COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:	)	
	)	
IN THE MATTER OF THE APPLICATION OF COLUMBIA	)	
GAS OF KENTUCKY, INC. TO EXTEND ITS GAS COST IN-	)	Case No. 2024-00012
CENTIVE ADJUSTMENT PERFORMANCE BASED RATE	)	
MECHANISM.	)	

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

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COLUMBIA GAS OF KENTUCKY, INC.

JANUARY 31, 2024

PREPARED DIRECT TESTIMONY OF JUDY M. COOPER

Q: Please state your name and business address.

A: My name is Judy M. Cooper and my business address is Columbia Gas of Kentucky, Inc., 2001 Mercer Road, Lexington, Kentucky, 40511.

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

A: I am the Director of Government and Regulatory Affairs for Columbia Gas of Kentucky, Inc. ("Columbia"). I am responsible for the management of Columbia's regulatory policy, tariffs, and filings with the Commission. I am also responsible for Columbia's local government and state government affairs including franchises, and monitoring legislation.

Q: What is your educational background?

A. I am a graduate of the University of Kentucky where I received a Bachelor of Science Degree in Accounting in 1982. I also received a Master in Business Administration from Xavier University in 1985.

Q: What is your employment history?

A: I was employed by the Kentucky Public Service Commission ("Commission") as an auditor in 1982. Subsequently, I served as Rate Analyst, Energy Policy Advisor, Branch Manager of Electric and Gas Rate Design, and Director of Rates, Tariffs and Financial Analysis at the Commission. In July of 1998 I joined Columbia as Manager of Regulatory Services. My job title has since been revised and expanded to that of Director, Government and Regulatory Affairs.

Q. Have you previously testified before the Kentucky Public Service Commission?

A: Yes, I have testified before the Kentucky Public Service Commission ("Commission") in several cases for Columbia: Case No. 2002-00117, "The Filing by Columbia Gas of Kentucky, Inc. to Require that Marketers in the Small Volume Gas Transportation Program be Required to Accept a Mandatory Assignment of Capacity";, Case No. 2007-00008, "In the Matter of Adjustment of Rates of Columbia Gas of Kentucky, Inc."; Case No. 2009-00141, "In the Matter of an Adjustment of Rates of Columbia Gas of Kentucky, Inc."; Case No. 2010-00146, "An Investigation of Natural Gas Retail Competition Programs"; Case No. 2013-00167, " In the Matter of Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates for Gas Service"; Case No. 2016-00162, "In the Matter of Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates"; Case No. 2017-00453, "In the Matter of the Application of Columbia Gas of Kentucky, Inc. to Extend its Gas Cost Incentive Adjustment Performance Based Rate Mechanism"; and Case No. 2019-00257, "The 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; Case No. 2020-00378, "In the Matter of Electronic Application of Columbia Gas of Kentucky, Inc. to Extend its Gas Cost Incentive Adjustment Performance Based Rate Making Mechanism"; Case No. 2021-00183, " 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. 2021-00386, " In the Matter of Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend Its Small Volume Gas Transportation Service"; and Case No. 2022-00049, "In the Matter of Electronic Application of Columbia Gas of Kentucky, Inc. for Approval of the Green Path Rider Pilot Program".

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

A: The purpose of my testimony is to provide information on the history of Columbia's Performance Based Rate ("PBR") Mechanism, as most recently authorized by the Commission's Order dated June 6, 2022 in Case No. 2020-00378. I will also describe Columbia's tariff that details the PBR Mechanism.

Q: Please describe the Company's PBR Mechanism.

A: Columbia's PBR Mechanism is comprised of three components: (1) a monthly Gas Cost Incentive ("GCI"); (2) an Off-System Sales Incentive ("OSSI"); and (3) a Transportation Cost Incentive ("TCI"*)*. The PBR was first approved in Case No. 2014-00350[1] for a period of three years through March 31, 2018. In Case No. 2017-00453[2] Columbia sought to extend its PBR through March 31, 2023. On March 27, 2018, the Commission or-

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[1] Case No. 2014-00350, "Application of Columbia Gas of Kentucky, Inc., to Consolidate and Convert its Gas Cost Incentive Mechanism and its Off-System Sales and Capacity Release Revenue Sharing Mechanism into a Performance-Based Rate Mechanism", Order dated March 27, 2015.

