

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
COLUMBIA GAS OF KENTUCKY, INC.	)	CASE NO.
FOR AN ADJUSTMENT OF RATES;	)	2026-00099
APPROVAL OF DEPRECIATION STUDY;	)	
APPROVAL OF TARIFF REVISIONS; AND	)	
OTHER RELIEF	)	

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COLUMBIA GAS OF KENTUCKY, INC.'S APPLICATION

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Columbia Gas of Kentucky, Inc. ("Columbia" or "Company"), by counsel, pursuant to KRS 278.180, KRS 278.190, KRS 278.192, 807 KAR 5:001, and other law, and does hereby request the Kentucky Public Service Commission ("Commission") to grant it a general adjustment of rates and other approvals, respectfully stating as follows:

**I. INTRODUCTION**

1. Columbia is a Kentucky Corporation with its headquarters in Lexington, Kentucky. The Company provides natural gas service to approximately 139,000 residential, commercial, and industrial customers in thirty (30) counties across the

Commonwealth of Kentucky as of December 2025.<sup>1</sup> Columbia is a “utility” as that term is defined in KRS 278.010(3)(b).

2. In total, Columbia owns and operates approximately 2,650 miles of mains. For more than a century, Columbia and its predecessors have provided natural gas distribution service to customers in Kentucky. Columbia has built a solid track record for delivering natural gas in a safe, efficient and reliable manner.

3. Columbia is a subsidiary of NiSource Gas Distribution Group, Inc., which is itself a subsidiary of NiSource, Inc (“NiSource”) a Delaware corporation registered as a holding company under the Public Utility Holding Company Act of 2005. NiSource’s principal offices are located at 801 East 86<sup>th</sup> Street Avenue, Merrillville, Indiana, 46410.

4. In order to continue to provide safe and reliable natural gas service at the lowest reasonable rates to its customers, while providing Columbia with a reasonable opportunity to recover its costs and earn a fair rate of return, the Company proposes to adjust its base rates by \$35,968,302 to recover Columbia's revenue deficiency which includes incorporating the actual Safety Modification and Replacement Program (“SMRP”) Rider plant investments from 2023 and 2024 into the base rates and removing them from the SMRP Rider. This results in an increase of approximately 17.14% in base rate revenue. The base rate revenue increase would be \$28,808,583 or approximately

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<sup>1</sup> Columbia provides natural gas service in Bath, Bourbon, Boyd, Bracken, Carter, Clark, Clay, Estill, Fayette, Floyd, Franklin, Greenup, Harrison, Jessamine, Johnson, Knott, Lawrence, Lee, Letcher, Lewis, Madison, Martin, Mason, Montgomery, Nicholas, Owsley, Pike, Robertson, Scott, and Woodford Counties.

13.28% if the 2023 and 2024 SMRP Rider plant investments, which are currently being collected in the SMRP Rider, were not incorporated into base rates. For the average residential customer consuming 5.4 Mcf of natural gas per month, this will equate to an increase of \$12.31 per month in their average bill including all applicable riders.

5. As part of its proposed adjustment of rates, Columbia requests that the Commission approve the depreciation study being tendered herewith by Witness John J. Spanos, which is attached to his Direct Testimony as Attachments JJS-2 and JJS-3 in Tab 21 and to authorize the use of the depreciation rates set forth therein contemporaneously with the effective date of the Company's new rates.

6. Columbia proposes the following non-rate changes to its tariffs:

- Modify the Customer Charge provision of Rate Schedule Main Line Delivery Service ("MLDS") to segment the applicable rate into three blocks based upon the Customer's Annual Transportation Volume;
- Modify the SMRP Rider to provide for a volumetric or fixed charge rate in the future;
- Modify the General Terms and Conditions Applicable to All Rate Schedules and the General Terms and Conditions Applicable to Delivery Service Rate Schedules to provide for future modifications to the provisions of rate schedules, subject to the Commission's approval should any of the Company's interstate pipeline suppliers modify its policies, practices or procedures;

- Modify the Index to correct references and page numbers.

