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;	)	**CASE NO. 2024-00092**
APPROVAL OF DEPRECIATION STUDY;	)	
GENERAL ADJUSTMENT OF RATES	)	
APPROVAL OF TARIFF REVISIONS; AND	)	
OTHER RELIEF	)	

DIRECT TESTIMONY

AND EXHIBITS OF

JOHN DEFEVER, CPA

ON BEHALF OF THE

OFFICE OF THE ATTORNEY GENERAL OF
THE COMMONWEALTH OF KENTUCKY

LARKIN & ASSOCIATES, PLLC
LIVONIA, MICHIGAN

AUGUST 14, 2024

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I. INTRODUCTION

Q. What is your name, occupation, and business address?

A. My name is John Defever. I am a Certified Public Accountant, licensed in the State of Michigan. I am a senior regulatory consultant in the firm of Larkin & Associates, PLLC, with offices at 15728 Farmington Road, Livonia, Michigan.

Q. Please describe the firm Larkin & Associates, PLLC.

A. Larkin & Associates, PLLC is a Certified Public Accounting and Regulatory Consulting Firm. The firm performs independent regulatory consulting primarily for public service/commission staffs, and consumer interest groups (attorneys general, public counsels, public advocates, consumer counsels, etc.). Larkin & Associates, PLLC, has extensive experience in the utility regulatory field as expert witnesses in over 600 regulatory proceedings including numerous electric, gas, telephone, and water and sewer utilities.

Q. Have you prepared an exhibit describing your qualifications and experience?

A. Yes. I have attached Appendix I, which summarizes my experience and qualifications.

Q. On whose behalf are you appearing?

A. Larkin & Associates, PLLC was retained by the Office of the Attorney General ("Attorney General" or "OAG") of the Commonwealth of Kentucky. Accordingly, I am appearing on behalf of the Attorney General.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to review and make recommendations regarding specific issues that affect Columbia Gas of Kentucky, Inc.'s ("Columbia Kentucky" or "Company") requested increase in rates.

Q. How will your testimony be organized?

A. The testimony is organized as follows: Introduction, Overall Financial Summary, and Rate Base and Operating Expenses.

II. OVERALL FINANCIAL SUMMARY

Q. Have you prepared any exhibits in support of your testimony?

A. Yes. I have prepared Exhibit JD-1, consisting of Schedules A, B, C, and D with supporting Schedules A-1, B-1 through B-2, and C-1 through C-13.

Q. Have you incorporated the recommendations of other OAG witnesses in your summary schedules?

A. Yes, I have incorporated the capital structure and rate of return recommendations of OAG witness Richard A. Baudino.

Q. Please discuss Schedule A of Exhibit JD-1, which is entitled "Overall Financial Summary."

A. Schedule A presents the overall financial summary for the Forecasted Test Period ("FTP"), which is the twelve months ended December 31, 2025, giving effect to all the adjustments I recommend in my testimony, and the rate of return sponsored by Mr. Baudino. The rate base and operating income amounts for the FTP are taken from Schedules B and C, respectively. The overall rate of return of 7.35%, for the FTP as presented in the direct testimony of OAG Witness Richard A. Baudino, is provided on Schedule D for ease of reference. The income deficiency shown on line 5 is obtained by subtracting the adjusted operating income on line 4 from the required operating income on line 3. The income deficiency is then grossed up by the Gross Revenue Conversation Factor on line 6 to calculate the OAG's recommended revenue increase on line 7.

Q. Please discuss Schedule B, which summarizes rate base, as adjusted.

A. Adjusted rate base amounts are taken from Columbia Kentucky's Application, Schedule B-1. The adjustments I recommend to the FTP rate base amount are illustrated on Schedule B.

Q. Please discuss Schedule C, which summarizes operating income, as adjusted.

A. My recommended adjustments to Columbia Kentucky's expenses for the FTP that are presented in this testimony are provided on Schedule C. Schedules C-1 through C-13 provide further support and calculations for the adjustments I recommend.

Q. Based on your review of Columbia Kentucky's filing, what change in revenue requirement are you recommending at this time?

A. Based on the adjustments that have been quantified to date, coupled with OAG Witness Richard A. Baudino's recommended overall rate of return of 7.35%, the result is a revenue increase of no more than $11,189,342 for the Company's FTP.

Columbia Kentucky Requested Rate Increase					$ 23,773,019
OAG Adjustments:					
Rate of Return Impact					$ (4,587,742)
Rate Base Adjustments					
Cash Working Capital				$ (925,857)	
Customer Deposits				$ (193,937)	
Subtotal					$ (1,119,794)
O&M Adjustments	Pre Tax Adj	NOI After Tax	GRCF	Rev Req Impact	
Rate Case Expense	$ 761,500	$ 571,506	1.339776	$ (765,690)	
Corporate Aircraft Expense	$ 250,837	$ 188,253	1.339776	$ (252,217)	
D&O	$ 106,034	$ 79,579	1.339776	$ (106,618)	
Investor Relations Expense	$ 45,141	$ 33,878	1.339776	$ (45,389)	
401(k) Expense	$ 294,544	$ 221,055	1.339776	$ (296,164)	
Payroll Expense	$ 1,628,842	$ 1,222,446	1.339776	$ (1,637,804)	
Incentive Compensation	$ 2,860,855	$ 2,147,072	1.339776	$ (2,876,596)	
Profit Sharing	$ 126,614	$ 95,024	1.339776	$ (127,311)	
Payroll Tax	$ 305,756	$ 229,470	1.339776	$ (307,438)	
Benefits	$ 377,281	$ 283,149	1.339776	$ (379,356)	
SERP	$ 60,552	$ 45,444	1.339776	$ (60,885)	
AGA Dues	$ 20,561	$ 15,431	1.339776	$ (20,674)	
Subtotal					$ (6,876,143)
OAG Proposed Rate Increase					$ 11,189,342

III. RATE OF RETURN SUMMARY

Q. Please summarize the OAG's rate of return recommendation proposed by Richard Baudino.

A. See the chart below comparing the OAG's and the Company's rate of return:

Columbia Kentucky				
Line No.	Description	Capital Structure	Cost Rate	Weighted Cost
1	Short Term Debt	1.83%	5.25%	0.10%
2	Long Term Debt	45.53%	4.88%	2.22%
3	Preferred Stock	0.00%	0.00%	0.00%
4	Common Equity	52.64%	10.80%	5.69%
5	Total	100.00%		8.01%

OAG				
Line No.	Description	Capital Structure	Cost Rate	Weighted Cost
6	Short Term Debt	1.83%	5.25%	0.10%
7	Long Term Debt	45.53%	4.84%	2.20%
8	Preferred Stock	0.00%	0.00%	0.00%
9	Common Equity	52.64%	9.60%	5.05%
10	Total	100.00%		7.35%

The effect of Mr. Baudino’s rate of return assumptions amount to a reduction of $4,587,742 to Columbia Kentucky’s proposed revenue requirement.