[2] Case No. 2017-00453, "Application of Columbia Gas of Kentucky, Inc. to Extend its Gas Cost Adjustment Performance Based Rate Mechanism" filed November 30, 2017.

dered continued use of Columbia’s then current PBR mechanism until the Commission issued a Final Order addressing Columbia's request for a five-year extension. The Final Order was issued on October 22, 2019 denying Columbia’s requested extension and modifying the PBR mechanism. Columbia sought and was granted rehearing by the Commission. Subsequently, on July 24, 2020 the Commission issued its Order on Rehearing establishing the design of Columbia’s current PBR mechanism. On June 6, 2022, in Case No. 2020-00378,[3] the Commission approved another extension of Columbia’s PBR through March 31, 2024, with modifications to the sharing percentages.

Q. Why does Columbia have a PBR Mechanism?

A: Columbia has a PBR mechanism as a voluntary ratemaking adjustment, authorized and approved by the Commission, to optimize its supply portfolio by undertaking incremental risk and efforts that have the potential to lower gas cost as compared to competitive benchmarks or otherwise applicable approved rates of the Federal Energy Regulatory Commission {“FERC”}. The performance results of the incentive are shared between

[3] Case No. 2020-00378, “Electronic Application of Columbia Gas of Kentucky, Inc., to Extend its Gas Cost Incentive Adjustment Performance Based Rate Making Mechanism”, Order dated June 6, 2022.

customers and Columbia shareholders to create a mutual benefit for both parties. Columbia witness Pluard goes into greater detail in his testimony.

Q: **Has the Commission encouraged performance-based ratemaking by utilities subject to its jurisdiction?**

A: Yes, in Administrative Case No. 384 following a period that saw significant cost increases in natural gas and concern as to the reliability of supply, the Commission undertook a comprehensive review of the natural gas procurement practices of large local distribution companies ("LDCs") subject to its jurisdiction. The Commission determined that the LDCs had developed sound planning and procurement procedures for meeting the natural gas requirements of customers with reliability of supply at reasonable costs over the period of time since natural gas prices were deregulated. While natural gas commodity prices are deregulated, the services for delivery of natural gas from production fields and processing plants are largely provided by interstate natural gas pipeline companies and remain subject to regulation. The FERC is the federal government agency charged with regulatory oversight and approval of the services, rates and tariffs of interstate pipelines. The FERC is lawfully bound to establish the fair, just and reasonable rates and services of the interstate pipelines subject to its regulatory jurisdiction. However, it has sometimes been possible to deviate from the rates found to be fair, just and reasonable by the FERC. In its Order of July 17, 2001[4] the Commission encouraged LDCs to consider innovative approaches, such as PBRs, as a means of improving gas procurement performance to mitigate higher gas prices, price volatility and lessen the impact on customers while ensuring that LDCs are able to recover all reasonable levels of gas costs.

Q: How long does Columbia propose that the PBR should be continued?

A: Columbia recommends that the PBR should be authorized to continue for a period of five years through March 31, 2029. If the Commission's processing of this case will extend past March 31, 2024, Columbia respectfully requests the Commission issue an interim Order continuing Columbia's PBR current authority, with no change to the PBR calculation, until the Commission issues its Final Order addressing the extension of Columbia's PBR. Moreover, Columbia respectfully requests, at the latest, a final order addressing Columbia's proposed Application by October 31, 2024. Columbia's contract with Tennessee Gas Pipeline expires on October 31, 2024

[4] Administrative Case No. 384, "An Investigation of Increasing Wholesale Natural Gas Prices and the Impacts of Such Increases on the Retail Customers Served by Kentucky's Jurisdictional Natural Gas Distribution Companies".

and Columbia's tariff needs to adjust to recognize the expiration of that contract.

Q: Does Columbia propose any modifications to its tariff?

