



December 30, 2013

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602

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**DEC 30 2013**

**PUBLIC SERVICE  
COMMISSION**

Re: Columbia Gas of Kentucky, Inc.  
PSC Case No. 2013-00162

Dear Mr. Derouen,

Pursuant to the Commission's Order in Case No. 2013-00162 and Sheet 51d of its tariff, Columbia Gas of Kentucky, Inc., hereby submits its Energy Efficiency/Conservation Program Report and revised tariff to be effective with meter readings beginning with its February Unit 1 bills on January 30, 2014. Should you have any questions about this filing, please contact me at 614-460-5558. Thank you.

Very truly yours,

A handwritten signature in cursive script that reads 'Brooke E. Leslie / eb'.

Brooke E. Leslie  
Senior Counsel

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Year End Program Results  
 Filing Date: December 30, 2013

Program Year End: October 31, 2013

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EECPCR - Energy Efficiency/Conservation Program Cost Recovery

<b>Actual Program Costs</b>			
Energy Audit Program	\$	302,235	
High-Efficiency Appliance Rebate Program	\$	443,083	
Furnace Replacement Program	\$	704,940	
CKY Program Administration	\$	20,325	
Total Program Costs			\$ 1,470,583
<b>TOTAL EECPCR</b>			<b>\$ 1,470,583</b>

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EECPLS - Energy Efficiency/Conservation Program Lost Sales

	# of Participants	Mcf Conserved	Distribution Charge	Lost Sales
<b>Current Year Program Participation</b>				
Furnace Replacements	264	1,742.4	\$ 1.8715	\$ 3,261
Appliance Rebates	1,194	7,641.6	\$ 1.8715	\$ 14,301
Residential Energy Audits	1,399	4,197.0	\$ 1.8715	\$ 7,855
<b>Total Current Year Lost Sales</b>	<b>2,857</b>	<b>13,581.0</b>		<b>\$ 25,417</b>
<b>Cumulative Prior Years Participation</b>				
Furnace Replacements	275	1,815.0	\$ 1.8715	\$ 3,397
Appliance Rebates	2,567	16,428.8	\$ 1.8715	\$ 30,746
Residential Energy Audits	618	1,854.0	\$ 1.8715	\$ 3,470
<b>Total Prior Year(s) Lost Sales</b>	<b>3,460</b>	<b>20,097.8</b>		<b>\$ 37,613</b>
<b>TOTAL EECPLS</b>	<b>6,317</b>	<b>33,678.8</b>		<b>\$ 63,030</b>

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EECPI - Energy Efficiency/Conservation Program Incentive

Actual Program Benefits (Schedule C)	\$	766,106
Less: Actual Program Costs	\$	(1,470,583)
<b>Net Resource Savings</b>	<b>\$</b>	<b>(704,477)</b>
Incentive Percentage		15%
<b>EECPI</b>	<b>\$</b>	<b>-</b>

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EECPBA - Energy Efficiency/Conservation Program Balancing Adjustment

Actual Recovery EECPRC 11/1/09 through 10/31/13	\$	3,971,535
Actual Program Costs EECPRC 11/1/09 through 10/31/13	\$	3,460,086
<b>EECPBA Under (Over) Recovery</b>	<b>\$</b>	<b>(511,450)</b>
Interest (1)	\$	(678)
Total Including Interest	\$	(512,128)
Estimated Bills		1,421,809
<b>EECPBA Rate</b>	<b>\$</b>	<b>(0.36)</b>

(1) Interest equal to the average of the 3-month Commercial Paper Rate for the immediately preceding 12-month period. Interest for the period is .1325%

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule A - Current Year Participation Detail

Schedule A

Program Year End: October 31, 2013

	Program	Mcf Conservation (1)	
	Participants	Per Participant	Total
<b><u>A. Low-Income Furnace Replacement Program</u></b>			
Furnace Replacements	264	6.6	1,742.4
<b><u>B. High-Efficiency Appliance Rebates</u></b>			
Residential Rebates	1,194	6.4	7,641.6
<b><u>C. Energy Audits</u></b>			
Residential Energy Audits	1,399	3.0	4,197.0
<b>Total - A. B. C.</b>	<b>2,857</b>		<b>13,581.0</b>

(1) Estimates based on budget and guidelines as submitted in Case No. 2009-00141

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule B - Cumulative Prior Years Program Participation

