

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

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

**PREPARED DIRECT TESTIMONY OF
ANDREW S. CAMPBELL
ON BEHALF OF COLUMBIA GAS OF KENTUCKY, INC.**

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COLUMBIA GAS OF KENTUCKY, INC.

December 29, 2022

1

2 **Q: Please state your name and business address.**

3 A: My name is Andrew S. Campbell. My business address is 1500 165th
4 Street, Hammond, IN 46324.

5

6 **Q. By whom are you employed?**

7 A. I am employed by Northern Indiana Public Service Company LLC
8 (“NIPSCO”), a subsidiary of NiSource, as Director, Portfolio Planning and
9 Origination.

10

11 **Q. Please describe your professional experience and educational
12 background.**

13 A. I have been employed in various capacities with NiSource. I began my
14 employment with NIPSCO in June of 2009 as an Operations Analysis
15 Engineer. In September of 2011, I was promoted to the Manager of
16 Operations & Market Support and, in May of 2013, assumed the role of
17 Manager of Planning & Regulatory Support. In September of 2017, I was
18 promoted to the role of Director of Regulatory Support & Planning. In
19 September of 2021, my title changed to Director of Portfolio and
20 Origination. Prior to joining NIPSCO, I worked as an engineer for an

1 industrial manufacturing company that specialized in engine attachments
2 for marine and small power generation applications. I am also a veteran
3 of the Army National Guard. I graduated from Purdue University
4 Calumet with a Bachelor of Science in Mechanical Engineering and
5 graduate studies in Interdisciplinary Engineering. Additionally, I
6 graduated with a Master of Business Administration from the University
7 of Notre Dame.

8

9 **Q. What are your responsibilities as Director of Portfolio Planning and**
10 **Origination?**

11 A. As the Director of Portfolio Planning and Origination, I am responsible for
12 leading the regulatory support and financial planning functions for the
13 Energy Supply & Optimization (“ES&O”) department within NIPSCO,
14 whereby my team supports NIPSCO’s operations within the electric and
15 natural gas markets. More specifically, my team is responsible for leading
16 all commercial market support for electric and natural gas rate case
17 related activities for the ES&O department, management of Midcontinent
18 Independent System Operator (“MISO”) meter data, MISO market and
19 bilateral settlements, MISO asset registration and resource adequacy,
20 supporting the forecast and reconciliation of NIPSCO’s Fuel Adjustment

1 Clause ("FAC"), Regional Transmission Organization ("RTO")
2 Adjustment, Resource Adequacy ("RA") Adjustment, Green Power Rider,
3 Gas Cost Adjustment ("GCA"), leading the development of NIPSCO's
4 natural gas and electric hedging programs, and supporting NIPSCO's
5 financial and business planning cadence. I am also responsible for leading
6 the commercial execution of NIPSCO's generation strategy outlined
7 within its Integrated Resource Plan.

8

9 **Q. What is the purpose of your testimony in this proceeding?**

10 A. The purpose of my testimony is to support the purchase of the renewable
11 natural gas ("RNG") environmental attributes and carbon offsets
12 necessary to implement Columbia Gas of Kentucky's proposed new Green
13 Path Rider.

14

15 **Q. How will the purchases of renewable natural gas environmental**
16 **attributes and carbon offsets be completed for the Green Path Rider?**

17 A. Columbia Gas of Kentucky's affiliate, NiSource Corporate Service
18 Company, Inc. ("NCSC") is working with a third-party supplier to
19 purchase RNG environmental attributes and carbon offsets on behalf of its
20 participating operating companies, including Columbia Gas of Kentucky.

1 The Columbia Gas of Kentucky customers who opt-in to the Green Path
2 Rider will then be allocated the RNG environmental attributes and
3 carbon offsets needed to fulfill the Green Path Rider program.

4

5 **Q. Why is NCSC purchasing the RNG environmental attributes and carbon**
6 **offsets on behalf of Columbia Gas of Kentucky?**

7 A. To streamline the treatment of the RNG attributes, NCSC will be the
8 purchasing entity and then allocate the RNG environmental attributes and
9 carbon offsets to the participating operating companies. The RNG
10 environmental attributes and carbon offsets used for the Green Path Rider
11 will be allocated at the costs paid under the third-party supply agreement
12 to the participating operating companies. Neither NCSC nor Columbia
13 Gas of Kentucky will retain any portion of the fees that customers pay
14 toward the Green Path Rider.

15

16 **Q. Will proceeds from the Green Path Rider be used to add RNG to the mix**
17 **of natural gas serving its customers?**

18 A. No. The Company does not plan to purchase actual supply but will
19 purchase the required environmental attributes for this program
20 associated with physical gas.