IV. RATE BASE

A. Cash Working Capital

Q. Is the Company required to perform a lead/lag study?

A. Yes. Although the case resulted in a settlement, the Commission's Order in the Company's prior rate case stated:

> [T]he Commission places Columbia Kentucky and all other utilities on notice that in any future rate cases, a lead/lag study is to be performed and shall exclude noncash items and balance sheet adjustments.[1]

Q. Did the Company perform a lead/lag study excluding noncash items and balance sheet adjustments in this case?

A. Yes.[2]

Q. What was the result of the lead/lag study prepared by the Company?

A. The lead/lag study generated a cash working capital component for the FTP of *negative* $9,746,343.[3]

Q. Did the Company reflect the negative $9,746,343 cash working capital component in its FTP rate base?

A. No.[4]

Q. Why not?

A. The Company's testimony stated:

> The Company is not making an adjustment for CWC. As noted above, the results of the two methods to calculate CWC vary significantly. The Company is not requesting the full amount that would have been requested in cases prior to the 2021 Rate Case using the 1/8 O&M expense formula approach or the negative

[1] 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 14.
[2] Columbia Kentucky's Application, Exhibit No. 25, Direct Testimony of Kevin L. Johnson ("Johnson Testimony") pages 4 – 17; Johnson Testimony, Attachment KLJ-CWC-1.
[3] Johnson Testimony at page 16.
[4] *Id.* at page 17.

> amount produced by the Lead Lag method, but instead is not requesting a CWC adjustment.[5]

Q. Do you agree with the Company's rationale?

A. No. First, in Columbia Kentucky's last rate case, the Commission explicitly ordered the Company to perform a lead/lag study excluding noncash items and balance sheet adjustments.[6] Although the Company performed the lead/lag study in the pending case, it inexplicably did not utilize the results of the study. Second, since the Company's last rate case, "[t]he Commission has long stated that the most accurate way to determine the amount of CWC component of rate base is a lead-lag study."[7] Similarly, in a Final Order from Case No. 2022-00147, the Commission stated, "[f]or a significant number of years, the Commission has routinely determined a utility's cash working capital needs, assuming the use of rate base to determine the revenue requirement, using the lead-lag methodology…"[8] As such, the Company should reflect the results of the lead/lag study in this case.

Q. What do you recommend?

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[5] *Id*.

[6] 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 14.

[7] Case No. 2021-00190, *Electronic Application of Duke Energy Kentucky, Inc. for 1) An Adjustment of the Natural Gas Rates; 2) Approval of New Tariffs, and 3) All Other Required Approvals, Waivers, and Relief* (Ky. PSC Dec. 28, 2021), Order at 15; Case No. 2021-00214, Electronic Application of Atmos Energy Corporation for An Adjustment of Rates, (Ky.PSC May 19, 2022), Order at 20; Case No. 2022-00147, *Electronic Application of Water Service Corporation of Kentucky for a General Adjustment in Existing Rates and a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure* (Ky. PSC April 12, 2023), Order at 18.

[8] Case No. 2022-00147, *Electronic Application of Water Service Corporation of Kentucky for a General Adjustment in Existing Rates and a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure* (Ky. PSC April 12, 2023), Order at 18; Case No. 2023-00191, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates, A Certificate of Public Convenience and Necessity for Installation of Advanced Metering Infrastructure, Approval of Regulatory and Accounting Treatments, and Tariff Revisions* (Ky. PSC May 3, 2024), Order at 9.

A. I recommend that the cash working capital component from the Company's lead/lag study be reflected in rate base.

Q. Do you have any other adjustments to cash working capital?

A. Yes, I have incorporated my recommended adjustments to O&M expenses, in the Company's cash working capital calculation. My total adjustment to working capital is *negative* $9,402,090, which reduces rate base. My working capital adjustment is shown on Exhibit JD-1, Schedule B-1. This reduces the revenue requirement by $925,857.

B. Customer Deposits

Q. Does the Company hold deposits it receives from customers?

A. Yes.[9]

Q. What is the purpose of retaining these deposits?

A. According to the Company's Tariff:

> Company may require from any Customer a minimum cash deposit or other guaranty to secure payment of bills, except from those Customers qualifying for service reconnection under the Winter Hardship Reconnection Rules, as stated on Sheet Numbers 70 and 71 of this tariff. Service may be refused or discontinued for failure to pay the requested deposit.[10]

[9] Columbia Kentucky's response to the Attorney General's First Request for Information ("Attorney General's First Request"), Item 67.

[10] Columbia Kentucky's response to the Attorney General's Second Request for Information ("Attorney General's Second Request"), Item 32.

Q. Did the Company provide the monthly historical balances of customer deposits?

A. Yes, the Company provided these balances in its response to the Attorney General's First Request, Item 67, which I have reproduced below:

	2021	2022	2023	2024
JAN	$ (2,097,432)	$ (1,738,942)	$ (2,070,391)	$ (2,038,873)
FEB	$ (2,035,282)	$ (1,762,250)	$ (2,074,879)	$ (2,064,722)
MAR	$ (1,820,587)	$ (1,791,270)	$ (2,064,635)	$ (2,022,677)
APR	$ (1,651,599)	$ (1,782,352)	$ (2,052,049)	$ (1,947,425)
MAY	$ (1,612,890)	$ (1,747,991)	$ (2,014,570)	$ (1,847,533)
JUN	$ (1,589,351)	$ (1,710,179)	$ (1,969,434)	
JUL	$ (1,557,552)	$ (1,697,804)	$ (1,902,443)	
AUG	$ (1,549,430)	$ (1,703,993)	$ (1,932,214)	
SEP	$ (1,545,652)	$ (1,713,225)	$ (1,917,099)	
OCT	$ (1,571,334)	$ (1,797,684)	$ (1,930,445)	
NOV	$ (1,640,512)	$ (1,908,481)	$ (1,981,181)	
DEC	$ (1,684,401)	$ (1,987,587)	$ (1,998,338)	

As can be seen the balances fluctuated from approximately $1.5 million to $2 million during the years shown.

Q. Did the Company reflect customer deposits held as a reduction to the FTP rate base?

A. No. The Company's response to the Attorney General's First Request, Item 67(a) stated:

> The customer deposit balances are not included in rate base pursuant to Commission precedent. In Case No. 1999-00176, the Commission found that the interest expense associated with customer deposits should be excluded from pro forma operating expenses. In doing so, the Commission determined that customer deposits represent a liability to be repaid to the customer with interest, and the deposits are not readily available to the utility as cost-free capital. Additionally, in Case No. 1999-

> 00176, the Commission found that 'Customer deposit balance and interest must both be included in determining the revenue requirement or both excluded." (citation omitted)

However, in this case the Company did include the interest expense associated with the customer deposits for recovery in the FTP. [11] This is a mismatch.

