

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

In the matter of:)
)
COLUMBIA GAS OF KENTUCKY,) Case No. 2022-00342
INC. ANNUAL ADJUSTMENTS TO)
THE SAFETY MODIFICATION AND)
REPLACEMENT PROGRAM)
)

**PREPARED DIRECT TESTIMONY OF
JUDY M. COOPER
ON BEHALF OF COLUMBIA GAS OF KENTUCKY, INC.**

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COLUMBIA GAS OF KENTUCKY, INC.

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1 I. INTRODUCTION

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

3 A: My name is Judy M. Cooper and my business address is 2001 Mercer Rd.,
4 Lexington, KY 40511.

5 **Q: What is your current position and what are your responsibilities?**

6 A: I am the Director of Regulatory Affairs for Columbia Gas of Kentucky, Inc.
7 (“Columbia”). I am responsible for the management of Columbia’s
8 regulatory affairs, tariffs and filings with the Kentucky Public Service
9 Commission (“Commission”), including quarterly Gas Cost Adjustments.

10 **Q: What is your educational background?**

11 A: I obtained a Bachelor of Science Degree in Accounting from the University
12 of Kentucky in 1982. In 1985, I received a Master’s Degree in Business
13 Administration from Xavier University.

14 **Q: What is your employment history?**

15 A: I began my employment with the Commission as an auditor in 1982.
16 Subsequently, I served as Rate Analyst, Energy Policy Advisor, Branch
17 Manager of Electric and Gas Rate Design, and Director of Rates, Tariffs
18 and Financial Analysis at the Commission. In July of 1998, I joined
19 Columbia as Manager of Regulatory Services and have remained in

1 regulatory and government roles. My job title currently is Director,
2 Regulatory Affairs.

3 **Q: Have you previously testified before the Commission?**

4 **A:** Yes, I have testified before the Kentucky Public Service Commission in
5 several cases for Columbia, including Case No. 2002-00117, *The Filing by*
6 *Columbia Gas of Kentucky, Inc. to Require that Marketers in the Small Volume*
7 *Gas Transportation Program be Required to Accept a Mandatory Assignment of*
8 *Capacity*; Case No. 2007-00008, *In the Matter of Adjustment of Rates of*
9 *Columbia Gas of Kentucky, Inc.*; Case No. 2009-00141, *In the Matter of an*
10 *Adjustment of Rates of Columbia Gas of Kentucky, Inc.*; Case No. 2010-00146,
11 *An Investigation of Natural Gas Retail Competition Programs*; Case No. 2013-
12 00167, *In the Matter of Application of Columbia Gas of Kentucky, Inc., for an*
13 *Adjustment of Rates for Gas Service*; Case No. 2017-00453, *In the Matter of the*
14 *Application of Columbia Gas of Kentucky, Inc. to Extend its Gas Cost Incentive*
15 *Adjustment Performance Based Rate Mechanism*; Case No. 2020-00378, *In the*
16 *Matter of Electronic Application of Columbia Gas of Kentucky, Inc. to Extend its*
17 *Gas Cost Incentive Adjustment Performance Based Rate Making Mechanism*;
18 Case No. 2021-00183, *In the Matter of Electronic Application of Columbia Gas*
19 *of Kentucky, Inc. for an Adjustment of Rates; Approval of Depreciation Study;*
20 *Approval of Tariff Revisions; Issuance of A Certificate of Public Convenience and*

1 *Necessity; and Other Relief; and Case No. 2021-00386, In the Matter of*
2 *Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small*
3 *Volume Gas Transportation Service.*

4 **Q: What is the purpose of your testimony in this proceeding?**

5 A: The purpose of my testimony is to support the proposed tariff revisions
6 contained on Columbia’s Tariff Sheet No. 58 and, in general, explain the
7 types of projects contained in Columbia’s proposed 2023 Safety
8 Modification and Replacement Program (“SMRP”). I will also discuss the
9 change in rate design for the SMRP from a fixed charge per meter to a
10 volumetric charge.

11 **Q: What changes does Columbia propose to its Tariff Sheet No. 58?**

12 A: The proposed changes to Tariff Sheet No. 58 are marked in red, to
13 underline additions and strikethrough text that is removed. In
14 compliance with 807 KAR 5:011 Section 6 (3), symbols placed in the
15 margin of the tariff indicate the change.

