

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Columbia Gas Transmission LLC            )**

**Docket No. RP20-1060-011**

**PROTEST  
OF  
THE INDUSTRIAL GROUP TO TARIFF FILING OF COLUMBIA GAS  
TRANSMISSION, LLC**

Pursuant to Rule 211 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. Section 385.211, and to the Notice issued in the above-referenced docket on November 12, 2024, the Industrial Group,<sup>1</sup> a member of the Steering Committee created by the October 29, 2021 Settlement (the “Settlement”)<sup>2</sup> in above-referenced docket, respectfully submits its Joint Protest (“Joint Protest”) with regard to the “Non-Consensus Modified LPS Plan” submitted by Columbia Gas Transmission LLC (“Columbia”) in this docket on November 7, 2024 (“Filed Modified LPS Plan”).<sup>3</sup>

**I.       Executive Summary of Protest**

The Industrial Group protests Columbia’s Filed Modified LPS Plan. As discussed in detail below, due to the lack of any cost-support for the projects listed in the Filed Modified LPS Plan and the failure of the plan to address key information required by the terms of the Settlement concerning the cost-effectiveness of the proposed solutions to the LAUF in the LPS plan, the

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<sup>1</sup> The Industrial Group includes the following entities: American Forest & Paper Association (“AF&PA”), Industrial Energy Consumers of America (“IECA”), Process Gas Consumers (“PGC”) and The Ohio Manufacturer’s Association (“OMA”), which groups filed a timely joint intervention in this proceeding.

<sup>2</sup> Stipulation and Agreement of Settlement, Docket. No. RP20-1060-000, *et al.* (October 29, 2021), *approved with minor modification*, *Columbia Gas Transmission LLC*, 178 FERC ¶ 61,144 (2022) (“Settlement Approval”).

<sup>3</sup> Compliance Filing of Columbia Gas Transmission, LLC, Docket No. RP20-1060-011 (November 7, 2024).

Commission lacks a record to approve the Filed Modified LPS Plan and the costs incurred thereunder. The Industrial Group asserts that the Commission must not accept Columbia's deficient LPS plan because, according to the Settlement, Columbia can recover the costs of any projects undertaken pursuant to a Commission-approved LPS plan in the next rate case, and such costs will be presumed to be prudently-incurred. Given the deficiencies listed below, the Commission must reject the Filed Modified LPS Plan or determine that there is no record evidence provided to determine that the costs undertaken under the Filed Modified LPS Plan are prudently incurred as provided in the Settlement.

## **II. Background**

The Steering Committee was formed pursuant to Article X.C. of the Settlement to provide input from interested customers and other parties<sup>4</sup> with regard to the consultants' report (Settlement, Article X.D., X.E.) and the development of Columbia Transmission's LPS Plan (Settlement, Art. X.F., X.G.) to resolve the long-standing GHG/LAUF emissions and related remediation and continued service issues associated with Columbia Transmission's Low-Pressure System.<sup>5</sup> In the initial rate case filing in this docket, Columbia proposed to modernize its aging low-pressure system in a multi-year proposal that it estimated at the time would cost approximately \$1.68 billion.<sup>6</sup> Columbia presented the initial LPS plan to the Steering Committee on May 3, 2023

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<sup>4</sup> The entire Steering Committee was composed of: Columbia Gas Transmission, LLC; Mountaineer Gas Company; Columbia Gas of Pennsylvania, Inc.; UGI Utilities, Inc. – Gas Division; Baltimore Gas and Electric Company; Diversified Energy Marketing LLC and Diversified Production LLC; Gas and Oil Association of WV, Inc.; Industrial Group representatives (AF&PA, IECA, PGC, and OMA); Antero Resources Corporation; Exelon Generation Company, LLC; Indicated Shippers (Direct Energy Business Marketing, LLC, Interstate Gas Supply, Inc., and Shell Energy North America (U.S.), L.P.) and the Pennsylvania Office of Consumer Advocate, as well as the Consultant (non-voting). Trial Staff was originally included as a member, but was subsequently removed after the Commission required its removal in the Settlement Approval.