A: Columbia's tariff setting out the PBR adjustment mechanism is attached as Attachment A to my testimony. The specific details of the PBR mechanism are contained in Columbia's Gas Cost Adjustment Clause on Sheets 48 through 50d, (highlighting added). Columbia does not propose any changes to its current tariff at this time. Columbia expects to make subsequent compliance filings upon expiration of the existing discounted contracts of Tennessee Gas Pipeline Company and Columbia Gas Transmission Corp. as explained in Mr. Pluard's testimony.

Q: Does this complete your Prepared Direct testimony?

A: Yes, but I reserve the right to file rebuttal or other testimony to support the proposed PBR mechanism.

GAS TARIFF
P.S.C. KY NO. 5
SIXTH REVISED SHEET NO.48
CANCELLING PSC KY NO. 5
FIFTH REVISED SHEET NO. 48

COLUMBIA GAS OF KENTUCKY, INC.

GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES

Determination of Gas Cost Adjustment (GCA)

Company shall file a quarterly report with the Commission which shall contain an updated Gas Cost Adjustment (GCA) Rate and shall be filed at least thirty (30) days prior to the beginning of each quarterly calendar period. The GCA shall become effective for billing with the final meter readings of the first billing cycle of each quarterly calendar period.

The gas cost adjustment is comprised of:

(1) The Expected Gas Cost Component (EGC), on a dollar-per-Mcf basis, is made up of two components: (a) Expected Commodity Gas Cost which applies to Rate Schedules GS, IS, and IUS, and represents the average expected commodity cost of gas supplied, and (b) Expected Demand Gas Cost which applies to Rate Schedules GS,IUS and SVAS, and represents the average expected demand cost of gas supplied, excluding the Standby Service demand costs to be recovered from IS Customers and General Service Delivery Service Customers. The Commodity Gas Cost component of the EGC includes the remainder of any net cost and benefits of previously authorized hedging activities.

(2) The supplier Refund Adjustment (RA), on a dollar-per-Mcf basis, which reflects refunds received during the reporting period plus interest at a rate equal to the average of the "three month commercial paper rate" for the immediately preceding twelve month period. In the event of any large or unusual refunds, Company may apply to the Commission for the right to depart from the refund procedure herein set forth.

(3) The Actual Cost Adjustment (ACA), on a dollar-per-Mcf basis, which compensates for any previous over or undercollections of gas costs experienced by the company through the operation of this gas cost recovery procedure. The ACA shall be filed quarterly beginning with Company's application for its June 2016 billing cycle, with the ACA factor to be in effect for twelve months. T

(4) The Balancing Adjustment (BA), on a dollar-per-Mcf basis, which compensates for any under or overcollections which have occurred as a result of prior adjustments. The BA shall be filed quarterly beginning with Company's application for its June 2016 billing cycle, with the BA factor to be in effect for three months. N

(5) The Performance Based Rate Adjustment (PBRA), on a dollar-per–Mcf basis, which is calculated annually based on the prior twelve month period ending March 31, with the PBRA factor to be in effect for twelve months beginning June 1st each year.

NOTE: All adjustments will be assigned to the Expected Demand Gas Cost or Expected Commodity Gas Cost components.

DATE OF ISSUE	March 31, 2016
DATE EFFECTIVE	April 29, 2016
ISSUED BY TITLE	/s/ Herbert A. Miller, Jr. President

Issued pursuant to an Order of the Public Service Commission in Case No. 2016-00060 dated February 29, 2016

KENTUCKY
PUBLIC SERVICE COMMISSION
Aaron D. Greenwell
ACTING EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
3/1/2016
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES
(Continued)

(6) The Gas Cost Uncollectible Rate (GCUR) on a dollar-per-Mcf basis, which is calculated by multiplying the Expected Commodity Gas Cost times the uncollectible accrual rate used to establish rates in Columbia's most recent rate case.

Billing

The Gas Cost Adjustment (GCA) shall be the sum of the following components:

GCA = EGC + RA + ACA + BA + PBRA + GCUR **T, N**

The GCA will be added to (or subtracted from) the tariff rates prescribed by the Commission Order on Company's latest rate case and will be included in the tariff rates stated on each applicable rate sheet in this tariff.