16 **Q: What types of projects has Columbia included in its 2023 SMRP plans?**

17 A: All of the projects included for recovery as part of Columbia’s 2023 SMRP
18 plans are projects to replace potentially unsafe, aged gas pipelines to
19 improve public safety and reliability of service for customers. The projects
20 are all projects associated with Columbia’s pipeline replacement program

1 defined as Columbia’s Accelerated Replacement Main Program
2 (“AMRP”). Attachment JMC-1 is a list of the replacement projects
3 planned for 2023.

4 **Q: What is Columbia’s AMRP?**

5 **A:** The AMRP is a thirty year program to accelerate the replacement of
6 approximately 525 miles of cathodically protected and unprotected bare
7 steel, cathodically unprotected and ineffectively coated steel and cast iron
8 mains that are continuously subjected to corrosion, ground movement,
9 and other external forces. Additionally, the AMRP includes replacement
10 of all metallic service lines, service lines which do not meet current
11 material and construction standards, and associated facilities and
12 appurtenances. The AMRP was proposed and authorized by the
13 Commission in Case No. 2009-00141¹.

14 **Q: How is the AMRP related to the SMRP?**

15 **A:** The AMRP was the name given by Columbia to its originally authorized
16 pipeline replacement program. In 2019, Columbia proposed to amend
17 and modify its previously provided 2019 AMRP construction plans to
18 include an enhancement to its low-pressure gas distribution system (“LP

¹ Case No. 2009-00141, *Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates*, (Ky. PSC (Oct. 26, 2009), Order.

1 Program")². The LP Program was designed to enhance the safety of
2 Columbia's low-pressure gas distribution systems and did not fall within
3 the definition of Columbia's AMRP.

4 Simultaneously, Columbia sought to change the name of its Tariff Rider
5 AMRP to Tariff Rider SMRP to more accurately reflect its purpose - which
6 had always been the safety and modernization of Columbia's system for
7 the benefit of Columbia's customers, employees and the general public.

8 Corresponding to the name change was an expansion in scope of projects
9 eligible for recovery. This would allow the LP Program to be included as
10 an additional safety modification investment in the newly named SMRP.

11 The SMRP incorporates the AMRP, but also allows Columbia to seek
12 inclusion of any other programs that would involve enhancing
13 Columbia's ability to provide safe and reliable natural gas service where
14 the costs of such programs are not already recovered in base rates. Any
15 such additional safety modification investments must be identified and
16 are subject to the Commission's consideration and approval on an annual
17 basis under the expanded Tariff Rider SMRP.

² Case No. 2019-00257, *Electronic Application of Columbia Gas of Kentucky, Inc. for 1) A Declaration that Construction of a Low Pressure System Safety Improvement is an Extension of its System in the Ordinary Course of Business; 2) in the Alternative, for the Issuance of a Certificate of Public Convenience and Necessity for such Construction; 3) Approval of an Amendment and Expansion of its Accelerated Main Replacement Tariff to its Safety Modification and Replacement Tariff; and 4) Approval to Modify the 2019 AMRP Construction Plan*, (Ky. PSC July 29, 2019), Application.

1 **Q: Does Columbia’s 2023 SMRP filing include any constructions plans**
2 **other than those for AMRP?**

3 **A:** No. The planned 2023 construction projects are all replacement projects
4 as defined by the AMRP. There are no additional safety modification
5 investments included in the 2023 construction projects. Like all of
6 Columbia’s past AMRP projects, the construction projects contained in
7 this filing are projects in the ordinary course of Columbia’s business. As
8 per previous plans provided to the Commission, all cast iron pipe is
9 scheduled to be removed by December 31, 2022 and Columbia is not
10 aware of any remaining cast iron pipe in its system.

11 **Q: Why has Columbia proposed the change in rate design in Tariff Rider**
12 **SMRP from a fixed charge per meter to a volumetric charge?**

13 **A:** Columbia has followed the Commission’s Order in Case No. 2021-00183
14 wherein Columbia was instructed to alter the SMRP rate from a per meter
15 charge to a volumetric charge moving forward.³

16 **Q: What changes are required for Columbia to convert the SMRP rate from**
17 **a per meter charge to a volumetric charge?**

³ *Case No. 2021-00183, 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* (Ky. PSC (Dec.28, 2021), Order at 40.

1 **A:** The conversion of the SMRP rate from a per meter charge to a volumetric
2 charge requires significant changes in Columbia’s billing system. The
3 SMRP Rider is shown as a separate line item on customer bills. The
4 billing, revenue reporting and customer information systems have to be
5 rebuilt to provide for this change. The requirements have all been
6 identified and work is progressing to effectuate this change and allow for
7 testing to be complete so Columbia is prepared to implement this change
8 with January 2023 Unit 1 billing.

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

10 **A:** Yes.

