



1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Travis Kavulla, and I am Vice President, Regulatory Affairs for NRG Energy,  
3 Inc. (“NRG”). My business address is 1825 K. St. NW, Suite 1203, Washington, D.C.  
4 20006.

5 **Q. ARE YOU THE SAME ‘TRAVIS KAVULLA’ WHO PREVIOUSLY SUBMITTED**  
6 **TESTIMONY IN THIS PROCEEDING?**

7 A. Indeed, I am.

8 **Q. ON WHOSE BEHALF ARE YOU NOW TESTIFYING?**

9 A. As before, I am testifying on behalf of XOOM Energy Kentucky, LLC (“XOOM”), an  
10 affiliate of NRG.

11 **Q. WHY NOW ARE YOU SUBMITTING TESTIMONY?**

12 A. I am submitting further testimony in this proceeding to support the Joint Stipulation and  
13 Settlement Agreement (“Stipulation”) that has been reached in this matter.<sup>1</sup>

14 **Q. DO YOU SUPPORT THE STIPULATION?**

15 A. Yes. While I was not a direct participant in the negotiations leading to the Stipulation, I  
16 was apprised of negotiations related to it, and I authorized our attorney<sup>2</sup> in the present  
17 proceeding to sign onto the Stipulation.

18 **Q. WHY DO YOU SUPPORT THE STIPULATION?**

19 A. The key provisions of the Stipulation provide a significantly longer term for the CHOICE  
20 program than extensions granted previously by the Commission<sup>3</sup>, creates a formal forum  
21 for meaningful dialogue among stakeholders toward advancing and enhancing the

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<sup>1</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Joint Stipulation and Settlement Agreement (Sept. 22, 2022).

<sup>2</sup> Gregory T. Dutton, Attorney, Frost Brown Todd LLC

<sup>3</sup> The Choice Program pilot has been extended by approval of the Commission six times since initial approval for varying periods of one to five years at a time. Please see Case Nos. 1999-00165, 2004-00462, 2008-00195, 2010-00233, 2013-00167, and 2017-00115.

1 CHOICE program, increases reporting and tracking of environmentally friendly natural  
2 gas products, and establishes a predictable process at the end of the proposed seven-year  
3 term for Columbia and the Commission to further extend the CHOICE program without  
4 interruption to customers taking gas supply service from competitive suppliers.<sup>4</sup> This  
5 certainty is critical to facilitate the deployment of stable, long-term natural gas products  
6 and services that will benefit customers in today’s volatile wholesale natural gas market.  
7 The Stipulation provides the certainty that XOOM and its corporate parent, NRG, require  
8 to continue doing business in Kentucky, where energy choice is limited to a single gas  
9 utility. As I stated in my testimony, it would be desirable to open the entire Commonwealth  
10 to a choice by consumers in their supplier of natural gas.<sup>5</sup> While there is a basis for the  
11 Commission to use this proceeding to open a proceeding on this matter more broadly, this  
12 proceeding itself involves contested issues of a particular tariff on file by a single gas  
13 utility, Columbia Gas of Kentucky (“Columbia”), and the immediate resolution of those  
14 issues naturally take priority over a broader conversation about natural-gas choice in the  
15 Commonwealth. Additionally, adoption of this Stipulation in its entirety will eliminate the  
16 need for the Commission and the parties to expend significant resources in litigation of this  
17 proceeding and will eliminate the possibility of, and any need for, rehearing or appeals of  
18 the Commission’s final order.

19 **Q. IS THE STIPULATION IN THE PUBLIC INTEREST?**

20 A. Yes. My Direct Testimony in this matter fundamentally was about two issues: whether this  
21 program should continue (it should) and what market enhancements should be made (a

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<sup>4</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Joint Stipulation and Settlement Agreement (Sept. 22, 2022).

<sup>5</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Direct Testimony and Exhibits of Travis Kavulla at 20:7-17 (Mar. 25, 2022).