## II. GENERAL FILING REQUIREMENTS

7. Pursuant to 807 KAR 5:001, Section 14(1), Columbia states that its full name, mailing address and email address are as follows:

Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
P.O. Box 14241  
Lexington, Kentucky 40511-4241  
Telephone: (800) 432-9345  
Fax: (859) 288-0258  
pscemailcky@nisource.com

8. Columbia requests the following individuals be included on the service list:

Judy M. Cooper, Director of Regulatory Affairs: jmcoop@nisource.com

Ashley G. LaRock, Senior Counsel: alarock@nisource.com

L. Allyson Honaker, Honaker Law Office: allyson@hloky.com

Heather S. Temple, Honaker Law Office: heather@hloky.com

Meredith L. Cave, Honaker Law Office: meredith@hloky.com

9. Pursuant to 807 KAR 5:001, Section 14(2), Columbia states that it was incorporated on October 11, 1905, is a corporation organized and existing under the laws of the Commonwealth of Kentucky and that it is currently in good standing within the Commonwealth.

### III. REQUEST FOR RATE ADJUSTMENT

10. Pursuant to KRS 278.192(2) and 807 KAR 5:001, Section 16(1)(a), Columbia's application is based upon a forecasted test period ending on December 31, 2027 and using a base period that is the twelve months ending August 31, 2026, including actual data for the period September 1, 2025 through February 28, 2026, and forecasted data for the period March 1, 2026 through August 31, 2026.

11. Pursuant to 807 KAR 5:001, Section 16(1)(b)1, the proposed rate adjustment is necessary in order to continue to provide safe and reliable natural gas service at the lowest reasonable price to its customers, while providing the Company with a reasonable opportunity to recover its costs and earn a fair rate of return. As a result of the proposed increase, Columbia will be able to continue enhancing safety measures, continue making investments in its infrastructure, continue making investments in targeted technology to improve customer service and field operations. Columbia's application is supported by the testimony of sixteen supporting witnesses and numerous supporting schedules and exhibits.

12. Pursuant to 807 KAR 5:001, Section 16(1)(b)2, Columbia does not operate under an assumed name.

13. Pursuant to 807 KAR 5:001, Section 16(1)(b)3, revised tariff sheets in a format compliant with 807 KAR 5:011 are attached hereto at Tab 7. The new rates are proposed to be effective on June 29, 2026.

14. Pursuant to 807 KAR 5:001, Section 16(1)(b)4, present tariff sheets showing the proposed additions by underscoring and striking over proposed deletions are attached hereto at Tab 8.

15. Pursuant to 807 KAR 5:001, Section 16(1)(b)5, a statement that notice has been given in compliance with 807 KAR 5:001, Section 17 along with a copy of the notice is attached hereto at Tab 86.

16. Pursuant to 807 KAR 5:001, Section 16(2), a copy of the Notice of Intent filed with the Commission and sent to the Attorney General’s Office of Rate Intervention on April 17, 2026, is attached hereto at Tab 10.

17. Pursuant to 807 KAR 5:001, Section 16(6)-(7), Columbia provides an index of the attached additional exhibits which are required for a rate filing involving a forecasted test period:

<b>Volume</b>	<b>Tab</b>	<b>Filing Requirement</b>	<b>Description</b>
1	1	807 KAR 5:001 Section 14-(1)	Name, Address, Facts
1	2	807 KAR 5:001 Section 14-(2)	Corp. - Incorporation, Good Standing
1	3	807 KAR 5:001 Section 14-(3)	LLC - Organized, Good Standing
1	4	807 KAR 5:001 Section 14-(4)	LP – Agreement
1	5	807 KAR 5:001 Section 16-(1)(b)1	Reason for Rate Adjustment
1	6	807 KAR 5:001 Section 16-(1)(b)2	Certificate of Assumed Name
1	7	807 KAR 5:001 Section 16-(1)(b)3	Proposed Tariff
1	8	807 KAR 5:001 Section 16-(1)(b)4	Proposed Tariff Changes
1	9	807 KAR 5:001 Section 16-(1)(b)5	Statement about Customer Notice
1	10	807 KAR 5:001 Section 16-(2)	Notice of Intent
1	11	807 KAR 5:001 Section 16-(6)(a)	Financial Data
1	12	807 KAR 5:001 Section 16-(6)(b)	Forecasted Adjustments
1	13	807 KAR 5:001 Section 16-(6)(c)	Capital, Net Investment Rate Base
1	14	807 KAR 5:001 Section 16-(6)(d)	No Revisions to Forecast
1	15	807 KAR 5:001 Section 16-(6)(e)	Alternative Forecast
1	16	807 KAR 5:001 Section 16-(6)(f)	Reconciliation of Rate Base and Capital