Schedule B

Program Years: November 1, 2009 through October 31, 2012

	2010	2011	2012	Cumulative Total
<b>Program Participants</b>				
<b><u>A. Low-Income Furnace Replacement Program</u></b>				
Furnace Replacements	24	91	160	275
<b><u>B. High-Efficiency Appliance Rebates</u></b>				
Residential Rebates	-	1,429	1,138	2,567
<b><u>C. Energy Audits</u></b>				
Residential Energy Audits	183	277	158	618
<b>Total</b>	<b>207</b>	<b>1,797</b>	<b>1,456</b>	<b>3,460</b>
<b>Total Conservation Mcf</b>				
<b><u>A. Low-Income Furnace Replacement Program</u></b>				
Furnace Replacements	158.4	600.6	1,056.0	1,815.0
<b><u>B. High-Efficiency Appliance Rebates</u></b>				
Residential Rebates	-	9,145.6	7,283.2	16,428.8
<b><u>C. Energy Audits</u></b>				
Residential Energy Audits	549.0	831.0	474.0	1,854.0
<b>Total</b>	<b>707.4</b>	<b>10,577.2</b>	<b>8,813.2</b>	<b>20,097.8</b>
<b>Total Lost Sales (Mcf)</b>	<b>707.4</b>	<b>10,577.2</b>	<b>8,813.2</b>	<b>20,097.8</b>

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule C - Calculation of Program Benefits

Schedule C

Program Year End: October 31, 2013

Current Year Conservation (Mcf) 13,581.0 (1)

Year	(1) Mcf Conserved	(2) Gas Cost	Commodity Savings
2013	13,581.0	\$ 7.1215	\$ 96,716
2014	13,581.0	\$ 7.7301	\$ 104,982
2015	13,581.0	\$ 7.8006	\$ 105,941
2016	13,581.0	\$ 8.3022	\$ 112,752
2017	13,581.0	\$ 8.6648	\$ 117,676
2018	13,581.0	\$ 9.1940	\$ 124,864
2019	13,581.0	\$ 9.1166	\$ 123,813
2020	13,581.0	\$ 8.8695	\$ 120,457
2021	13,581.0	\$ 9.3008	\$ 126,314
2022	13,581.0	\$ 9.5838	\$ 130,157
<b>Total Commodity Savings</b>	<b>122,229.0</b>		<b>\$ 1,163,672</b>

Discount Rate 8.00%

**Program Benefits** **\$766,106**  
 (present value of commodity savings)

(1) Per Schedule A  
 (2) Per Schedule D

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule D - Commodity Rates

Schedule D

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf	\$/Mcf
Delivery Rate (1)	1.8715	2.2666	2.2666	2.2666	2.2666	2.2666	2.2666	2.2666	2.2666	2.2666
Commodity Purchase Rate (2)	3.8022	4.0157	4.0862	4.5878	4.9504	5.4796	5.4022	5.1551	5.5864	5.8694
Demand Purchase Rate (3)	<u>1.4478</u>	<u>1.4478</u>	<u>1.4478</u>	<u>1.4478</u>	<u>1.4478</u>	<u>1.4478</u>	<u>1.4478</u>	<u>1.4478</u>	<u>1.4478</u>	<u>1.4478</u>
Total	7.1215	7.7301	7.8006	8.3022	8.6648	9.1940	9.1166	8.8695	9.3008	9.5838

(1) Per Case No. 2009-00141, Case No. 2013-00167 effective January 2014

(2) U. S. Energy Information Administration - *Annual Energy Outlook 2014 Early Release*, Henry Hub Spot Price

(3) Per Case No. 2013-00382

**ENERGY EFFICIENCY AND CONSERVATION RIDER  
 ENERGY EFFICIENCY/CONSERVATION PROGRAM COST RECOVERY  
 (Continued)**

**MODIFICATIONS TO EECPRC (continued)**

Each change in the EECPRC shall be placed into effect with meter readings on and after the effective date of such change.

**Adjustment Factors: Per Meter per Billing Period**

**Residential:**

EECPCR	\$0.61
EECPLS	\$0.03
EECPI	\$0.12
EECPBA	<u>(\$0.36)</u>
Total EECPRC for Residential Customers	\$0.40

**Commercial:**

EECPCR	\$0.00
EECPLS	\$0.00
EECPI	\$0.00
EECPBA	<u>\$0.00</u>
Total EECPRC for Commercial Customers	\$0.00

DATE OF ISSUE	December 30, 2013
DATE EFFECTIVE	January 30, 2014
ISSUED BY	<i>Herold A. Miller Jr.</i>
TITLE	President