1 number of them).<sup>6</sup> The Stipulation resolves the first question, as described above. I view  
2 this as particularly encompassing of the public interest because I am keenly aware that  
3 consumers themselves tend not to be represented in proceedings like these, and I am firmly  
4 convinced that they should be empowered to have a choice in their supplier of all sorts of  
5 services, including natural gas. That is especially true now, as energy prices are rising and,  
6 if they had no choice, consumers would feel powerless with respect to their source of  
7 supply, as well as the environmental impact of their supply. Thus, to the extent that the  
8 consideration of the public interest must encompass thoughtfulness beyond the narrow  
9 interests of the parties now appearing before the Commission, this Stipulation meets that  
10 mark.

11 Meanwhile, while I believe the salience of the CHOICE program could and should  
12 be increased, this Stipulation has provided a pathway for parties to pursue those reforms.  
13 The parties have pledged in good faith to work through a stakeholder process, and at the  
14 same time, no party has agreed to silence itself or void its options to come back to the  
15 Commission should that process be unavailing.<sup>7</sup> Further in the public interest, the  
16 Stipulation, while not mandating that suppliers offer “green gas” or carbon neutral gas  
17 products, establishes a reporting mechanism for Columbia and the Commission to measure  
18 greenhouse gas reductions by customers being served on such products.<sup>8</sup> Finally, as I  
19 understand is traditional in Kentucky, I personally support the agreement by stipulation to  
20 include all prefiled testimony into the evidentiary record of the Commission so that the

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<sup>6</sup> See generally, Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Direct Testimony and Exhibits of Travis Kavulla (Mar. 25, 2022).

<sup>7</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Joint Stipulation and Settlement Agreement at p. 3 (Sept. 22, 2022).

<sup>8</sup> See *id.*

1 Commissioners have a full record on which they may rely to make their own judgment on  
2 this Stipulation.<sup>9</sup>

3 **Q. YOU MENTIONED IN YOUR TESTIMONY THAT YOU WOULD LIKE TO SEE**  
4 **THE PROGRAM MADE PERMANENT<sup>10</sup>; HOWEVER, THE STIPULATION**  
5 **ONLY PROVIDES FOR AN EXTENSION OF SEVEN YEARS. WHY ARE YOU**  
6 **SUPPORTIVE OF THIS PROVISION?**

7 A. This Stipulation represents a compromise between parties with diverse interests and  
8 provides XOOM with certainty that the program will continue for at least seven (7) years.  
9 Additionally, the Stipulation contains a provision requiring Columbia to file an application  
10 in seven years to allow the Commission to consider extending the program and that the  
11 program shall be extended for the duration of such case until the Commission issues an  
12 order.<sup>11</sup> The program thus achieves, while not permanence, a sunset far enough along the  
13 horizon to justify a more robust retail market's presence in Columbia's service territory.  
14 With this certainty, suppliers can craft a diverse suite of offerings that fit individual  
15 customer needs.

16 **Q. HOW DOES A LONGER TIME HORIZON ENABLE SUPPLIERS TO OFFER A**  
17 **DIVERSE RANGE OF PRODUCTS TO CUSTOMERS?**

18 A. As mentioned in prefiled testimony and exhibited over the past year, we have entered a  
19 period of wholesale natural gas market volatility that has not be seen since before the  
20 widespread adoption of hydraulic fracturing.<sup>12</sup> Volatile wholesale natural gas prices have

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<sup>9</sup> See *id* at 4.

<sup>10</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Direct Testimony and Exhibits of Travis Kavulla at 19:11-14 (Mar. 25, 2022).

<sup>11</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Joint Stipulation and Settlement Agreement at p. 3 (Sept. 22, 2022).

<sup>12</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Direct Testimony and Exhibits of Travis Kavulla at 4:17-18 – 5:1-5 (Mar. 25, 2022).

1 generally translated into volatile and recently high default service prices.<sup>13</sup> Customers,  
2 however, could have avoided increases in their natural gas bills by entered into long-term  
3 fixed-price contracts with Suppliers.<sup>14</sup> At the same time, suppliers will not offer long-term  
4 contracts without the certainty of a long-term program. When a supplier enters a fixed-  
5 price contract with a customer, the supplier hedges their upstream wholesale risk for the  
6 duration of the contract. If a supplier were to enter into a contract that was longer than the  
7 duration of the program, the supplier would bear the risk of any market price changes for  
8 unsold volumes of natural gas. Given the current market volatility, this risk is substantial.  
9 Thus, providing a minimum time-horizon for the program is critical to ensure that suppliers  
10 can offer customers with long-term fixed-price contracts that provide customers with rate  
11 certainty during these uncertain times.

