag Study.

5 **Q: Please summarize your rebuttal testimony.**

6 A: All impacts from non-cash items and balance sheet adjustments are
7 appropriately excluded from the Company's calculated cash working
8 capital using the Lead Lag Study method.

9 **Q: Does this complete your Rebuttal Testimony?**

10 A: Yes.

ATTACHMENT KLJ-1R

KY PSC Case No. 2026-00099
Response to Attorney General's Data Request Set One No. 151
Respondent: Kevin L. Johnson

**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).