Definitions

For the purpose of this tariff:

(a) "Average expected cost" is the cost of gas supplies purchased during the latest available twelve month period, including associated transportation charges, storage charges and Take-or-Pay charges, which is determined by the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the quarterly calendar period, less banking and balancing charges, and less the demand costs to be recovered from IS and General Service Delivery Service Customers, divided by the sales volumes for the latest available twelve month period. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or Company expects the volumes to change substantially, Company may make appropriate adjustments in its calculations. Any adjustments of this type shall be described in the Quarterly Gas Cost Adjustment report.

(b) "Quarterly calendar period" means each of the four three month periods of (1) September through November, (2) December through February, (3) March through May, and (4) June through August.

(c) "Reporting period" means the three month accounting period that ended approximately thirty (30) days prior to the filing date of the updated gas recovery rates, i.e. the three months ended June 30th, September 30th, December 31st, and March 31st each year.

DATE OF ISSUE April 13, 2015

DATE EFFECTIVE April 1, 2015

ISSUED BY Herbert A. Miller, Jr.
TITLE President

Issued pursuant to an Order of the Public Service Commission in Case No. 2014-00350 dated March 27, 2015

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Brent Kirtley
EFFECTIVE
4/1/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES
(Continued)

Performance Based Rate Adjustment ("PBRA") T,N

The Performance Based Rate Adjustment (PBRA) shall be calculated annually as follows:

PBRA = CPS / PSV

Where:

PSV = Projected Sales Volume in Mcf, as reflected in the Company's GCA filing for the upcoming twelve month period

CPS = Company Performance Share

CPS = TPBR x ASP

Where:

TPBR = Total Performance Based Results. The TPBR shall be savings or expenses created during the twelve month period and shall be calculated as follows:

TPBR = (GCI + TCI + OSSI)

ASP = Applicable Sharing Percentage

GCI

GCI = Gas Cost Incentive will measure, on a monthly basis, the Company's Actual gas Costs **(AC)** during the twelve month period for system supply natural gas purchases, against a Benchmark Cost **(BC)** during the same period to determine a Performance Value **(PV).**

The monthly **PV** shall be calculated as follows:

PV = (BC-COLML – AC-COLML) + (BC-COLTCO – AC-COLTCO) + (BC-TGP500 – AC-TGP500)

Where:

BC–COLML is calculated by the following formula:

BC-COLML = [[I(1) + I(2) + I(3)]/ 3] x MVCOLML

Where:

I(1) is the average of weekly *Natural Gas Week* posting for Columbia Gulf Mainline as Delivered to Pipeline.

I(2) is the average of the daily high and low *Platt's Gas Daily* posting for Columbia Gulf Mainline averaged for the month.

DATE OF ISSUE April 13, 2015

DATE EFFECTIVE April 1, 2015

ISSUED BY Hubert A. Miller, Jr.
TITLE President

Issued pursuant to an Order of the Public Service Commission in Case No. 2014-00350 dated March 27, 2015

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
4/1/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES
(Continued)

I(3) is the Platt's *Inside FERC's Gas Market Report* first-of-the-month index posting (midpoint) for Columbia Gulf Mainline. N

MVCOLML is the monthly volumes purchased on the Columbia Gulf Mainline.

AC-COLML is the total, actual monthly cost of volumes purchased by Columbia on the Columbia Gulf Mainline.

BC–COLTCO is calculated by the following formula:

BC-COLTCO = [[I(1) + I(2) + I(3)]/ 3] x MVCOLTCO

Where:

I(1) is the average of weekly Natural Gas Week posting for Columbia Appalachia as Delivered to Pipeline.

I(2) is the average of the daily high and low Platt's Gas Daily posting for Columbia Appalachia averaged for the month.

I(3) is the Platt's Inside FERC's Gas Market Report first-of-the-month index posting (midpoint) for Columbia Appalachia.

MVCOLTCO is the monthly volumes purchased on the Columbia Gas Transmission Pipeline.

AC-COLTCO is the total, actual monthly cost of volumes purchased by Columbia on the Columbia Gas Transmission Pipeline.