	17	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - K. Cole
	18	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - L. Black
	19	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - J. Cooper
	20	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - D. Ayers
	21	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - J. Spanos
	22	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - V. Rea
	23	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - R. Amen
	24	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - K. Johnson
	25	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - M. Girata
	26	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - J. Wozniak
	27	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - N. Davis
	28	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - C. Inscho
	29	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - C. Scott
	30	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - G. Jonda
	31	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - G. Gode
	32	807 KAR 5:001 Section 16-(7)(a)	16-(7)(a) Testimony - B. Owens
2	33	807 KAR 5:001 Section 16-(7)(b)	Capital Construction Budget
2	34	807 KAR 5:001 Section 16-(7)(c)	Factors Used in Preparing Forecast
2	35	807 KAR 5:001 Section 16-(7)(d)	Annual and Monthly Budget
2	36	807 KAR 5:001 Section 16-(7)(e)	Statement of Attestation
2	37	807 KAR 5:001 Section 16-(7)(f)	Major Construction Projects
2	38	807 KAR 5:001 Section 16-(7)(g)	Other Construction Projects
2	39	807 KAR 5:001 Section 16-(7)(h)	Financial Forecasts
2	40	807 KAR 5:001 Section 16-(7)(h)1	Operating Income Statement
2	41	807 KAR 5:001 Section 16-(7)(h)2	Balance Sheet
2	42	807 KAR 5:001 Section 16-(7)(h)3	Statement of Cash Flows
2	43	807 KAR 5:001 Section 16-(7)(h)4	Revenue Requirement
2	44	807 KAR 5:001 Section 16-(7)(h)5	Load Forecast
2	45	807 KAR 5:001 Section 16-(7)(h)6	Access Line Forecast (Telephone)
2	46	807 KAR 5:001 Section 16-(7)(h)7	Mix of Generation (Electric)
2	47	807 KAR 5:001 Section 16-(7)(h)8	Mix of Gas Supply (Gas)
2	48	807 KAR 5:001 Section 16-(7)(h)9	Employee Level
2	49	807 KAR 5:001 Section 16-(7)(h)10	Labor Cost Changes
2	50	807 KAR 5:001 Section 16-(7)(h)11	Capital Structure Requirements
2	51	807 KAR 5:001 Section 16-(7)(h)12	Rate Base
2	52	807 KAR 5:001 Section 16-(7)(h)13	Gallons of Water Projected (Water)
2	53	807 KAR 5:001 Section 16-(7)(h)14	Customer Forecast (Gas, Water)
2	54	807 KAR 5:001 Section 16-(7)(h)15	Sales Volume Forecasts (Gas)
2	55	807 KAR 5:001 Section 16-(7)(h)16	Toll and Access Forecast (Telephone)
2	56	807 KAR 5:001 Section 16-(7)(h)17	Detailed Explanation of Other Info
2	57	807 KAR 5:001 Section 16(7)(i)	FERC Audit Reports
2	58	807 KAR 5:001 Section 16(7)(j)	Stock or Bond Prospectuses
2	59	807 KAR 5:001 Section 16(7)(k)	FERC Form 2