1 Q. Please explain what is meant by “RNG” and “carbon offsets”?

2 A. RNG is a carbon-neutral (or in some cases carbon-negative) and
3 sustainable alternative to geologic natural gas that is produced from
4 organic waste from sources such as landfills, wastewater plants, and
5 farms. The environmental attribute associated with the RNG is a product
6 that is detached from the RNG and marketed as a standalone attribute.
7 This RNG environmental attribute represents the carbon reduction
8 associated with the RNG itself. A carbon offset is a reduction in emissions
9 of carbon dioxide or other greenhouse gases made in order to compensate
10 for emissions made elsewhere. RNG can be produced from a variety of
11 industrial, commercial, and agricultural sources and the waste from many
12 of those sources, absent integrating the RNG facility, likely would be left
13 to release waste methane into the atmosphere. Carbon offsets can be
14 derived from several different sources and are grouped together into
15 categories such as renewable energy development, landfill methane
16 avoidance, energy efficiency, and forestry. For purposes of this program,
17 Columbia Gas of Kentucky will purchase RNG environmental attributes
18 and carbon offsets to compensate for the related emissions associated with
19 our customers’ end use of natural gas for their energy needs.

20

1 Q. What will be the blend of RNG attributes and carbon offsets that
2 Columbia Gas of Kentucky plans to utilize in the Green Path Rider
3 program?

4 A. Customers will be able to choose between 50% and 100% of their gas
5 usage to be offset by environmental attributes. The expected balance of
6 the environmental attributes is expected to be approximately 5% RNG
7 attributes and 95% carbon offsets. This approach takes into account that
8 RNG is the higher priced commodity and the proposed blend will make
9 the Green Path Rider more affordable.

10

11 Q. How will Columbia Gas of Kentucky verify that customer collections
12 are used for the stated purpose of the Green Path Rider?

13 A. To verify the purchase, sale, or retirement of the RNG environmental
14 attributes, Columbia Gas of Kentucky's third-party supplier will use the
15 Midwest Renewable Energy Tracking System ("M-RETS"). M-RETS
16 tracks and verifies purchases, sales, and retirement of environmental
17 attributes.

18

19 To verify the purchase, sale, and retirement of the carbon offsets,
20 Columbia Gas of Kentucky's third-party supplier will use an

1 internationally recognized carbon offset registry, including, but not
2 limited to: Verra; Climate Action Reserve; American Carbon Registry; The
3 Gold Standard; the Global Carbon Council, or the United Nations Clean
4 Development Mechanism. At the end of every month, Columbia Gas of
5 Kentucky will send actual usage numbers for enrolled customers to its
6 third-party supplier. The third-party supplier will then use these customer
7 usage numbers to determine how many RNG environmental attributes
8 will be needed to satisfy 5% of the program's need and how many carbon
9 offsets will be needed to satisfy the remaining 95% of the program's need.
10 Once the number of attributes and offsets are determined, the third-party
11 supplier will secure the necessary attributes/offsets and move them into
12 an M-RETS account and the appropriate carbon registries account held on
13 behalf of NCSC and then retire them immediately. The third-party
14 supplier will then provide Columbia Gas of Kentucky with the necessary
15 reconciliation and retirement verification for both the RNG environmental
16 attributes and the carbon offsets to prove compliance with the program
17 requirements. This evidence will be used to demonstrate Columbia Gas of
18 Kentucky's compliance with Rider requirements and the elections
19 associated with the customer's 50% or 100% tier election.

1 **Q. What are the anticipated costs of the RNG environmental attributes and**
2 **Carbon Offset components of the Green Path Rider, and how will these**
3 **translate to costs paid by the customers who have opted into the rider?**

4 A. A fixed bundled price of \$3.00 per Mcf was provided to Columbia by the
5 third-party provider for the first year of the program. Also, 180 days prior
6 to the start of the second calendar year, the third-party provider would
7 have the right to terminate the program under conditions where there are
8 conditions or requirements imposed that make the program no longer
9 viable. If they choose to continue, then 180 days prior to the start of the
10 second calendar year, the third-party provider will provide Columbia
11 with a bundled price that would apply during the second calendar year.
12 The same termination rights/re-pricing schedule would apply in terms of
13 180 days prior to the following calendar year.

14

15 **Q. Does this conclude your Direct Testimony?**

16 A: Yes.

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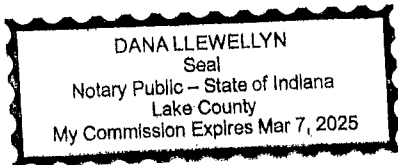
VERIFICATION OF ANDREW S. CAMPBELL

STATE OF INDIANA)
COUNTY OF LAKE)

Andrew Campbell, Director of Portfolio Planning and Origination of Northern Indiana Public Service Company LLC, being duly sworn, states that he has supervised the preparation of his Direct Testimony 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.

Andrew S. Campbell (with signature)

The foregoing Verification was signed, acknowledged and sworn to before me this 6th day of December, 2022, by Andrew S. Campbell.



Dana Llewellyn (with signature)
Commission expiration: 3/7/2025