12 **Q. YOUR TESTIMONY ALSO DISCUSSED VARIOUS MARKET**  
13 **ENHANCEMENTS THAT COLUMBIA SHOULD CONSIDER FOR ITS GAS**  
14 **CHOICE PROGRAM.<sup>15</sup> ARE THOSE ENHANCEMENTS ADDRESSED IN THE**  
15 **STIPULATION?**

16 A. After discussions with Columbia, XOOM would prefer to address the variety of retail  
17 market design issues that I discuss in my testimony in a stakeholder process, rather than in  
18 the setting of litigation. The Stipulation provides for the creation of a Gas Choice Working  
19 Group (“GCWG”) that will meet at least biannually and continue discussions regarding  
20 consumer protections, education, and customer participation in the program.<sup>16</sup> The

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<sup>13</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Revised Direct Testimony and Exhibits of Travis Kavulla at Updated Figure TK-1 and Updated Figure TK-2 (Sept. 26, 2022).

<sup>14</sup> See *id* at 9:1-3 (Sept. 26, 2022).

<sup>15</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Direct Testimony and Exhibits of Travis Kavulla at 12:19 – 17:1-15 (Mar. 25, 2022).

<sup>16</sup> See Case No. 2021-00386, *In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Joint Stipulation and Settlement Agreement at p. 3 (Sept. 22, 2022).

1 agreement of Columbia to create the GCWG leaves me with the impression that they are  
2 willing to discuss these important market enhancements in a candid way.

3 **Q. DOES THE STIPULATION ALSO SUPPORT CONTINUATION OF**  
4 **ENVIRONMENTALLY FRIENDLY PRODUCTS AND SERVICES?**

5 A. Yes, it does. While Columbia’s default offering may fit the needs of some customers, other  
6 customers are demanding more environmentally friendly natural gas options. In fact, some  
7 suppliers have modified their business model to only offer carbon-neutral natural gas. Such  
8 natural gas products have contributed to substantial reductions in greenhouse gas  
9 emissions. Failure to continue the program would eliminate these products and therefore  
10 be harmful to the environment.

11 **Q. DOES THE STIPULATION ENABLE CKY TO QUANTIFY THE**  
12 **ENVIRONMENTAL BENEFITS OF SUPPLIER PRODUCTS?**

13 A. Yes, it does. Specifically, the Stipulation requires it supplier to submit a report to Columbia  
14 each year. “The report shall identify each supplier’s total greenhouse gas reduction  
15 associated with retail natural gas products in Columbia’s service territory during the  
16 preceding calendar year.”<sup>17</sup> With this data, Columbia may aggregate the greenhouse gas  
17 reductions associated with each supplier’s products to determine the positive impact of the  
18 CHOICE program on the environment.

19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

20 A. It does.

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<sup>17</sup> See *id.*

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

IN THE MATTER OF

ELECTRONIC TARIFF FILING OF  
COLUMBIA GAS OF KENTUCKY, INC.  
TO EXTEND ITS SMALL VOLUME GAS  
TRANSPORTATION SERVICE

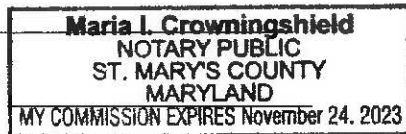
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CASE NO. 2021-00386  
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**VERIFICATION OF TRAVIS KAVULLA**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_



Travis Kavulla, Vice President, Regulatory Affairs for NRG Energy, Inc. being duly sworn, states that he has supervised the preparation of his Testimony in Support of Joint Stipulation and Settlement Agreement 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.

  
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Travis Kavulla

The foregoing Verification was signed, acknowledged, and sworn before me this 26<sup>th</sup> day of September, 2022 by Travis Kavulla

  
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Notary Public

