## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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; AND OTHER RELIEF	•	Case No 2024-00092

## POST-HEARING BRIEF OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Kentucky Industrial Utility Customers, Inc. ("KIUC") submits this Brief in support of the Joint Stipulation Settlement Agreement and Recommendation ("Stipulation") agreed to by Columbia Gas of Kentucky, Inc. ("Columbia"), the Attorney General's Office of Rate Intervention ("AG"), Interstate Gas Supply, Inc ("IGS") and Constellation New Energy – Gas Division ("CNGS") (collectively, the "Suppliers") and KIUC.

The parties engaged in extensive discussions following the submission of intervenor testimony in this proceeding and the resulting Stipulation reflects a compromise between Columbia and the intervenors' litigation positions. KIUC believes that the Stipulation will result in fair, just and reasonable rates. While KIUC supports the Stipulation in its entirety, it will specifically discuss Rate DS design which was addressed in the testimony of KIUC's witness Kevin Murray and the Supplemental Testimony of Judy Cooper.

## 1. <u>KIUC Supports The Stipulated Rate Design For Rate DS.</u>

KIUC supports the design for Rate DS as described in the Supplemental Testimony of Judy Cooper in support of the Stipulation.<sup>1</sup> Rate DS consists of a Customer Charge and a per Mcf Delivery Charge which is broken into three declining rate blocks or tiers. Declining block

<sup>&</sup>lt;sup>1</sup> Supplemental Testimony of Judy Cooper, pp. 14-15.

rates are generally designed to recover fixed capacity costs in the first (higher priced) blocks and volumetric or commodity costs in the third (lower priced blocks). Columbia's cost of service study submitted in this proceeding shows that the commodity cost of gas is \$0 for the DS/IS class<sup>2</sup> indicating that there are no volumetric costs being recovered from DS customers. Since the higher cost of the first two blocks is intended to recover fixed capacity costs, not commodity costs, it is reasonable for more of the rate increase to be recovered from the first two blocks. This is especially true since a customer with block 3 usage will still pay the same block 1 and block 2 rates as other customers for all usage below 100,000 Mcf per billing period.

WHEREFORE, KIUC respectfully requests that the Commission adopt the Stipulation in its entirety.

Respectfully submitted,

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<sup>&</sup>lt;sup>2</sup> See Attachment RJA-2, page 33.\