Q. Did you review the Commission's Order in Case No. 99-176?

A. Yes, the Commission's Order stated:

> In Case No. 97-066, the Commission included the interest on customer deposits in Delta s [sic] pro forma operating expenses, but did not reduce rate base by the customer deposit balance. We concede that our action was not consistent. The customer deposit balance and interest must both be included or excluded in determining the revenue requirement. Since customer deposits represent a liability to be repaid to the customer with interest, the Commission generally has not recognized the deposits as readily available cost free capital. For this reason, the Commission finds that the AG s [sic] proposed adjustment should be denied. We further find that all interest associated with the customer deposits should be excluded from Delta s [sic] pro forma operating expenses. (citation omitted)[12]

Q. Do you agree with Columbia Kentucky's explanation as to why the Company did not reflect customer deposits held as a reduction to the FTP rate base?

A. No. The Commission's Order stated that it *generally* has not recognized the deposits as cost free capital.

Q. Are the customer deposit funds retained by Columbia Kentucky held in a trust?

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[11] *Id*. at Item 32(f).

[12] Case No. 99-176, *An Adjustment of the Rates of Delta Natural Gas Company, Inc.* (Ky. PSC Dec. 27, 1999), Order at 9 (emphasis added).

A. Columbia Kentucky was asked in the Attorney General's Second Request, Item 32(h) if the customer deposit funds were held in a trust, but the Company did not provide an answer.

Q. What do you recommend?

A. The Company did not support its burden of proof to demonstrate that these funds are not available as cost free capital. Therefore, they should be reflected as a reduction to the FTP rate base. Furthermore, the Company has included the associated interest expense for recovery in the FTP. Because the Company has included the interest expense in the FTP, the customer deposits must be reflected as a reduction to rate base pursuant to the Commission's Order in 99-176 (must either be both included or both excluded). My adjustment reduces rate base by $1,969,434 and is shown on Exhibit JD-1, Schedule B-2. This reduces the revenue requirement by $193,937.

In the alternative, if the Commission determines that customer deposits should not be reflected in rate base, based upon Commission precedent, the interest expense of $85,473 should be removed from the FTP. This would reduce the revenue requirement by $86,304.

Q. Are customer deposits reflected as a deduction to rate base in other jurisdictions?

A. Yes. I am aware that in Connecticut, the Public Utilities Regulatory Authority ("PURA") requires customer deposits to be reflected as a reduction to rate base. For instance, the Connecticut PURA has asserted the following :

> Customer deposits are payments made by some customers in order to receive water services. These payments protect Aquarion from potential losses if certain customers fail to pay their bills. The Authority will reduce rate base by $793,827 in the proposed rate year for the customer deposit balance as of March 2013.[13]

V. OPERATING EXPENSES

C. Rate Case Expense

Q. What amount of rate case expense is the Company requesting recovery of in the FTP?

A. The Company is requesting recovery of $1,142,250 of rate case expense in the FTP, which it proposes to amortize over only one year.[14]

Q. What is the Company's basis for a one-year amortization?

A. The Company's response to the Attorney General's First Request, Item 3(a) stated:

> As demonstrated in Tab 79 FR 807 KAR 5:001 Section 16-(8)(a), Schedule A, Line 3, Columbia's earned rate of return for the Base Period and Forecasted Test Period of 6.29% and 4.59%, respectively, both periods are shown to be below the Company's current Commission approved rate of return of 6.89% from its last rate case, Case No. 2021-00183. Further, as evidenced in Columbia's standard filing requirement Tab 46, FR 807 KAR 5:001 Section 16-(7)(h)(4), Line 3, Columbia's projected earned rate of return for 2026 stands at 3.56% and 2.86% for 2027 absent determination of revenue outcomes from pending cases, including this proceeding. Accordingly, the Company has proposed a one-year amortization.

[13] Docket No. 13-02-20, Application of Aquarion Water Company of Connecticut to Amend its Rates, page 30.
[14] Application, Tab 84, FR 807 KAR:5:001, Section 16(8)(f), page 24 of 24, Schedule F-9.

Q. Do you agree with the use of a one-year amortization for rate case expense?

A. No.

Q. What is the problem with using a one-year amortization?

A. Essentially, the Company will collect the proposed $1,142,250 in rate case expense annually until rates are reset.

Q. Did the Company indicate when it plans to file its next rate case?

A. The Company originally objected to the Attorney General's request for this information and stated that future rate case filings are irrelevant and outside the scope of this proceeding.[15] The Attorney General again asked for this information in the second round of discovery because the requested information is directly relevant to the case due to Columbia Kentucky requesting a departure from Commission precedent by asking for a one year amortization period for its rate case expense. Although Columbia Kentucky once again objected to the question, the Company stated that, "Columbia does not presently plan to file a rate case in 2025. However, the outcome of this case, other cases, and external forces may require Columbia to do so."[16]

Q. Did you obtain the filing dates of the Company's prior rate cases?

A. Yes. Below is a list of the Company's last six rate cases filed before the Commission:

[15] Columbia Kentucky's response to the Attorney General's First Request, Item 145.
[16] Columbia Kentucky's response to the Attorney General's Second Request, Item 3.

Case No.	Filing date	Years between filings
2007-00008	2/1/2007	
2009-00141	5/1/2009	2
2013-00167	5/29/2013	4
2016-00162	5/27/2016	3
2021-00183	5/28/2021 *	5
2024-00092	5/16/2024	3
	Average	3.4

* The listed filing date reflects the date that Columbia Kentucky filed the application for a rate increase, not the date that the Commission accepted the application as filed.

Q. What do you recommend?

A. I recommend using an average of the time periods between the cases shown above. This results in amortizing the Company's proposed rate case expense of $1,142,250 over 3 years or $380,750 annually. This reduces the FTP expense by $761,500 which is shown on Exhibit JD-1, Schedule C-1. This reduces the revenue requirement by $765,690.

D. Corporate Aircraft Expense

Q. Has the Company included expenses for a corporate aircraft in the FTP?

A. Yes, the Company has forecasted $250,837 in the FTP for costs NiSource Corporate Services Company allocates to Columbia Kentucky for the corporate aircraft.[17]

[17] Columbia Kentucky's response to the Attorney General's First Request, Item 64.

Q. Did the Company provide sufficient justification to require its customers to pay for employees to utilize a corporate jet opposed to commercial flights?

A. No. In response to the Attorney General's First Request, Item 64(g), the Company stated the following:

> Access to corporate aircraft provides efficiencies and time savings for company personnel. The use of this form of travel cuts down on time waiting for flights in commercial airports, provides a secure environment for discussion of sensitive business matters, and allows a reliable and secured source of internet access to perform job functions while in transit. This provides customers with additional, and more services from these individuals. Further, the Commission has previously recognized that "[w]hile private jet travel may appear to be an extravagance, legitimate travel expenses would have been incurred through commercial airlines." (citation omitted) <u>It would be impractical to attempt to quantify an exact savings created by the use of corporate aircraft compared to flights using commercial airlines,</u> those costs would be incurred no matter the type of transportation. These are prudently incurred, reasonable costs of doing business. (emphasis added)

Q. Does the Company compare costs of commercial flights to the costs of utilizing the corporate jet?

A. Apparently not. As stated above, the Company believes it is impractical to do so.

Q. Do other jurisdictions prohibit these costs in rates?

A. I am aware that Colorado Senate Bill 23-291 (Act signed on 5-11-2023) states that expenses related to any owned, leased, or chartered aircraft for the utility's board of directors and officers shall not be recovered from customers. Also, Connecticut prohibits these costs in rates pursuant to Public Act No. 23-102, which states that no public service company shall recover through rates any direct or indirect cost associated with owned, leased, or chartered aircraft for such company's board of directors and officers or the board of directors and officers of such company's parent company.