3	60	807 KAR 5:001 Section 16(7)(l)	Annual Reports to Shareholders
3	61	807 KAR 5:001 Section 16(7)(m)	Current Chart of Accounts
3	62	807 KAR 5:001 Section 16(7)(n)	Monthly Managerial Reports
3	63	807 KAR 5:001 Section 16(7)(o)	Monthly Budget Variance Reports
4	64	807 KAR 5:001 Section 16(7)(p)	SEC Reports (8-Ks, 10-Ks and 10-Qs for 2024, 2025 and 2026)
4	64.1	807 KAR 5:001 Section 16(7)(p)	2024 8-Ks
4	64.2	807 KAR 5:001 Section 16(7)(p)	2024 10-K
4	64.3	807 KAR 5:001 Section 16(7)(p)	2024 10-Qs
4	64.4	807 KAR 5:001 Section 16(7)(p)	2025 8-Ks
4	64.5	807 KAR 5:001 Section 16(7)(p)	2025 10-K
4	64.6	807 KAR 5:001 Section 16(7)(p)	2025 10-Qs
4	64.7	807 KAR 5:001 Section 16(7)(p)	2026 8-Ks
4	64.8	807 KAR 5:001 Section 16(7)(p)	2026 10-Q
5	65	807 KAR 5:001 Section 16(7)(q)	Independent Auditor's Annual Opinion
5	66	807 KAR 5:001 Section 16(7)(r)	Quarterly Reports to Stockholders
5	67	807 KAR 5:001 Section 16(7)(s)	Summary of Latest Depreciation Study
5	68	807 KAR 5:001 Section 16(7)(t)	Computer, Software, Hardware, etc.
5	69	807 KAR 5:001 Section 16(7)(u)	Affiliate, et. al., Allocations/Charges
5	70	807 KAR 5:001 Section 16(7)(v)	Cost-of-Service Study
5	71	807 KAR 5:001 Section 16(7)(w)	Incumbent Local Exchange Carriers
5	72	807 KAR 5:001 Section 16(8)(a)	Financial Summaries
5	73	807 KAR 5:001 Section 16(8)(b)	Rate Base Summaries
5	74	807 KAR 5:001 Section 16(8)(c)	Operating Income Summaries
5	75	807 KAR 5:001 Section 16(8)(d)	Summary of Income Adjustments
5	76	807 KAR 5:001 Section 16(8)(e)	Federal & State Income Tax Summaries
5	77	807 KAR 5:001 Section 16(8)(f)	Summary of Membership Dues, etc.
5	78	807 KAR 5:001 Section 16(8)(g)	Analyses of Payroll Costs
5	79	807 KAR 5:001 Section 16(8)(h)	Gross Revenue Conversion Factor
5	80	807 KAR 5:001 Section 16(8)(i)	Comparative Income Statements, etc.
5	81	807 KAR 5:001 Section 16(8)(j)	Cost of Capital Summary
5	82	807 KAR 5:001 Section 16(8)(k)	Financial Data and Earnings Measures
5	83	807 KAR 5:001 Section 16(8)(l)	Narrative Description of Tariff Changes
5	84	807 KAR 5:001 Section 16(8)(m)	Revenue Summary
5	85	807 KAR 5:001 Section 16(8)(n)	Typical Bill Comparison
5	86	807 KAR 5:001 Section 17-(1)	Sample Notices Posted
5	86	807 KAR 5:001 Section 17-(2)	Method of Customer Notice
5	86	807 KAR 5:001 Section 17-(3)	Proof of Customer Notice
5	86	807 KAR 5:001 Section 17-(4)	Customer Notice Information
5	86	807 KAR 5:001 Section 17-(5)	Abbreviated Notice
5	87	KRS 278.2205(6)	Cost Allocation Manual

18. Columbia has given notice of its application in accordance with 807 KAR 5:001, Section 17.

19. In addition to approving the proposed revenue requirement, Columbia requests that the Commission approve the allocation among customer classes and certain changes in the design of its tariffed rates. As demonstrated in the testimony of Columbia Witness Ronald J. Amen, Columbia proposes to maintain a movement toward parity among the various rate classes and adjust the customer charges to better reflect the underlying costs of providing safe and reliable service.