<sup>5</sup> See generally, Settlement Appendix G, "Representations from Columbia Regarding the LPS."

<sup>6</sup> Tariff Filing of Columbia Gas Transmission, LLC, Docket No. RP20-1060-000 (July 31, 2020) at 8.

and failed to obtain sufficient votes from 9 of the 12 members of the Steering Committee to approve the LPS Plan. On June 15, 2023, Columbia presented a revised PS plan to the Steering Committee and again failed to garner the required 9 votes. On July 13, 2023, Columbia presented the LPS Plan to all shippers and state regulatory agencies for a vote as required by the Settlement (Art. X.G.2 and X. G.3). It failed to receive support from the 75 percent of the billing determinants of all firm shippers on the system that is required for a plan to be considered a Consensus LPS Plan under the Settlement. Thus, on August 25, 2023, Columbia filed its Non-Consensus LPS Plan (“Filed LPS Plan”) as required by Article X.G.6 of the Settlement.<sup>7</sup>

On September 6, 2023, the Industrial Group filed a joint protest of the Filed LPS Plan.<sup>8</sup> The Industrial Group noted several deficiencies in the plan. The Industrial Group criticized Columbia’s failure to provide detailed information regarding specific reductions to LAUF on a project-level basis and stated that Phase 1 of the Filed LPS Plan merely contains a list of projects and a broad target for Phase 1 LAUF reductions. The Industrial Group also argued that Columbia failed to provide a Phase 1 LAUF reductions and a detailed assessment of the LPS and failed to determine the most cost-effective solution among the options of replacement, remediation, abandonment, and divestiture. The Industrial Group requested that the Commission reject Columbia’s compliance filing and order Columbia to refile its Filed LPS Plan with an analysis of each segment of the LPS and information regarding the specific alternative solutions that were considered for each segment.

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<sup>7</sup> Tariff Filing of Columbia Gas Transmission, LLC, Docket No. RP20-1060-010 (August 25, 2023) (the “Modified LPS Filing”).

<sup>8</sup> Protest of American Forest & Paper Association *et. al.*, Docket No. RP20-1060-010 (September 6, 2023).

Also on September 6, 2023, the Indicated Members of the Steering Committee submitted a Joint Supplemental Protest (the “Supplemental Protest”) to provide information as to the input of the Steering Committee into the Filed LPS Plan.<sup>9</sup> The Supplemental Protest explained that Indicated Steering Committee members raised numerous concerns regarding the LPS Plan presented to the Steering Committee, none of which appear to have been reflected in the Filed LPS Plan and that, far from being a joint, collaborative process with all parties pulling together, as suggested by Columbia in its Transmittal Letter, the role of the Steering Committee ultimately was mere window dressing for a unilateral Filed LPS Plan authored and designed exclusively by Columbia Transmission despite the substantial investment of time and effort by the Steering Committee members.

On July 9, 2024, the Commission issued an order (the “July 9 Order”)<sup>10</sup> rejecting the LPS Plan filed by Columbia and directed Columbia to modify its plan. Columbia was also directed to repeat the voting process described in Article X.G within four (4) months of the July 9 Order. In the July 9 Order, the Commission pointed out that article X.F.1 specifies that the LPS Plan must include intermediate and ultimate GHG/LAUF-reduction targets, with specific deadlines. The Commission noted that Columbia’s Phase 1 contains an intermediate target of 4.6 Bcf/year at the end of Phase 1. The Commission noted that Columbia’s Phase 2 did not contain LAUF-reduction targets. Therefore, while the Commission found that the Filed LPS Plan fulfills the requirement to provide an “intermediate” target, it does not fulfill the requirement in Article X.F.1.a.i of the Settlement to provide an “ultimate target.”<sup>11</sup>

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<sup>9</sup> Joint Supplemental Protest of Indicated Steering Committee Members, Docket No. RP20-1060-010 (September 6, 2023).

<sup>10</sup> *Columbia Gas Transmission, LLC*, 188 FERC ¶ 61,019 (2024).

<sup>11</sup> July 9 Order at P 32.

