COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of: ELECTRONIC APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC. FOR AN ADJUSTMENT OF RATES; APPROVAL OF DEPRECIATION STUDY; APPROVAL OF TARIFF REVISIONS; ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY; AND OTHER RELIEF	: : : : : : :	**Case No 2021-00183**

POST-HEARING BRIEF OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Kentucky Industrial Utility Customers, Inc. ("KIUC") submits this Brief in support of the Stipulation agreed to by Columbia Gas of Kentucky, Inc. ("Columbia"), the Attorney General's Office of Rate Intervention ("AG") and KIUC.

Columbia, the AG and KIUC engaged in extensive discussions following the submission of the AG's pre-filed testimony in this proceeding and the resulting Stipulation reflects a compromise between Columbia and the AG's litigation positions. KIUC believes that the Stipulation will result in fair, just and reasonable rates. While KIUC supports the Stipulation in its entirety it will specifically discuss two issues addressed in the Stipulation in this Brief.

1. <u>KIUC supports Columbia's In-Line Inspection ("ILI") Program.</u>

KIUC agrees with Columbia that ILI is a reasonable method to ensure the continued reliability of Line DE. After reviewing the information submitted by Columbia comparing ILI to other methods of inspection, KIUC concluded that Columbia's ILI program is the best available option. As discussed extensively during the cross-examination of Columbia witnesses Judy Cooper, Jeffrey Gore and David Roy, ILI is the only available method to comply with federal law without causing disruption to customers. The costs of ILI is comparable to other methods and may even be the lowest cost method of compliance when measured over the long run.

2. **KIUC Supports The Stipulated Rate Design For Rate DS.**

KIUC supports the design for Rate DS as described in the Supplemental Testimony of Judy Cooper.[1] Rate DS consists of a Customer Charge and a per Mcf Delivery Charge which is broken into three declining rate blocks or tiers. Declining block rates are generally designed to recover fixed capacity costs in the first (higher priced) blocks and volumetric or commodity costs in the third (lower priced blocks). But each of the three cost-of-service studies that Columbia submitted in this proceeding shows that the cost of gas is $0 for the DS class[2] indicating that there are no volumetric costs being recovered from DS customers. Since the higher cost of the first two blocks is intended to recover fixed capacity costs, not commodity costs, it is reasonable for more of the rate increase to be recovered from the first two blocks. This is especially true since a customer with block 3 usage will still pay the same block 1 and block 2 rates as other customers for all usage below 100,000 Mcf per billing period.

[1] at 16.
[2] See Attachment KLJ-ACOS-1, page 2 of 129; Attachment KLJ-ACOS-2, page 2 of 129; and Attachment KLJ-ACOS-3, page 2 of 129.

WHEREFORE, KIUC respectfully requests that the Commission adopt the Stipulation in its entirety.

Respectfully submitted,

/s/ Kurt J. Boehm

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