Q. Should these expenses be funded by ratepayers?

A. No. Since these are allocated costs they warrant increased scrutiny. The Company has not demonstrated that these costs provide any benefit to ratepayers. I recommend removing the total expense associated with the corporate jet from the FTP, a reduction of $250,837, which is shown on Exhibit JD-1, Schedule C-2. This reduces the revenue requirement by $252,217.

E. Directors and Officers Liability Insurance Expense

Q. Has the Company included expenses for Directors and Officers Liability insurance ("D&O") in the FTP?

A. Yes, the Company has included $141,379 in the FTP for D&O.[18]

Q. Should these expenses be borne by ratepayers?

A. Not entirely. D&O protects the Company's directors from lawsuits that arise from their own decisions or actions. As such, this expense primarily benefits the Company and its directors. Therefore, the costs should primarily be borne by shareholders.

[18] Columbia Kentucky's response to the Attorney General's First Request, Item 72.

Q. What do you recommend?

A. I recommend a 75/25 sharing of this expense between shareholders and ratepayers, respectively. This reduces the FTP expense by $106,034, which is shown on Exhibit JD-1, Schedule C-3. This reduces the revenue requirement by $106,618.

Q. Is your recommendation consistent with the treatment of this expense in other jurisdictions?

A. Yes. I am aware D&O in rates has been limited to 25% in Connecticut. (Docket No. 16-06-04, *Application of The United Illuminating Company to Increase Its Rates and Charges, pp. 35-36*; Docket No. 13-01-19, *Application of The United Illuminating Company to Increase Rates and Charges, pages 70-71*; and Docket No. 13-06-08, *Application of Connecticut Natural Gas Corporation to Increase its Rates and Charges, page 27*.)

F. Investor Relations Expense

Q. Has the Company included investor relations expenses in the FTP?

A. Yes, the Company has included $60,188 that was allocated from the service company in the FTP.[19]

Q. What is included in this expense?

A. The Company's response to the Attorney General's First Request, Item 104, indicated these represent allocated charges billed to Columbia Kentucky from

[19] Columbia Kentucky's response to the Attorney General's First Request, Item 104.

NiSource Corporate Services Company and include salaries, office supplies, employee expenses, outside services, employee pensions/benefits, non-service pension/OPEB and miscellaneous expenses.

The Company's response to the Attorney General's Second Request, Item 65 stated:

> Furthermore, the Investor Relations department provides the following functions:
>
> - Communicate with investors regarding the company's financial health and strategic direction to help them make informed decisions;
> - Build trust and credibility with investors;
> - Stabilize debt and equity prices through effective communication with investors and credit rating agencies;
> - Attracting new investors by showcasing the company strengths, such as growth potential, risk profile, credit rating, dividend stability, etc.; and
> - Manage the NiSource corporate reputation by addressing investor concerns and ensuring high quality and consistent information is provided.

Q. Should ratepayers be fully responsible for these costs?

A. No. As these costs primarily benefit shareholders, they should bear the majority of the costs.

Q. What do you recommend?

A. I recommend a 75/25 sharing of this expense. This reduces the FTP expenses by $45,141, which is shown on Exhibit JD-1, Schedule C-4. This reduces the revenue requirement by $45,389.

Q. Do other states prohibit the recovery of this expense in rates?

A. Yes. Public Act No. 23-102 in Connecticut states:

> (d) No public service company shall recover through rates any direct or indirect cost associated with … (4) investor relations.

G. 401(k) Expense

Q. Is the Company requesting recovery of 401(k) expenses for employees who are also covered under a defined pension plan in the FTP?

A. Yes.

Q. Did the Company make any adjustments to the FTP for 401(k) expenses for employees who are covered under a defined benefit plan?

A. When asked if the Company made any adjustments to exclude the 401(k) expense associated with employees who are also covered under a defined benefit plan, the Company's response stated that:

> As evidenced in Columbia's response to KY PSC Case No. 2024-00092, AG DR 1-150, the Company did not make a ratemaking adjustment to the FTP expense for 401(k) Plan or to the FTP expense for Pension (Defined Benefits Plan). Please refer to the Direct Testimony of Columbia Witness Owens regarding the inclusion of Retirement Savings Plans in the Company's FTP budget.[20]

Q. Is there Commission precedent regarding the retirement costs that should be included for ratemaking purposes?

A. Yes. The Commission has stated that all employees should have a retirement benefit, but finds it "excessive and not reasonable" for a utility to contribute to both a defined benefit pension plan as well as a defined contribution plan for an employee.[21]

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[20] Columbia Kentucky's response to the Attorney General's Second Request, Item 33.

[21] Case No. 2016-00169, *Application of Cumberland Valley Electric, Inc. for a General Adjustment of*

Q. What do you recommend?

A. I recommend removing the 401(k) expense in the FTP for employees that are also covered under a defined benefit plan. My adjustment reduces the revenue requirement by $294,544 which is shown on Exhibit JD-1, Schedule C-5. This reduces the revenue requirement by $296,164.

H. Incentive Compensation Expense

Q. Please describe the Company's request for incentive compensation.

A. The Company's filing includes requests for $1,971,796 and $1,850,748 in the FTP for Short-Term Incentive ("STI") and Long-Term Incentive ("LTI) compensation expense, respectively, in the FTP. These amounts include both direct and NiSource Corporate Services Company allocated amounts.[22]

Q. Have you made an adjustment to incentive compensation expense?

A. Yes. The Commission has long-standing precedent in disallowing recovery of incentive compensation that is tied to financial measures.[23] The Commission has repeatedly stated that it has, "consistently disallowed recovery of the cost of employee incentive compensation plans that are tied to financial measures

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Rates (Ky. PSC Feb. 6, 2017), Order at 10; Case No. 2017-00349, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates and Tariff Modifications* (Ky. PSC May 3, 2018), Order at 19 – 20.

[22] Columbia Kentucky's response to the Attorney General's First Request, Item 99.