The July 9 Order noted that the LPS Report issued in connection with the Settlement (the “LPS Report”) was described as containing numerous recommendations, with budget and timeline estimates and detailed assessments, for every segment of the LPS system. However, except for the projects listed in Phase 1, the Filed LPS Plan did not implement these recommendations, as seemingly required by the first sentence of Article X.F.1 of the Settlement. Specifically, the Commission found that Article X.F.1.b of the Settlement requires “Preliminary project budget estimates and timelines for each project,” as discussed in the LPS Report.<sup>12</sup> Therefore, the Commission required Columbia to modify the Filed LPS Plan to include a list of project estimates as per Article X.F.1.b of the Settlement.

The Commission noted that Columbia’s Phase 2 contained a disclaimer: “All potential GHG/LAUF mitigation described above is not reflective of any new or additional GHG/LAUF that already has or could arise past March 31, 2022.”<sup>13</sup> The Commission found that this disclaimer does not excuse Columbia’s failure to meet the settlement requirements. The July 9 Order found that the settlement already establishes that these specific proposals, and the allocation of costs, are preliminary and subject to change in Columbia’s upcoming rate case. For example, the inclusion of “the potential elements of a Phase 2 of the FERC-Approved LPS Plan” does not bind Columbia to execute or pay for them; it merely binds Columbia “to preliminarily discuss” them, as per Article X.K. of the Settlement.<sup>14</sup> The Commission found that Columbia’s Phase 2 disclaimer, while accurate in and of itself, cannot replace the need for an ultimate GHG/LAUF-reduction target backed by specific proposals.

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<sup>12</sup> *Id.* at P 33.

<sup>13</sup> *Id.* at P 34.

<sup>14</sup> *Id.*

The Commission noted that Article X.G.8 of the Settlement provides that the “Commission may accept, reject, or modify the Filed LPS Plan” and that, if the Commission rejects or makes material modifications to the filed LPS Plan, Columbia must repeat the Article X.G process within four months after the date of the Commission’s order.<sup>15</sup> The Commission directed Columbia to modify the Filed LPS Plan to retain Phase 1, but to revise Phase 2 such that it includes the elements listed in Article X.F.1 of the Settlement.

Columbia made modifications to the LPS Plan (“Modified LPS Plan”) and presented the Modified LPS Plan to the Steering Committee for a vote on July 30, 2024. Approval of the Modified LPS Plan also required the support of no fewer than nine (9) of the twelve (12) voting members of the LPS Steering Committee as well as the affirmative vote of Columbia. The Modified LPS Plan did not receive nine (9) votes, and, on August 29, 2024, Columbia again presented its Modified LPS Plan to the Steering Committee for a vote. The Modified LPS Revised Plan did not obtain nine (9) votes.

Subsequently, consistent with Article X.G of the Settlement, Columbia presented the Modified LPS Plan to all shippers and state regulatory agencies on September 24, 2024. The shippers were given two (2) weeks to vote on the Modified LPS Plan. To be considered a “Consensus Modified LPS Plan,” a plan must be supported or not opposed by at least seventy-five percent (75%) of the firm billing determinants of all firm transportation shippers at the time of the vote, provided that a negative vote of a State Commission or its authorized representative supersedes the affirmative vote of any shipper that the State Commission regulates. The Modified LPS Plan did not meet the 75% threshold required for it to be labeled a “Consensus LPS Plan.”<sup>16</sup>

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<sup>15</sup> *Id.* at P 35.

<sup>16</sup> It is highly significant that the Shippers voted to withhold approval of the Modified LPS Plan considering how heavily conditions were biased towards the Modified LPS Plan being deemed approved. To register a vote against

Subsequently, on November 7, 2024, Columbia filed the Filed Modified LPS Plan in this subdocket. In its November 7, 2024, filing, Columbia states that in compliance with the July 9 Order, Columbia is including a list of potential projects for each of the five LPS segments identified in the LPS Report along with the original cost estimates and a timeline for completion from the start of construction. Phase 2 LPS Plan projects are described in Attachment B. Columbia indicates that these projects are for “illustrative purposes only and are provided to aid in the preliminary discussions of potential elements of a Phase 2.”<sup>17</sup> The timeline identified for each project starts once all applicable permitting, approvals, materials, and land access has been secured and the project begins construction. Columbia has identified an ultimate GHG/LAUF target of 4 Bcf by December 31, 2030, conditioned on a variety of factors including, but not limited to, any changes in operations, meaningful changes in receipt and deliveries, and a substantial amount of the Inez-Walbridge and Spencer segments having been remediated, abandoned, or divested.