#### **IV. OVERVIEW OF ADDITIONAL RELIEF SOUGHT**

20. Columbia proposes to recover its rate case expense on an amortized basis over a period of one (1) year.

#### **V. OVERVIEW OF TESTIMONY**

21. Columbia is offering the supporting testimony of sixteen witnesses in support of its application:

- a. Kimra H. Cole, Columbia's President and Chief Operating Officer, will describe the relief sought in the application, the need for the rate increase, various initiatives of the Company and introduce other witnesses;
- b. Linda E. Black, Regulatory Lead Analyst for NiSource Corporate Services Company, will present the development of the rate base presented in this case;

- c. Judy M. Cooper, Columbia's Director of Regulatory Affairs, will address Columbia's proposals that include tariff revisions;
- d. Donald P. Ayers, Columbia's Vice President of Operations, will provide an overview of Columbia's operating system and its efforts to improve safety through the replacement of priority pipe and will address Columbia's distribution system;
- e. John J. Spanos, President of Gannett-Fleming Valuation and Rate Consultants, LLC, will sponsor the depreciation study performed for Columbia in this proceeding;
- f. Vincent V. Rea, Managing Director of Regulatory Finance Associates, LLC, will present evidence regarding Columbia's cost of capital and recommend the appropriate rates of return for Columbia;
- g. Ronald J. Amen, Managing Partner of Atrium Economics, will present Columbia's allocated cost of services studies, will address Columbia's revenue allocations across the various rate classes, Columbia's proposed rate design, and the typical bill comparisons;
- h. Kevin L. Johnson, Lead Regulatory Analyst for NiSource Corporate Services Company, will present the results of Columbia's Lead/Lag study;

- i. Michael E. Girata, Manager of Demand Forecasting for NiSource Corporate Services Company, will explain the forecast methodology used to develop the forecasted customer count and usage for the forecasted test period;
- j. Julie C. Wozniak, Manager of Regulatory Studies for NiSource Corporate Services Company, will support the development of revenues for both the base period and the forecasted test period;
- k. Elizabeth “Nikki” N. Davis, Rate Case Execution Lead Analyst for NiSource Corporate Services Company, will present the cost of service and revenue requirement, and will support the actuals for Columbia’s O&M costs and methodology;
- l. Craig P. Inscho, Financial Planning Manager for NiSource Corporate Services Company, will support Columbia’s financial statements, including Operations & Maintenance budgets;
- m. Chrisley E. Scott, Director of Capital Program and Support Services for NiSource Corporate Services Company, will outline the capital budgeting process;
- n. George B. Jonda, Financial Planning & Analysis Manager for NiSource Corporate Services Company, will provide a background on the relationship between NiSource Corporate Services Company and Columbia, explain how actual costs are allocated to Columbia, will

overview the NiSource Corporate Services Company budgeting process, including how the budget is allocated to Columbia;

- o. Gunnar J. Gode, Chief Accounting Officer for NiSource Corporate Services Company, will provide testimony to support the level of federal and state income taxes; and
- p. Elizabeth J. Owens, Director Compensation for NiSource Corporate Services Company, will provide support for employee compensation and benefits programs, including incentive compensation.

## VI. CONCLUSION

22. Columbia's application, supporting exhibits, schedules and testimony fully demonstrate that an adjustment of the Company's base rates, new depreciation rates, revisions in various tariffs, and that other relief sought herein is fair, just and reasonable. Accordingly, Columbia respectfully requests that the Commission award it the relief sought herein, including, without limitation, the proposed increase in rates that are fair, just, and reasonable so that Columbia may continue to provide safe and reliable natural gas service at the lowest reasonable price to its customers, while providing the Company with a reasonable opportunity to recover its costs and earn a fair rate of return.

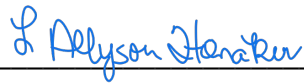
WHEREFORE, on the basis of the foregoing, Columbia respectfully requests that the Commission:

- 1. Approve the adjustments of Columbia's base rates as set forth herein;

2. Approve Columbia's proposed changes to rate design;
3. Accept Columbia's depreciation study and related accounting treatments with an effective date for the new depreciation rates to be the same day that Columbia's new rates become effective;
4. Approve the changes to each of the tariffs described herein;
5. Authorize Columbia to recover its reasonable rate case expense over a period of one (1) year; and
6. Award Columbia any and all other relief to which it may be entitled.

This, the 20th of May, 2026.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

This is to certify that the foregoing electronic filing was transmitted to the Commission on May 20, 2026, and that there are no parties that the Commission has excused from participation by electronic means in this proceeding. Pursuant to prior Commission Orders, no paper copies of this filing will be made.

*Heather S. Temple*

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*Counsel for Columbia Gas of Kentucky, Inc.*