[23] Case No. 2023-00191, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates, A Certificate of Public Convenience and Necessity for Installation of Advanced Metering Infrastructure, Approval of Regulatory and Accounting Treatments, and Tariff Revisions* (Ky. PSC 2024) Order at 17; Case No. 2018-00358, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates* (Ky. PSC June 27, 2019), Order at 43; Case No. 2020-00160, *Electronic Application of Water Service Corporation of Kentucky for a General Adjustment in Existing Rates* (Ky. PSC Dec. 8, 2020), Order at 19 – 20; Case No. 2014-00396, *Application of Kentucky Power Company for: (1) A General Adjustment of its Rates for Electric Service; (2) An Order Approving its 2014 Environmental Compliance Plan; (3) An Order Approving its Tariffs and Riders; and (4) An Order Granting All Other Required Approvals and Relief* (Ky. PSC June 22, 2015), Order at 25.

because such plans benefit shareholders while ratepayers receive little benefit."[24] Thus, I recommend a disallowance of the incentive compensation that is tied to financial goals.

Q. What amount of the Company's request is related to financial goals?

A. The Company stated that 2025 incentive compensation measures will not be approved until January 2025.[25] The Company provided the 2024 STI and LTI metrics in the direct testimony of Beth Owens, Attachment BO-5. Based upon the 2024 metrics that the Company provided, I recommend the removal of incentive compensation based on the financial goals for 2024: 70% of STI and 80% of LTI.

Q. What is your recommended adjustment?

A. My recommended adjustments are a reduction to STI of $1,380,257 ($1,971,796 x 70%) and a reduction of $1,480,598 ($1,850,748 x 80%) to LTI. This is a total reduction to incentive compensation expense of $2,860,855, which is shown on Exhibit JD-1, Schedule C-7. This reduces the revenue requirement by $2,876,596.

Q. Are there any other concerns with the Company's incentive compensation program?

[24] Case No. 2018-00358, *Electronic Application of Kentucky-American Water Company for an Adjustment of Rates* (Ky. PSC June 27, 2019), Order at 43.
[25] Columbia Kentucky's response to the Attorney General's First Request, Item 45.

A. Yes. The program rewards almost every eligible employee. The following chart shows the number of eligible employees and the number of employees that did not receive an award.[26]

Employees Receiving Incentive Compensation		
2021		
Company	Eligible	No Payout
NCS	1,989	28
CKY	207	3
2022		
NCS	2,029	39
CKY	207	0
2023		
NCS	2,257	32
CKY	192	0

As shown, over 98.5% of eligible employees receive incentive compensation between the two companies.

Q. Why is rewarding almost every eligible employee a concern?

A. Incentive compensation, by definition, should generate a greater effort from employees. If everyone gets the reward, employees can assume they will receive awards, and the incentive created by the program is diminished. If the program does not result in extra effort, ratepayers are not benefitted.

Q. Did you make an additional adjustment based on this issue?

A. No. However, the lack of benefits to ratepayers could justify removing the entire amount.

[26] *Id*. at Item 91.

I. Payroll Expense

Q. What amount has the Company included in the FTP for payroll expense?

A. The Company requests $19,358,670 (direct and allocated) for payroll expense in the FTP. This represents an increase of $1,290,445 over the 2023 calendar year ("CY") amount of $18,068,225.[27] The Company has budgeted 204 direct employees for 2025 which is an increase of 15 over CY 2023. As of April 2024, the Company still had only 193 direct employees.[28] The Company has budgeted 2,620 allocated employees for 2025 which is an increase of 386 allocated employees over CY 2023. As of April 2024, the Company still had only had 2,312 allocated employees.[29]

Q. Has the Company had an issue with vacancies?

A. The chart below shows the budgeted to actual full-time employee information for 2021 – 2024.[30]

[27] *Id*. at Item 99.
[28] *Id*. at Item 123.
[29] Columbia Kentucky's response to the Attorney General's Second Request, Item 63.
[30] *Id*.

Direct Vacancies															
		JAN	**FEB**	**MAR**	**APR**	**MAY**	**JUNE**	**JULY**	**AUG**	**SEPT**	**OCT**	**NOV**	**DEC**	**AVG**	**Vacancies**
2021	BUDGET	209	209	209	209	209	209	209	209	209	209	209	209	209.0	
2021	ACTUAL	201	201	199	198	198	197	194	193	206	204	203	202	199.7	9.3
2022	BUDGET	209	209	209	209	209	209	209	209	209	209	209	209	209.0	
2022	ACTUAL	202	202	201	199	206	203	203	203	201	201	200	200	201.8	7.3
2023	BUDGET	209	209	209	209	209	209	209	209	209	209	209	209	209.0	
2023	ACTUAL	200	199	198	197	196	195	194	192	191	189	189	189	194.1	14.9
2024	BUDGET	204	204	204	204									204.0	
2024	ACTUAL	190	193	193	193									192.3	11.8
										Average Vacancies 2021-2024					10.6
										Vacancy Percentage					5.1%

Allocated Vacancies															
		JAN	**FEB**	**MAR**	**APR**	**MAY**	**JUNE**	**JULY**	**AUG**	**SEPT**	**OCT**	**NOV**	**DEC**	**AVG**	**Vacancies**
2021	BUDGET	2,223	2,223	2,223	2,223	2,223	2,225	2,225	2,225	2,223	2,223	2,223	2,223	2,223.5	
2021	ACTUAL	1,855	1,865	1,882	1,879	1,872	1,866	1,858	1,879	1,874	1,867	1,903	1,927	1,877.3	346.3
2022	BUDGET	2,181	2,181	2,181	2,181	2,181	2,183	2,183	2,183	2,181	2,181	2,181	2,153	2,179.2	
2022	ACTUAL	1,993	2,010	2,007	2,015	2,035	2,021	2,039	2,034	2,040	2,012	1,998	1,989	2,016.1	163.1
2023	BUDGET	2,328	2,328	2,328	2,328	2,328	2,328	2,339	2,339	2,339	2,339	2,339	2,339	2,333.5	
2023	ACTUAL	2,021	2,044	2,054	2,052	2,051	2,059	2,098	2,118	2,134	2,153	2,182	2,234	2,100.0	233.5
2024	BUDGET	2,620	2,620	2,620	2,620									2,620.0	
2024	ACTUAL	2,287	2,292	2,313	2,312									2,301.0	319.0
										Average Vacancies 2021-2024					254.8
										Vacancy Percentage					11.2%

As shown, the Company has consistently had vacancy issues. As such, it cannot be assumed that the Company will hire and retain all of the projected new employees.

Q. Does the Company budget payroll based on the number of employees?

A. No. The response to the Attorney General's First Request, Item 10 states that "employee labor and benefits are not planned based on headcount…"

Q. Did you review the budgeted-to-actual payroll for the years 2019-2023?

A. No. Although I requested that information for 2019-2023 in Attorney General's Second Request, Item 63, the Company provided budgeted to actual direct payroll for only the years 2021-2023 and budgeted to actual allocated payroll information for only the years 2022-2023.