### **III. Protest**

The Industrial Group notes that once again, Columbia has failed to meet the requirements of the Settlement as directed by the Commission. As the Commission noted, Columbia is required to meet the requirements of Article X.F.1 of the Settlement, which is to implement the requirements of the LPS Report prepared by a third-party consultant (the “Consultant”), which contains the information specified in Article X.E. Columbia has failed to provide a plan that addresses all of the elements of the settlement. Columbia failed to include a detailed assessment of the LAUF from each segment of the LPS or determine the most cost-effective solution among

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the Modified LPS Plan, Shippers had to complete a number of steps. Shippers first had to obtain and execute Columbia’s confidentiality agreements, then obtain and review the Modified LPS Plan and supporting materials, and then register their opposition. The Billing Determinants of any Shipper that did not complete this process were deemed to be “not opposed.”

<sup>17</sup> Modified LPS Filing at 7.

the options of replacement, remediation, abandonment, and divestiture for the LPS segments. According to the Settlement, the purpose of the LPS Report is to provide an objective and detailed study of the LPS facilities, and to identify the GHG/LAUF emissions associated with those facilities and the cost to address those emissions, in order to assist Columbia in its development and drafting of an LPS Plan to implement the Report.<sup>18</sup>

The final LPS Report produced by the Consultant, and approved by the Steering Committee, was required to address the following:

- (a) the *sources of GHG/LAUF* on the LPS and the relative impact of each source on the total GHG/LAUF on the LPS;
- (b) the scale of **methane leaks as assessed on each LPS Segment**;
- (c) the **cost, feasibility, likely timing, and GHG/LAUF reductions anticipated to result from each of the following solutions** (as both stand-alone solutions and in combination with other recommended solutions), for each of the five (5) LPS Segments:
  - (i) **Abandonment by sale** of some or all of the LPS to a third party or impacted local distribution customer (“LDC”) (subject to the conditions contained in Article X.M);
  - (ii) **Physical abandonment** of some or all of the LPS (subject to the conditions contained in Article X.N);
  - (iii) **Physical remediation** of some or all of the LPS with continued ownership by Columbia; and
  - (iv) Other feasible and **cost-effective solutions** identified by the Consultant.
- (d) Any factors affecting safety, continuity of service, or terms or conditions of service arising from the solutions identified in response to Article X.E.3(c)(i)-(iv);
- (e) **Recommendations, based on gross quantities of GHG/LAUF mitigation and best value per unit of GHG/LAUF mitigation, for prioritizing remediation, divestiture, and physical abandonment in a manner that maximizes reduction of methane leaks** and ensures public safety;
- (f) Recommended methodology for future use in determining the portion of LAUF on the LPS that is attributable to methane leaks;
- (g) Recommendations for monitoring the GHG/LAUF emissions from the LPS; and

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<sup>18</sup> See Settlement at Art. X.E.(emphasis added).

- (h) Identification of any and all federal, state, and local regulatory approvals needed for each of the solutions identified in response to Article X.E.3(c)(i)-(iv) with an associated estimated timeline for obtaining such regulatory approvals.<sup>19</sup>

After presenting the LPS Report on October 24, 2022, Columbia was required to prepare a plan to implement the final LPS Report (“LPS Plan), including “Preliminary project budget estimates and timelines for each project within each LPS subsystem associated with the LPS Plan implementation, *including project cost caps for each discrete project based on the Final LPS Report.*”<sup>20</sup>

The Filed Modified LPS Plan only provides estimated replacement/repair costs for each project. There is no support for any of the costs provided. Also, there is no discussion of the LAUF emissions from each segment or other requirements of the plan to be implemented, such as the cost of both stand-alone solutions (or in combination with other solutions) of “Abandonment by sale of some or all of the LPS to a third party or impacted local distribution customer,” “Physical Abandonment of some or all of the LPS” or “Physical Remediation,” as discussed in the Settlement. Consequently, there is no basis to discuss whether it would be better from a cost-effectiveness perspective or LAUF-reduction perspective to simply abandon parts of the low pressure system. Moreover, there is no discussion of the option to divest portions of the low pressure system that are being used to serve distribution load to the impacted LDCs.

