

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

In the matter of:)
)
ELECTRONIC APPLICATION OF) Case No. 2024-00092
COLUMBIA GAS OF KENTUCKY, INC.)
FOR AN ADJUSTMENT OF RATES;)
APPROVAL OF DEPRECIATION STUDY;)
APPROVAL OF TARIFF REVISIONS; AND)
OTHER RELIEF)

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

L. Allyson Honaker
Brittany Hayes Koenig
Heather S. Temple
HONAKER LAW OFFICE, PLLC
1795 Alysheba Way, Suite 6202
Lexington, Kentucky 40509
Telephone: (859) 368-8803
allyson@hloky.com
brittany@hloky.com
heather@hloky.com

Melissa L. Thompson
Assistant General Counsel
John R. Ryan
Senior Counsel
290 W. Nationwide Blvd.
Columbus, Ohio 43216-0117
Telephone: (614) 285-2220
E-mail: mlthompson@nisource.com
johnryan@nisource.com

Attorneys for Applicant
COLUMBIA GAS OF KENTUCKY, INC.

September 20, 2024

PREPARED REBUTTAL TESTIMONY OF JUDY M. COOPER

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

2 A: My name is Judy Cooper and my business address is 2001 Mercer Road,
3 Lexington, Kentucky, 40511.

4 **Q: Did you provide Direct Testimony in this proceeding?**

5 A: Yes.

6 **Q: What is the purpose of your Rebuttal Testimony in this proceeding?**

7 A: I will address some of the items raised by the witnesses who have
8 sponsored testimony on behalf of the Attorney General's Office of Rate
9 Intervention ("AG") as well as Interstate Gas Supply, Inc. and
10 Constellation New Energy – Gas Division, LLC ("Suppliers"). I will also
11 provide the Commission with additional information to assist in its
12 review of Columbia's Application.

13 **Q: What issues will you be addressing in your rebuttal testimony?**

14 A: My testimony will focus on the following three topic areas:

- 15 (1) The benefits of Columbia's participation in the American Gas
16 Association ("AGA") and that it is reasonable for the costs of that
17 membership to be included in the revenue requirement in this case;
18 (2) Columbia's filing with the Federal Energy Regulatory Commission
19 ("FERC") to provide the producers of Renewable Natural Gas

1 ("RNG") to utilize Columbia's facilities for the movement of this
2 resource through the Commonwealth; and
3 (3) That the arguments raised by Suppliers' Witness Matthew White are
4 best addressed in subsequent dockets dedicated to the CHOICE pilot
5 program.

6 **American Gas Association Dues**

7 **Q: Did AG Witness Defever take a position on the recovery of AGA dues?**

8 A: Yes. Mr. Defever recommended the removal of all costs associated with AGA
9 membership dues on the basis that Columbia did not provide sufficient
10 support for the removal of costs related to "legislative advocacy, regulatory
11 advocacy, and public relations expenses."¹ However, Mr. Defever's position
12 ignores the information presented in Attachment A to Columbia's Response
13 to the Attorney General's First Request for Information No. 74 and
14 Columbia's Response to the Attorney General's First Request for Information
15 No. 25, as well as Columbia's Application Tab 84 FR 807 KAR 5:001 Section
16 16(8)(f), Pages 2 through 4 for Schedule F-1.A (Total Company Corporate
17 Dues and Memberships for the BP and FTP), Schedule F-1.B (Columbia Direct
18 Corporate Dues and Memberships for the BP and FTP), and Schedule F-1.C.

¹ Direct Testimony of John Defever at 32.

1 (NiSource Corporate Services Company Corporate Dues and Memberships
2 Allocated to Columbia for the BP and FTP). wherein Columbia provided the
3 accounting of costs already removed from the revenue requirement.
4 Presumably, the amount of AGA dues related to costs other than those that
5 are specifically disallowed by 807 Kentucky Administrative Regulation 5:016
6 would not be recommended for removal if Mr. Defever had more closely
7 reviewed the information that Columbia provided on the costs that were
8 already removed from Columbia's requested revenue requirement.