BC-TGP500 is calculated by the following formula:

BC-TGP500 = [[I(1) + I(2) + I(3)]/ 3] x MVTGP500

Where:

I(1) is the average of weekly Natural Gas Week posting for Tennessee Gas Pipeline 500 Leg as Delivered to Pipeline.

I(2) is the average of the daily high and low Platt's Gas Daily posting for Tennessee Gas Pipeline averaged for the month.

I(3) is the Platt's Inside FERC's Gas Market Report first-of-the-month index posting (midpoint) for Tennessee Gas 500 Leg.

MVTGP500 is the monthly volumes purchased on the Tennessee Gas Pipeline 500 Leg.

AC-TGP500 is the total, actual monthly cost of volumes purchased by Columbia on the Tennessee Gas Pipeline 500 Leg.

DATE OF ISSUE April 13, 2015

DATE EFFECTIVE April 1, 2015

ISSUED BY Herbert A. Miller, Jr.
TITLE President

Issued pursuant to an Order of the Public Service Commission in Case No. 2014-00350 dated March 27, 2015

KENTUCKY
PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN
EXECUTIVE DIRECTOR
TARIFF BRANCH
Bunt Kirtley
EFFECTIVE
4/1/2015
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES
(Continued)

When the Company's Actual Cost for gas purchased in the month is less than the Benchmark Cost, the result for the month is a positive performance. When the Company's gas purchase costs are greater than the Benchmark Cost, the result for the month is a negative performance. The resulting negative or positive Performance Value (PV) will be shared between the Company and its sales customers pursuant to the GCA calculation. N

If the Company purchases gas at a point not reported in the applicable index publication. The Company will use the next closest index on the applicable pipeline upstream of the purchase point, and add to that index the 100% load factor cost of firm transportation on that pipeline between the index location and the purchase point.

Purchases made at Columbia's own city gate as well as any supply reservation fees are excluded from the GCI process and calculation.

If the index used to develop the Benchmark Cost ceases to exist or ceases to adequately report those prices required in the normal implementation of this GCI, the Company shall choose a suitable replacement index, assuming an acceptable index is available, and immediately report that change in writing to the Commission.

TCI

TCI = Transportation Cost Incentive. The Transportation Cost Incentive shall be calculated by comparing the annual Total Benchmark Transportation Costs **(TBTC)** of natural gas transportation services during the twelve month period to the annual Total Actual Transportation Costs **(TATC)** during the same period as follows:

TCI = (TBTC – TATC)

Where: **TBTC** = Annual sum of monthly **BTC**

BTC = Sum [BM (TCO) + BM (TGP) + BM (CKT) + BM (CGT) + BM (PPL)]

Where: BM (TCO) is the benchmark associated with Columbia Gas Transmission.

BM (TGP) is the benchmark associated with Tennessee Gas Pipeline Company.

BM (CKT) is the benchmark associated with Central Kentucky Transmission.

BM (CGT) is the benchmark associated with Columbia Gulf Transmission.

BM (PPL) is the benchmark associated with a proxy pipeline. This benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from nontraditional sources.

GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES

Gas Cost Adjustment Clause – (Continued)

The benchmark associated with each pipeline shall be calculated as follows:

BM (TCO- SST contract 80160) = ((TPRD/$5.939) x $4.1850 x DQ) **N,T**

BM (TCO all other contracts) = (TPDR x DQ) + (TPCR x AV) + S&DB **T**

BM (TGP) = $4.5835 x DQ **T**

BM (CKT) = (TPDR x DQ) + (TPCR x AV) + S&DB

BM (CGT) = (TPDR x DQ) + (TPCR x AV) + S&DB

BM (PPL) = (TPDR x DQ) + (TPCR x AV) + S&DB

Where:

TPDR is the applicable Tariffed Pipeline Demand Rate.

DQ is the Demand Quantities contracted for by the Company from the applicable transportation provider.

TPCR is the applicable Tariffed Pipeline Commodity Rate.

AV is the Actual Volumes delivered at Company's city gate by the applicable transportation provider for the month.

S&DB represents Surcharges, Direct Bills and other applicable charges approved by the Federal Energy Regulatory Commission (FERC).