Q. Did the Company spend the budgeted amounts during that period?

A. No. The chart below shows the variances for direct and allocated during those periods:

	2021	2022	2023	Total	% Underspent
Direct Labor Budgeted	22,033,483	22,570,478	21,655,306	66,259,267	
Direct Labor Actual	19,736,368	19,800,701	19,558,002	59,095,071	
Difference	(2,297,115)	(2,769,777)	(2,097,304)	(7,164,196)	-10.8%
Allocated Labor Budgeted	Not Provided	9,983,783	9,717,454	19,701,237	
Allocated Labor Actual	Not Provided	8,936,642	9,799,767	18,736,409	
Difference		(1,047,141)	82,313	(964,828)	-4.9%

As shown, the Company underspent over $8 million for both categories, 10.8% for direct labor and 4.9% for allocated labor. Based on this historical record, it cannot be assumed the Company will spend its budgeted amount for direct or allocated labor in the FTP.

Q. What is your recommended adjustment to payroll expense?

A. I recommend a reduction of 10.8% to direct labor expense and 4.9% to allocated labor expense. This results in a reduction of $1,628,842 as shown on

Exhibit JD-1, Schedule C-6. This reduces the revenue requirement by $1,637,804.

J. Profit Sharing Expense

Q. Has the Company requested recovery of profit sharing expense?

A. Yes. The Company requests $180,877 for profit sharing expense in the FTP.[31]

Q. Please describe the Company's profit sharing plan.

A. The Company described its profit sharing plan as follows:

> The company provides a Retirement Savings Program that includes a discretionary profit sharing component to supplement employee's retirement funds. The amount is 0-2% of employee's eligible earnings (which includes base salary and overtime) and is credited to the employee's retirement savings account once per year. The amount recognized as expensed is 1% of employee's eligible earnings. The percentage actually paid generally aligns with the short-time incentive ("STI") program results. For example, if the STI payout is at 100% (target), the default payout for profit sharing would be at 1% which is the basis utilized in preparing the forecasted amount reflected in the Company's budget.[32]

Q. Please discuss your adjustment to profit sharing expense.

A. Part of the Company's profit sharing, like incentive compensation, is tied to financial goals and provides little to no benefit to ratepayers, but instead rewards the Company's employees and shareholders. I recommend disallowance of the portion of the profit sharing expense related to financial goals. Because the profit sharing plan is aligned with the STI plan, of which 70% relates to financial goals, this portion of the cost should be funded by

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[31] Columbia Kentucky's response to the Attorney General's First Request, Item 99.

[32] Columbia Kentucky's response to the Attorney General's Second Request, Item 25.

shareholders, and not ratepayers. This results in a reduction of $126,614 to the FTP, which is shown on Exhibit JD-1, Schedule C-8. This is reduction to the revenue requirement of $127,311.

Q. Did the Commission disallow Columbia Kentucky's expense associated with its profit sharing compensation program in Case No. 2021-00183?

A. Yes. The Commission found that an adjustment should be made to remove the entire profit sharing expense from the revenue requirement because, "Columbia Kentucky did not provide sufficient evidence that the additional form of compensation provides a benefit to customers."[33]

K. Supplemental Executive Retirement Plan

Q. Has the Company included expenses for Supplemental Executive Retirement Plan ("SERP") Expense in the FTP?

A. Yes, the Company has included $60,552 for SERP allocated by NiSource Corporate Services Company in the FTP.[34]

Q. What is SERP?

A. Generally, SERP is an extra benefit that exceeds IRS limits and is provided only to highly-compensated executive employees.

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[33] 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 28.

[34] Columbia Kentucky's response to the Attorney General's Second Request, Item 51.

Q. What employees are eligible to receive the SERP benefits?

A. The Company stated that, "[t]he SERP plan provides retirement savings for a small number of retired employees" and that "[n]o current employees are eligible for SERP."[35]

Q. Should this cost be funded by ratepayers?

A. No. SERP expense does not benefit ratepayers, and as such the costs should be borne by the shareholders.

Q. What do you recommend?

A. I recommend removing this entire SERP expense of $60,552 from the FTP, which is shown on Exhibit JD-1, Schedule C-11. This reduces the revenue requirement by $60,885.

Q. Is this recommendation consistent with the treatment of SERP expense by the Commission?

A. Yes. The Commission has repeatedly disallowed SERP expense from the revenue requirement because, "retirement plans that benefit highly-compensated employees without providing a benefit to ratepayers are the type of costs the Commission finds should not be borne by ratepayers."[36]

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[35] Columbia Kentucky's supplemental responses to the Attorney General's First Request, Items 152 and 153, filed with Columbia Kentucky's response to the Attorney General's Second Request, Item 51.

[36] Case No. 2020-00174, *Electronic Application of Kentucky Power Company for (1) A General Adjustment of its Rates for Electric Service; (2) Approval of Tariffs and Riders; (3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; (4) Approval of a Certificate of Public Convenience and Necessity; and (5) All Other Required Approvals and Relief* (Ky. PSC Jan. 13, 2021), Order at 16. Case No. 2023-00159, *Electronic Application of Kentucky Power Company for (1) A General Adjustment of its Rates for Electric Service; (2) Approval of Tariffs and Riders; (3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; (4) A Securitization Financing Order; and (5) All Other Required Approvals and Relief* (Ky. PSC Jan. 19, 2024), Order at 26 – 28.

L. American Gas Association ("AGA") Dues

Q. What amount of AGA dues has the Company included in the FTP?

A. According to the Attorney General's First Request for Information, Item 25, the Company has reflected $22,138 in the unadjusted base period. It should be noted that the Company has just budgeted a total amount for industry/non industry dues in the FTP and not by organization. The Company paid AGA dues in 2021, 2022, and 2023, so it is not unreasonable to assume it will pay these dues in the FTP.

Q. Do you have any concerns with AGA dues?

A. Yes. The AGA is a national gas industry group that represents more than 200 utilities. The Company's website lists its mission as:

> The American Gas Association (AGA) develops and advocates for informed, innovative, and durable policy that fulfills our nation's energy needs, environmental aspirations and economic potential. Additionally, the AGA provides state-of-the-art solutions for AGA members to safely and securely deliver reliable and affordable natural gas and advanced fuels to homes and businesses across the nation.[37]

The AGA engages in political advocacy, lobbying, and public relations and typically these types of costs are excluded from utility rates.

Q. Did you ask the Company to identify the amounts related to lobbying, legislative advocacy, regulatory advocacy, government relations, and public relations that were removed from the FTP?

A. Yes. The Company's response stated:

[37] https://www.aga.org/about/.

> Please refer to Columbia's Response to AG's Data Request 1-25, as well as Application Tab 84 FR 807 KAR 5:001 Section 16(8)(f), Pages 2 through 4 for Schedule F-1.A (Total Company Corporate Dues and Memberships for the BP and FTP), Schedule F-1.B (Columbia Direct Corporate Dues and Memberships for the BP and FTP), and Schedule F-1.C. (NiSource Corporate Services Company Corporate Dues and Memberships Allocated to Columbia for the BP and FTP). Please note, AGA Dues can be found in Schedule F-1.A and Schedule F-1.B.