In one glaring example, Appendix A of the Filed Modified LPS Plan includes the \$37,500,000 replacement of a ~10.1 mile section of 6” pipe on the Rimersburg System (Pipeline 4010), which was installed in 1927 with an MAOP of 50 psig. The plan cites an extensive leakage

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<sup>19</sup> Settlement at Art. X.E.(emphasis added).

<sup>20</sup> *Id.* at Art. X.F.

and corrosion history, which has left the pipe with twelve (12) unrepaired leaks (more than one per mile), as the sole rationale for replacing all of the remaining bare steel. It seems reasonable to infer that these conditions have continuously deteriorated and left this line operating in an increasingly compromised condition over several years. It also seems reasonable to infer that the maintenance and upkeep of this line was effectively abandoned long ago. It is therefore not reasonable for Columbia to now replace this line, at an average cost of \$3.75 million per mile, without any support as to why this replacement it is more cost-effective than recognizing the abandonment of this line that has already effectively taken place.

The reason the Commission must not accept the deficient LPS Plan proposed by Columbia is that pursuant to the Settlement, the Commission's acceptance of the LPS Plan allows Columbia to claim that the costs of any projects undertaken pursuant to the plan are prudently incurred in the next rate case. The Settlement provides that "[a]ny capital expenditures incurred by Columbia to implement Columbia's FERC-Approved LPS Plan are presumed to be prudently incurred and may be included in Columbia's next general NGA section 4 rate case; provided, however, that customers reserve the right to challenge rate recovery associated with any expenditures that: (a) relate to activities not part of the FERC-Approved LPS Plan; or (b) relate to material cost increases above the individual project cost levels established per Article X.F.1(b) above."<sup>21</sup> There is no record evidence for the Commission to make a determination that the costs are prudently incurred in the deficient plan proposed by Columbia. While Columbia has claimed in the past that the projects serve "multiple" producers and consumers, Columbia does not provide any detailed data; specifically, Columbia's filing fails to:

- Indicate how many producers and/or consumers are served over these lines or whether these "consumers" are shippers on the pipeline or distribution customers of the LDCs

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<sup>21</sup> See Settlement at Art. X. H.

being served off of these low-pressure, small diameter lines or producers using the lines as gathering facilities.

- Provide an estimate of the LAUF savings for each project.
- Provide any detailed explanation of the alternatives it considered for each project.
- Provide any support for Columbia's decision to replace or remediate pipeline versus abandon pipeline either by physical abandonment or abandonment by sale to the producers using the pipeline for gathering or to LDCs using the pipeline to serve consumers or to a third party.

For these reasons, the Industrial Group submits that Columbia must submit an LPS Plan that includes the information specified by the Settlement in order to implement the LPS Report, including providing cost support for the cost estimates, identification of the LAUF savings for each segment of the LPS, analysis of the costs of the solutions of remediation, abandonment or divesture solutions, and analysis supporting the determination of the cost-effective solution for each segment of the LPS. Thus, the Industrial Group submits that the Commission must reject the Filed Modified LPS Plan and direct Columbia to include information that addresses the requirements of the Settlement. Failure to do so will result in Columbia being able to pass through any costs of any projects it undertakes under the plan to consumers, including the Industrial Group, with no basis for the costs of such projects, no analysis of whether they are cost-effective solutions to the LAUF issues, and no record evidence that would allow the Commission to determine that such costs are prudently incurred.

/s/ Andrea J. Chambers

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at New York, NY this 19th day of November, 2024.

/s/ Daniel P. Barron  
Daniel P. Barron