

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:)
)
THE ELECTRONIC APPLICATION OF)
COLUMBIA GAS OF KENTUCKY, INC. FOR) Case No. 2022-00049
APPROVAL OF THE GREEN PATH RIDER PILOT)
PROGRAM)
)

**COLUMBIA GAS OF KENTUCKY, INC.'S
APPLICATION**

Comes now Columbia Gas of Kentucky, Inc. ("Columbia" or "Company"), by counsel, pursuant to KRS 278.180, KRS 278.190, 807 KAR 5:001, and other law, and does hereby request the Kentucky Public Service Commission ("Commission") to grant it authority for a new voluntary service offering, respectfully stating as follows:

1. Columbia, incorporated October 11, 1905, is a corporation organized and existing under the laws of the Commonwealth of Kentucky and is in good standing with the Commonwealth. Columbia's headquarters are located in Lexington, Kentucky. The Company's full name and post office address are as follows:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P.O. Box 14241
Lexington, KY 40512-4241
FAX: (859) 288-0258
Email: pscmailcky@nisource.com

2. The Company provides natural gas service to approximately 135,000 residential, commercial and industrial customers in thirty (30) counties across the Commonwealth of Kentucky.¹ Columbia is a “utility” as that term is defined in KRS 278.010(3)(b). In recent years, Columbia’s customers have expressed greater interest in the environmental impact of natural gas usage.

3. Columbia proposes to adopt a five-year pilot for a voluntary program whereby eligible customers may opt-in to a volumetric rate, the collections of which are used to offset the carbon emissions generated by customer usage. The rider will be called the “Green Path” Rider.

4. The Green Path Rider will consist of two tiers. The first is a 50% Option, which allows a customer to offset half of their natural gas carbon emissions. The second tier, called the “Net Zero” tier, allows a customer to offset their entire carbon emissions.

5. In order to offset participating customers’ carbon emissions, Columbia will procure credits for the environmental attributes of renewable natural gas (“RNG”) as well as carbon offsets. A description of, and the means of purchase for, these environmental attributes are contained in the direct testimony of witness Andrew Campbell. Columbia procured the services of a third party to purchase the environmental attributes necessary to offset participating customers’ emissions. As detailed more thoroughly in the direct

¹ Columbia provides natural gas services 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.

testimony of witness Erich Evans, the rider's rate will reflect the cost of the amount of environmental attributes necessary to offset the projected number of participating customers and an allocation of Green Path rider's administrative costs. None of the costs associated with administering this rider will be recovered from non-participating customers.

6. The proposed tariff language accompanying this Application as Attachment A contains the tariffed rates for the first year of the Green Path Rider pilot. These amounts are \$1.7883 per Mcf for the 50% Option and \$3.5766 per Mcf for the Net Zero Option. The inputs to the calculation of the rider are explained in the direct testimony of witness Erich Evans. Applied to the average usage of a residential customer, the average monthly charge for the Net Zero Option for this proposed rider is \$20.03 for the Net Zero Option and \$10.02 for the 50% Option.

7. During the pilot period, Columbia will recalculate the Green Path Rider's rate on an annual basis. At least ninety days prior to the effective date of new rates, Columbia will file a tariff change based on the price of the environmental attributes procured for participating customers.

8. Should the Commission approve this Application, Columbia will need an implementation period to prepare for enrolling customers. Interested customers will be able to enroll in the Green Path Rider by calling or sending an electronic message to

Columbia's call center. The pre-enrollment period will allow Columbia the time to inform customers of the new, voluntary service offering.

9. Should any government entity enact legislation with a mandate for natural gas-related emission reduction, or other market force require the same, Columbia may terminate the Green Path Rider-related tariff prior to the conclusion of the pilot as proposed in this Application. In the event of such occurrence, Columbia may re-submit a tariff change that may differ materially from that which is proposed here.

10. Three witnesses are providing direct testimony to accompany this application. Judy M. Cooper, Director of Regulatory Affairs for Columbia, will describe the mechanics of the tariff filing; Erich Evans, Strategy and Risk Integration Director for NiSource Corporate Services Company, will describe how the Green Path Rider rate will be calculated and the reason behind Columbia's pursuit of this voluntary rider; and Andrew Campbell, Director of Portfolio Planning and Origination for Northern Indiana Public Service Company LLC will describe the RNG and carbon offset credits and how they will be procured.

11. Finally, because of the rider's voluntary nature, Columbia does not plan to provide formal notice of this Application.

WHEREFORE, on the basis of the foregoing, Columbia respectfully prays the Commission to approve the pilot as described in this Application, the accompanying exhibits, and corresponding testimony.

This 29th day of December 2022.

Respectfully submitted,

/s/ Joseph M. Clark

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CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document; that the electronic filing was transmitted to the Commission on December 29, 2022; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

/s/ Joseph M. Clark _____
Counsel for Columbia Gas of Kentucky, Inc.