Based on these documents, the Company removed $1,577 for lobbying related to AGA dues in the FTP. However, it is not clear whether the Company removed all portions of this expense that should not be recovered from ratepayers (e.g. legislative advocacy, regulatory advocacy, and public relations costs).

Q. Did the Company provide a copy of the AGA budget which provides a breakdown by category of its expenses?

A. No. The Company's response to the Attorney General's First Request, Item 25(b) objected to this request and stated that, "Columbia objects in that this request seeks information that is not in the Company's possession."

The Attorney General issued its Second Request for Information, Item 9 requesting documentation depicting how dues requiring organizations spend funds collected. The Company's response stated:

> Columbia does not possess documents that detail how its specific dues are spent by the organizations. The dues collected from Columbia are combined with the dues collected from other organizations and used to support the activities and benefits outlined on the websites previously provided in Columbia's Response to the Attorney General's First Request for Information. Columbia does not earmark or designate how dues are to be spent.

However, it should be noted that the President/CEO of NiSource, Columbia Kentucky's parent company, is listed as the First Vice Chair of the AGA's Board of Directors.[38] As such, the Company should have access to the organization's budget.

Q. Has this issue been addressed in previous cases?

A. Yes. In Case No. 2021-00214, the Commission stated:

> As noted in Case Nos. 2020-00350 and 2021-00183, Atmos Kentucky has the burden of establishing that costs it seeks to recover in rates for dues paid to associations like AGA do not include prohibited costs for lobbying and political activity, including costs for legislative lobbying, regulatory advocacy, and public relations. When asked by the Attorney General whether each association for which dues were included in rates engaged in such activity, Atmos Kentucky indicated that it "identified the AGA and Kentucky Chamber of Commerce as organizations that engage, directly or indirectly, in one or more of the listed activities," without indicating whether or not others did. Atmos Kentucky then estimated percentages of the dues related only to lobbying for the AGA and Kentucky Chamber of Commerce without identifying amounts paid for other prohibited costs. Thus, the Commission finds that Atmos Kentucky has not met its burden of proof that the association and social organization/social club dues are properly recoverable from ratepayers and do not include expenses related to legislative advocacy, regulatory advocacy, or public relations. The Commission will remove all such dues, excluding the Southern Gas Association, because it has been specifically approved in recent gas rate cases. (citations omitted)[39]

Furthermore, in the Company's previous rate case, although the case was settled, the Commission's Order stated:

> The Commission finds that Columbia Kentucky has failed to meet its burden of proof that AGA dues are properly recoverable from its customers. Columbia Kentucky failed to prove that inclusion of these dues in the revenue requirement results in rates that are fair, just and reasonable. Columbia Kentucky has not provided support for the assertion that the amounts removed as lobbying

[38] www.aga.org.
[39] Case No. 2021-00214, *Electronic Application of Atmos Energy Corporation for an Adjustment of Rates* (Ky. PSC May 19, 2022), Order at 24 – 25.

> expenses accurately incorporate all legislative advocacy, regulatory advocacy, and public relations costs. Accordingly, the Commission has reduced Columbia Kentucky's revenue requirement by $47,561. (citation omitted)[40]

Q. What do you recommend?

A. The Company has not demonstrated that it has removed all prohibited costs, e.g., legislative advocacy, regulatory advocacy, and public relations expenses. I recommend removing AGA dues of $20,561 from the FTP, which is shown on Exhibit JD-1, Schedule C-12. This reduces the revenue requirement by $20,674.

M. FERC RNG Revenues/Expenses

Q. Has the Company recently submitted a filing at the Federal Energy Regulatory Commission ("FERC") regarding the potential transportation of renewable natural gas?

A. Yes. The Company submitted an Application in FERC Docket No. CP24-71-000 on February 26, 2024 for a Blanket Certificate of Limited Jurisdiction, "in order to be prepared to transport renewable natural gas ("RNG"), should such a need arise, and to avoid any future compliance issues."[41] The FERC issued an Order granting Columbia Kentucky's request on April 12, 2024.[42]

Q. Has the Company received any requests for the transportation of RNG?

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[40] 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 10.

[41] Columbia Kentucky's response to the Attorney General's First Request for Information, Item 175.

[42] *See* https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20240412-3079.

A. According to Columbia Kentucky's discovery response as of July 10, 2024, it has not received any formal requests to transport RNG.[43]

Q. Has the Company made any adjustments in the current case regarding this FERC application?

A. No. The Company stated that, "the BP and FTP in this case do not contain any assumptions related to costs or revenues associated with this FERC filing."[44]

Q. Do you have any concerns?

A. Yes, should the Company begin to transport RNG to wholesale customers before Columbia Kentucky files its next rate case, the costs and revenues could have impacts on the rates of the Company's Kentucky retail customers.

Q. What do you recommend?

A. I recommend that the Company be required to submit annual filings to the Commission identifying the number of RNG transportation customers and associated annual costs and revenues for the prior calendar year.

Q. When do you propose the filings be submitted?

A. The filings could be submitted after the first quarter of the year, summarizing the data for the prior calendar year.

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[43] Columbia Kentucky's response to the Attorney General's First Request for Information, Item 175.
[44] *Id*.

N. Flow Through Adjustments

Payroll Tax Expense

Q. Please discuss your adjustment to payroll tax.

A. The adjustment is a flowthrough from my adjustment to payroll and incentive compensation. This proposed adjustment reduces payroll tax by $305,756 in the FPT, which is shown on Exhibit JD-1, Schedule C-9. The revenue requirement impact is a reduction of $307,438.

Benefits Expense

Q. Please discuss your adjustment to benefits expense.

A. The adjustment is a flow through from my adjustment to payroll. This adjustment reduces benefits expense by $377,281 in the FPT, which is shown on Exhibit JD-1, Schedule C-10. The revenue requirement impact is a reduction of $379,356.

Q. Does this conclude your testimony?

A. Yes. However, I reserve the right to supplement my testimony upon receipt of additional relevant information. It should be noted that silence on any issues should not be interpreted as acceptance of any Company proposal.

QUALIFICATIONS OF JOHN DEFEVER

John Defever, CPA is a senior regulatory consultant with Larkin & Associates. As such, Mr. Defever is responsible for the review and analysis of regulatory filings and the preparation of testimony, discovery requests, briefs, schedules, exhibits and reports. Mr. Defever also assists with the annual audit of a Michigan Railroad Company. Mr. Defever has been employed with the firm of Larkin and Associates since 2010.

Mr. Defever has performed work in the field of utility regulation on behalf of public service commission staffs, state attorney generals and consumer groups concerning regulatory matters before regulatory agencies in Alaska, California, Connecticut, District of Columbia, Florida, Hawaii, Iowa, Maine, Maryland, Massachusetts, Mississippi, Oregon, New Hampshire, and Vermont.

Mr. Defever received a Bachelor of Business Administration, Major: Accounting from Eastern Michigan University and an Associate in Applied Science at Schoolcraft College. Mr. Defever is a member of the Michigan Association of Certified Public Accountants and maintains continuing professional education in accounting, auditing, and taxation.

