



Ms. Gwen Pinson
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

December 28, 2017

RE: Case No. 2016 - 00107

Dear Ms. Pinson:

Pursuant to the Commission's Order of October 11, 2016 in Case No. 2016-00107 and Sheet 51d of its tariff, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits its Energy Efficiency/Conservation Program Report containing supporting documentation and revised tariff to be effective with meter readings beginning with its February Unit 1 bills on January 31, 2018.

If you have any questions, please call me at (859) 288-0242 or email jmcoop@nisource.com. Thank you.

Sincerely,

/s/ Judy M. Cooper

Enclosures

Columbia Gas of Kentucky, Inc.
 Energy Efficiency/Conservation Program
 Year End Program Results
 Filing Date: December 28, 2017

Program Year End: October 31, 2017

EECPCR - Energy Efficiency/Conservation Program Cost Recovery

Actual Program Costs	
Energy Audit Program	\$ 18,262
High-Efficiency Appliance Rebate Program	\$ 396,224
Furnace Replacement Program	\$ 200,845
CKY Program Administration	\$ 68,168
Total Program Costs	<u>\$ 683,499</u>
TOTAL EECPCR	<u>\$ 683,499</u>

EECPLS - Energy Efficiency/Conservation Program Lost Sales

	# of Participants	Mcf Conserved	Distribution Charge	Lost Sales
Current Year Program Participation				
Furnace Replacements	76	501.6	\$ 3.5665	\$ 1,789
Appliance Rebates	1,017	6,508.8	\$ 3.5665	\$ 23,214
Residential Energy Audits	119	357.0	\$ 3.5665	\$ 1,273
Total Current Year Lost Sales	1,212	7,367.4		\$ 26,276
Prior Year Participation				
Furnace Replacements	897	5,920.2	\$ 3.5665	\$ 21,114
Appliance Rebates	7,165	45,856.0	\$ 3.5665	\$ 163,545
Residential Energy Audits	2,467	7,401.0	\$ 3.5665	\$ 26,396
Total Prior Year(s) Lost Sales	10,529	59,177.2		\$ 211,055
TOTAL EECPLS	11,741	66,544.6		\$ 237,331

EECPI - Energy Efficiency/Conservation Program Incentive

Actual Program Benefits (Schedule C)	\$ 259,045
Less: Actual Program Costs	<u>\$ (683,499)</u>
Net Resource Savings	\$ (424,454)
Incentive Percentage	15%
EECPI	<u>\$ -</u>

EECPBA - Energy Efficiency/Conservation Program Balancing Adjustment

Actual Recovery EECPRC 11/1/09 through 10/31/17	\$ 7,580,254
Actual Program Costs EECPRC 11/1/09 through 10/31/17	<u>\$ 7,337,680</u>
EECPBA Under (Over) Recovery	\$ (242,574)
Interest (1)	<u>\$ (2,660)</u>
Total Including Interest	\$ (245,234)
Estimated Bills	1,451,792
EECPBA Rate	<u>\$ (0.17)</u>

(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 1.0967%

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

Schedule A

Program Year End: October 31, 2017

	Program	Mcf Conservation (1)	
	Participants	Per Participant	Total
<u>A. Low-Income Furnace Replacement Program</u>			
Furnace Replacements	76	6.6	501.6
<u>B. High-Efficiency Appliance Rebates</u>			
Residential Rebates	1,017	6.4	6,508.8
<u>C. Energy Audits</u>			
Residential Energy Audits	119	3.0	357.0
Total - A. B. C.	1,212		7,367.4

(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, 2016

	2010	2011	2012	2013	2014	2015	2016	Cumulative Total
Program Participants								
<u>A. Low-Income Furnace Replacement Program</u>								
Furnace Replacements	24	91	160	264	198	98	62	897
<u>B. High-Efficiency Appliance Rebates</u>								
Residential Rebates	-	1,429	1,138	1,194	1,248	1,179	977	7,165
<u>C. Energy Audits</u>								
Residential Energy Audits	183	277	158	1,399	252	116	82	2,467
Total	207	1,797	1,456	2,857	1,698	1,393	1,121	10,529
Total Conservation Mcf								
<u>A. Low-Income Furnace Replacement Program</u>								
Furnace Replacements	158.4	600.6	1,056.0	1,742.4	1,306.8	646.8	409.2	5,920
<u>B. High-Efficiency Appliance Rebates</u>								
Residential Rebates	-	9,145.6	7,283.2	7,641.6	7,987.2	7,545.6	6,252.8	45,856
<u>C. Energy Audits</u>								
Residential Energy Audits	549.0	831.0	474.0	4,197.0	756.0	348.0	246.0	7,401
Total	707.4	10,577.2	8,813.2	13,581.0	10,050.0	8,540.4	6,908.0	59,177.2
Total Lost Sales (Mcf)	707.4	10,577.2	8,813.2	13,581.0	10,050.0	8,540.4	6,908.0	59,177.2

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

Schedule C

Program Year End: October 31, 2017

Current Year Conservation (Mcf) 7,367.4 (1)

Year	(1) Mcf Conserved	(2) Gas Cost	Commodity Savings
2017	7,367.4	\$ 4.1995	\$ 30,939
2018	7,367.4	\$ 4.5690	\$ 33,662
2019	7,367.4	\$ 5.0784	\$ 37,415
2020	7,367.4	\$ 5.5685	\$ 41,026
2021	7,367.4	\$ 5.4655	\$ 40,266
2022	7,367.4	\$ 5.3423	\$ 39,359
2023	7,367.4	\$ 5.3653	\$ 39,528
2024	7,367.4	\$ 5.4855	\$ 40,414
2025	7,367.4	\$ 5.5691	\$ 41,030
2026	7,367.4	\$ 5.6922	\$ 41,937
Total Commodity Savings	73,674.0		\$ 385,575

Discount Rate 7.62%

Program Benefits **\$259,045**
 (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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	\$/Mcf									
Commodity Purchase Rate (1)	2.7179	3.0874	3.5968	4.0869	3.9839	3.8607	3.8837	4.0039	4.0875	4.2106
Demand Purchase Rate (2)	<u>1.4816</u>									
Total	4.1995	4.5690	5.0784	5.5685	5.4655	5.3423	5.3653	5.4855	5.5691	5.6922

(1) U. S. Energy Information Administration - *Annual Energy Outlook 2017*, Henry Hub Spot Price

(2) Per Case No. 2017-00423

**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	(\$0.2417)	— R —
Total EECPRC for Residential Customers	\$0. 55 <u>59</u>	— R —

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 ~~January 20, 2017~~ December 28, 2017
DATE EFFECTIVE January 31, 2018~~7~~
ISSUED BY /s/ Herbert A. Miller, Jr.
TITLE President

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

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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 28, 2017
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