

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF COLUMBIA)	
GAS OF KENTUCKY, INC. TO EXTEND ITS)	CASE NO.
GAS COST INCENTIVE ADJUSTMENT)	2020-00378
PERFORMANCE BASED RATE MAKING)	
MECHANISM)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO COLUMBIA GAS OF KENTUCKY, INC.

Columbia Gas of Kentucky, Inc. (Columbia Kentucky), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on March 23, 2021. The Commission directs Columbia Kentucky to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Columbia Kentucky shall make timely amendment to any prior response if Columbia Kentucky obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Columbia Kentucky fails or refuses to furnish all or part of the requested information, Columbia Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Columbia Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the response to Item 2.a. of Commission Staff's First Request for Information (Staff's First Request). Describe the magnitude of the Columbia Gas Transmission (TCO) rate increase that went into effect February 1, 2021, subject to refund.

2. Refer to the response to Item 2.b. of Staff's First Request. Columbia Kentucky states in this response, "Columbia Kentucky and the other members of the Columbia Distribution Customers are actively participating in the ongoing settlement negotiations, and hope that an acceptable settlement can be achieved." State whether the other NiSource LDCs with whom Columbia indicates it has intervened are also participating in settlement discussion.

3. Refer to the response to Item 7 of Staff's First Request. Provide a real world example in which the opportunity for gas cost savings would be assigned to one Columbia LDC as opposed to another.

4. Refer to the response to Item 10 of Staff's First Request. Provide the current tariffs for the sharing mechanisms used by Columbia Kentucky's affiliates in Ohio, Pennsylvania, Maryland, Virginia, and Indiana.

5. Refer to the response to Item 12 of Staff's First Request.

a. Provide the information requested by Item 12.c. or explain each basis why such information cannot be obtained and provided.

b. Provide the information requested by Item 12.d. or explain each basis why such information cannot be obtained and provided.

6. Refer to the response to Item 16 of Staff's First Request, which states, "For the winter of 2020/21, Columbia Kentucky has not contracted with any long term suppliers, choosing instead to procure spot supplies on a monthly and daily basis." State whether this is a new procurement strategy for Columbia Kentucky, and the impact on winter gas cost of purchasing gas using spot supplies on a monthly and daily basis as opposed to long term contracts.

7. Refer to the response to Item 17 of Staff's First Request.
 - a. Provide a version of Attachment A to that request, in Excel format, that identifies the trading partners for each transaction, identifies the quantiles of gas involved in any incremental sale; indicates whether each Exchange transaction is a park or a loan; and indicates the quantiles of gas involved in any park or loan.
 - b. Explain whether the gas sold in Incremental Sale transactions was purchased to serve Columbia Kentucky's customers, on a speculative basis to be sold in Incremental Sale transactions, or for some other purpose.
 - c. Explain why the revenue from the Incremental Sale transactions should not be offset by the transportation costs for the gas sold. If Columbia Kentucky contends that there is no transportation costs associated with the gas sold as part of Incremental Sale transactions, explain each basis for that contention.
 - d. Explain whether the Exchange transactions identified in Attachment A were completed pursuant to TCO's park and loan tariff or pursuant to some other tariff, contract, or mechanism. Provide a copy of any relevant park and loan tariff pages.
 - e. Confirm that positive revenues for an Exchange transaction indicate that Columbia Kentucky was either the party allowing its trading partner to park the trading partner's gas using Columbia Kentucky's storage capacity or Columbia Kentucky is loaning its gas to the trading partner, and if it cannot be confirmed, explain each basis for why it cannot be confirmed.

f. Explain why Columbia Kentucky only had a single negative exchange transaction between January 2019 through December 2020 and whether that indicates it obtained excessive storage capacity during that period.

g. Explain why that portion of Columbia Kentucky's storage capacity costs attributable to storage capacity used by Columbia Kentucky to park another party's gas should not offset the revenue received from such a transaction.

8. Refer to the response to Item 18 of Staff's First Request. State whether Columbia Kentucky's trading partners in the park and loan Exchange transactions involve large volume customers on Columbia Kentucky's system that are in an imbalance situation, or if they are parties outside of Columbia Kentucky's service area.

9. Refer to the response to Item 19 of Staff's First Request. Explain the statement, "It is not Columbia Kentucky's practice to use gas that has passed through the GCI mechanism as the source gas for off-system sales." The explanation should include a clarification of the source for off-system sales, and whether the original cost of transportation for the gas sold is used as part of the benchmark for calculating OSS savings or TCI savings.

10. Refer to the Prepared Direct Testimony of Judy M. Cooper (Cooper Testimony), Attachment A, page 7. Provide all monthly information now available for Total Performance Based Rate Mechanism Savings Between Company and Customer Share beginning September 2020.

11. State whether the mechanism approved in Case No. 2014-00350 resulted in greater gas cost savings than the previously approved mechanism, and explain each basis for Columbia Kentucky's response.



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Public Service Commission
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DATED MAR 09 2021

cc: Parties of Record

Case No. 2020-00378

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