Partial list of utility cases participated in:

Docket No. 10-02-13	Aquarion Water Company of Connecticut Connecticut Department of Utility Control
Docket No. 10-70	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 10-12-02	Yankee Gas Services Company Connecticut Department of Utility Control
Docket No. 11-01	Fitchburg Gas & Electric Light Company Massachusetts Department of Public Utilities
Case No. 9267	Washington Gas Light Company Maryland Public Service Commission

QUALIFICATIONS OF JOHN DEFEVER

Case No. 9286	Potomac Electric Power Company Maryland Public Service Commission
Docket No. 13-06-08	Connecticut Natural Gas Corporation Connecticut Public Utility Regulatory Authority
Docket No. 13-90	Fitchburg Gas & Electric Light Company Massachusetts Department of Public Utilities
Docket No. 8190	Green Mountain Power Company Before the Vermont Public Service Board
Docket No. 8191	Green Mountain Power Company Alternative Regulation Before the Vermont Public Service Board
Case No. 9354	Columbia Gas of Maryland, Inc. Maryland Public Service Commission
Docket No. 13-135	Western Massachusetts Electric Company Massachusetts Department of Public Utilities
Docket No. 14-05-06	Connecticut Light & Power Company Connecticut Public Utilities Regulatory Authority
Docket No. 13-85	Massachusetts Electric Company and Nantucket Electric Company D/B/A/ as National Grid Massachusetts Department of Public Utilities
Case No. 9390	Columbia Gas of Maryland, Inc. Maryland Public Service Commission
Docket No. 15-03-01	Connecticut Light & Power Company Connecticut Public Utilities Regulatory Authority
Docket No. 15-03-02	United Illuminating Company Connecticut Public Utilities Regulatory Authority
Docket No. 15-149	Western Massachusetts Electric Company Massachusetts Department of Public Utilities

QUALIFICATIONS OF JOHN DEFEVER

Docket No. 8710	Vermont Gas Systems Inc. Before the Vermont Public Service Board
Docket No. 8698	Vermont Gas Systems Inc. Alternative Regulation Before the Vermont Public Service Board
U-15-091 / U-15-092	College Utilities Corporation Golden Heart Utilities, Inc. Regulatory Commission of Alaska
Docket No.16-06-04	United Illuminating Company Connecticut Public Utilities Regulatory Authority
Docket No. 15-05-42	Southern Connecticut Gas Company Connecticut Public Utilities Regulatory Authority
Docket No. 20160251-EI	Florida Power & Light Company Florida Public Service Commission
Docket No. 20170141-SU	KW Resort Utilities Florida Public Service Commission
Application No. A.16-09-001	Southern California Edison California Public Utilities Commission
Case No. 18-0409-TF	Vermont Gas Systems, Inc. Vermont Public Utility Commission
Docket No. 17-10-46	Connecticut Light & Power Company Connecticut Public Utilities Regulatory Authority
Docket No. 2017-0105	Hawaii Gas Company Hawaii Public Utilities Commission
Docket No. 18-03-01	Connecticut Light & Power Company Connecticut Public Utilities Regulatory Authority
Docket No. 18-03-02	United Illuminating Company Connecticut Public Utilities Regulatory Authority

QUALIFICATIONS OF JOHN DEFEVER

Docket No. A.17-11-009	Pacific Gas & Electric California Public Utilities Commission
Docket No. 18-05-16	Connecticut Natural Gas Connecticut Public Utilities Regulatory Authority
Docket No. 18-05-10	Yankee Gas Connecticut Public Utilities Regulatory Authority
Docket No. 18-11-12	Connecticut Light & Power Company Connecticut Public Utilities Regulatory Authority
Docket No. 18-07-10	SJW Group and Connecticut Water Service Connecticut Public Utilities Regulatory Authority
Docket No. RPU-2019-0001	Interstate Power and Light Iowa Utilities Board
Docket No. 2018-0388	Kona Water Service Company Hawaii Public Utilities Commission
Docket No. DE 19-057	Public Service Company of New Hampshire New Hampshire Public Utilities Commission
Application No. A.19-08-013	Southern California Edison Public Utilities Commission
Docket No. D.P.U. 19-120	NSTAR Gas Company d/b/a Eversource Energy Massachusetts Department of Public Utilities
Docket No. 2019-00333	Maine Water Company – Skowhegan Division Public Utilities Commission
Docket No. D.P.U. 19-113	Massachusetts Electric Company & Nantucket Electric Company Each d/b/a National Grid Massachusetts Department of Public Utilities

QUALIFICATIONS OF JOHN DEFEVER

Docket No. 20-03-01	Connecticut Light & Power Company Connecticut Public Utilities Regulatory Authority
Docket No. 20-03-02	United Illuminating Company Connecticut Public Utilities Regulatory Authority
Docket No. 20-12-30	Connecticut Water Company Connecticut Public Utilities Regulatory Authority
Docket No. 20-08-03	The Connecticut Light and Power Company & The United Illuminating Company Connecticut Public Utilities Regulatory Authority
Docket No. 20-120	National Grid Massachusetts Department of Public Utilities
Docket No. 21-01-03	Connecticut Light & Power Company Connecticut Public Utilities Regulatory Authority
Docket No. 21-01-04	United Illuminating Company Connecticut Public Utilities Regulatory Authority
Case No. 21-887-EL-AIR	Duke Energy Ohio Public Utilities Commission of Ohio
Application No. 21-06-021	Pacific Gas & Electric 2023 GRC California Public Utilities Commission
Docket No. 22-07-01	Aquarion Water Company Connecticut Public Utilities Regulatory Authority
Docket No. 22-01-03	Connecticut Light & Power Company Connecticut Public Utilities Regulatory Authority
Docket No. 22-01-04	United Illuminating Company Connecticut Public Utilities Regulatory Authority
Docket No. 22-057-03	Dominion Energy Resources Utah Public Service Commission

QUALIFICATIONS OF JOHN DEFEVER

Docket No. 22-22	NSTAR Electric Massachusetts Department of Public Utilities
Docket No. 22-08-08	United Illuminating Company, Connecticut Public Utilities Regulatory Authority
Formal Case No. 1169	Washington Gas Light District of Columbia Public Service Commission
Case No. 22-900-EL-SSO	Dayton Power & Light, d/b/a AES Ohio Public Utilities Commission of Ohio
Docket No. 23-01-03	Connecticut Light & Power Company Connecticut Public Utilities Regulatory Authority
Docket No. 24-01-04	United Illuminating Company Connecticut Public Utilities Regulatory Authority

AFFIDAVIT

STATE OF MICHIGAN)

COUNTY OF WAYNE)

John Defever, being duly sworn, deposes, and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

John Defever

John Defever

Sworn to and subscribed before me on this 14th day of August 2024.

Christine Miller

Notary Public

CHRISTINE MILLER
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Nov 8, 2028
ACTING IN COUNTY OF Wayne