9 **Renewable Natural Gas**

10 **Q: Both Commission Staff and the AG requested information related to**
11 **Columbia's filing in FERC Docket No. CP24-71-00, related to the**
12 **transportation of RNG. Can you briefly describe why Columbia filed the**
13 **Blanket Certificate of Limited Jurisdiction?**

14 **A:** Columbia made this filing to prepare for the possibility of future RNG
15 developers requesting to connect to Columbia's distribution system. It is
16 Columbia's understanding that one way to make RNG projects economically
17 viable is to earn and sell renewable energy credits in out-of-state
18 marketplaces. In order for this to happen, the RNG commodity injected into
19 the distribution system would need to be theoretically delivered outside of
20 the Commonwealth. This is interstate transportation of natural gas, which is

1 exclusively the jurisdiction of the FERC. In order for Columbia to be able to
2 accommodate any request for this type of transaction and maintain its state
3 jurisdictional regulatory status, Columbia requested the Blanket Certificate of
4 Limited Jurisdiction. Columbia does not have any present plans to inject
5 RNG into its distribution facilities, but desires the ability to be able to react
6 quickly if such an opportunity presents itself and is appropriate.

7 **Q: AG Witness Defever recommended an annual reporting requirement**
8 **“identifying the number of RNG transportation customers and associated**
9 **annual costs and revenues.”² Does this give you any concerns?**

10 **A:** Columbia does not object to providing the Commission and Attorney General
11 with an annual report identifying the number of RNG transportation
12 customers served under the blanket certificate if there are any. There are
13 existing reporting requirements that would provide additional information to
14 the Commission. If Columbia were to seek any kind of recovery of costs
15 related to any future RNG developments, the Commission would review
16 those costs in a future proceeding. For this reason, any additional reporting
17 requirement would be unnecessarily duplicative.

18 **Columbia Taking on the Burden of the Suppliers’ Uncollectible Expense**

19 **Q: Suppliers’ Witness White states in his Direct Testimony that Columbia**

² Direct Testimony of John Defever at 33.

1 **asserts that its 2% discount on receivables “is needed as a cost of collection**
2 **from Choice customers.”³ Do you agree that Columbia has made this**
3 **assertion?**

4 A: No. Columbia’s Application in this matter does not include this discount on
5 the accounts receivable that Columbia collects for the suppliers, nor has
6 Columbia made such an assertion in responses to the Suppliers’ discovery
7 requests here. This issue is outside the scope of this proceeding.

8 **Q: Do you have an understanding of the purpose of the discount?**

9 A: Yes. Since the Choice pilot’s inception, Columbia has “assumed the risk of
10 collecting payment for gas commodity costs from Customer Choice
11 customers”⁴ and the current 2% is an outgrowth of the program’s original
12 2.5%, which was retained by Columbia “as compensation for assuming this
13 risk.”⁵ This retention is not, and has never been, a dollar-for-dollar recovery
14 of the cost to collect the Suppliers’ receivables for them.

15 **Q: Is this rate case the appropriate venue for a discussion of this issue?**

16 A: No. Columbia and the Suppliers were recently ordered to participate in a

³ Direct Testimony of Matthew White at 2.

⁴ Case No. 99-165, *In the Matter of the Tariff Filing of Columbia Gas of Kentucky, Inc. to Implement a Small Volume Gas Transportation Service, to Continue its Gas Cost Incentive Mechanisms, and to Continue its Customer Assistance Program* (Ky. PSC Jan. 27, 2000), Order at 5.

⁵ *Id.*

1 working group to discuss Columbia's Choice pilot.⁶ In its first meeting,
2 wherein the Suppliers participated, there was a robust discussion about the
3 program. This working group, which will continue to meet twice annually,
4 presents a forum for Commission staff, Columbia, participating suppliers,
5 and any other interested party to discuss issues like Columbia taking on the
6 burden of collecting the Suppliers' uncollectible expense. A working group,
7 similar to the now Informal Conference, is how the discount on accounts
8 receivable originated and was unanimously agreed upon by the parties and
9 approved by the Commission. Th Informal Conference is the more
10 appropriate forum to weigh the values and burdens of this requirement.

11 **Q: Does this complete your Rebuttal Testimony?**

12 A: Yes.

⁶ Case No. 2021-00386, *In the Matter of the Electronic Tariff Filing of Columbia Gas of Kentucky to Extend its Small Volume Gas Transportation Service* (Ky. PSC Aug. 19, 2024), Order at 14.