The Total Actual Transportation Costs (TATC) paid by Company for the period shall include both pipeline demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC approved surcharges, direct bills included in S&DB, less actual capacity release credits. Such costs shall exclude labor related or other expenses typically classified as operating and maintenance expenses. Should one of the Company's pipeline transporters file a rate change effective during any period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12 month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.

OSSI

OSSI = Off-system Sales Incentive. The OSSI shall be equal to the revenues net of costs from off-system sales (other than those revenues generated by operational sales).

Results of operation sales, administrative capacity releases and Rate Schedule SVAS capacity assignments will be credited 100% to gas cost.

DATE OF ISSUE	October 5, 2020
DATE EFFECTIVE	July 24, 2020
ISSUED BY	/s/ Kimra H. Cole
TITLE	President and Chief Operating Officer

Issued pursuant to an Order of the Public Service Commission in Case No. 2017-00453 dated July 24, 2020

~~KENTUCKY~~
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
7/24/2020
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

GAS COST ADJUSTMENT CLAUSE
APPLICABLE TO ALL RATE SCHEDULES
(Continued)

ASP

ASP = Applicable Sharing Percentage. The ASP shall be determined based on the Percentage of Actual gas costs **(PAC)**.

Where:

PAC = TPBR / AGC

Where:

AGC = Actual Gas Costs. AGC is the sum of the actual gas costs used in determination of the **GCI** and **TCI**.

If the absolute value of PAC is less than or equal to 4.5%, then the ASP of 30% shall be applied to the total savings or expenses of the TPBR. If the absolute value of the PAC is greater than 4.5%, then the ASP of 30% shall be applied to the amount of the sum of the TPBR that is equal to 4.5% of AGC to determine that portion of the total savings or expense, and the ASP of 50% shall be applied to the sum of the TPBR that is in excess of 4.5% of AGC to determine that portion of the total savings or expense. T T T T

Delivery Service

FERC approved direct billed pipeline supplier charges relating to the buyout of Take-or-Pay liabilities will be billed to Delivery Service Fixed Rate Volumes.

Banking and Balancing Service

This rate is based on the percentage of the portion of storage capacity allocated to Delivery Service Customers to Company's total annual storage capacity, applied to:

(1) Columbia Transmission's FSS seasonal capacity charge, annualized,

(2) Columbia Transmission's SST commodity charge, and

(3) Columbia Transmission's FSS injection and withdrawal charges as calculated in the Gas Cost Adjustment.

Interim Gas Cost Adjustments

Should any significant change in supplier rates occur, Company may apply to the Commission for an Interim Gas Cost Adjustment Clause in addition to the regular quarterly Gas Cost Adjustment Clause filings.

DATE OF ISSUE	June 19, 2023
DATE EFFECTIVE	June 6, 2022
ISSUED BY	/s/ Kimra H. Cole
TITLE	President and Chief Operating Officer

Issued pursuant to an Order of the Public Service Commission in Case No. 2020-00378 dated June 6, 2022

KENTUCKY
PUBLIC SERVICE COMMISSION
Linda C. Bridwell
Executive Director
Linda C. Bridwell
EFFECTIVE
6/6/2023
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:	)	
	)	
ELECTRONIC APPLICATION OF COLUMBIA	)	
GAS OF KENTUCKY, INC. TO EXTEND ITS GAS	)	Case No. 2024-00012
COST INCENTIVE ADJUSTMENT	)	
PERFORMANCE BASED RATE MECHANISM	)	

VERIFICATION OF JUDY COOPER

COMMONWEALTH OF KENTUCKY	)
	)
COUNTY OF FAYETTE	)

Judy Cooper, Director of Regulatory Affairs for Columbia Gas of Kentucky, Inc., being duly sworn, states that she has supervised the preparation of testimony in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Judy Cooper

Judy Cooper

The foregoing Verification was signed, acknowledged and sworn to before me this 30th day of January, 2024, by Judy Cooper.

Evelyn Long Durr

Notary Commission No. KYNP49615

Commission expiration: 05/15/2026

EVELYN LONG DURR
Notary Public
Commonwealth of Kentucky
Commission Number KYNP49615
My Commission Expires May 15, 2026