

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC.)
TO AMEND ITS DEMAND-SIDE MANAGEMENT ENERGY) CASE NO.
EFFICIENCY AND CONSERVATION RIDER) 2013-00162

ORDER

On April 26, 2013, Columbia Gas of Kentucky, Inc. ("Columbia") filed with this Commission its application requesting to revise its currently effective Energy Efficiency and Conservation Rider.¹ There are no intervenors in this proceeding; however, Community Action Council of Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. ("CAC"), and the Attorney General's Office of Rate Intervention ("AG") participated in an informal conference ("IC") with Columbia and Commission Staff ("Staff") on May 9, 2013. CAC and the AG were parties to the settlement of Columbia's 2009 rate case which established Columbia's Demand-Side Management ("DSM") Collaborative ("the Collaborative") in which they are participants.² In response to a request by Staff at the May 9, 2013 IC, on May 13, 2013, Columbia supplemented its application with additional information. The case now stands submitted for decision.

Columbia's application in this proceeding requests that its Energy Efficiency and Conservation Rider rate be restored to the \$0.76 per bill rate which was in effect prior to

¹ Columbia requested that the revision be made effective with its June 2013 billing cycle, which will begin May 30, 2013.

² Case No. 2009-00141, Application of Columbia Gas of Kentucky, Inc. for an Adjustment in Rates (Ky. PSC Oct. 26, 2009).

January 30, 2013. On that date, a bill credit of (\$0.24) per bill became effective in order to return \$1,424,106 to customers through its Energy Efficiency Conservation Program Balance Adjustment. Columbia stated that, although participation levels in its DSM programs had not improved as expected through October 2012, the end of its last program year, participation since then has increased dramatically.

After changing the name of its Home Energy Audits program to Home Energy Checkups, Columbia stated, an overwhelming response generated a backlog in the program that would not be eliminated until May 2013. Columbia's application also reflected increased participation in the Low Income Furnace Replacement program, averaging 30 customers per month and appearing likely, according to Columbia, to increase to 35 customers per month.

Columbia's Energy Efficiency/Conservation Program has an annual budget of \$908,000. Columbia reported that it had spent \$690,258 during the period November 2012 through February 2013, leaving \$217,742 in program funds available for the remainder of the current program year, which runs through October 2013. Columbia's supplemental information, filed May 13, 2013, showed that it had spent \$1,024,205 through April 2013, leaving its funds depleted for the program year.

Columbia stated in its application and informed Staff at the IC that the Collaborative had agreed for Columbia to request the discontinuance of its current bill credit and the reinstatement of its \$0.76 rate. This would make available funds of approximately \$750,000 that have not yet been refunded to customers through the current (\$0.24) per bill credit. For the period February 2013 through April 2013, Columbia reported that approximately \$674,106 of the original \$1,424,106 carry-over

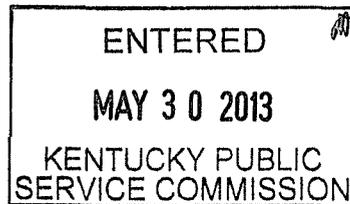
amount had been returned to customers through the bill credit. CAC and the AG confirmed at the IC that they had no objection to Columbia's returning to its previous surcharge rate and discontinuing the current bill credit.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the information contained in Columbia's application, the IC memo filed into the record in this proceeding, as well as supplemental information filed by Columbia, are in sufficient detail to support the reasonableness of Columbia's proposal to restore its previous \$0.76 per bill Energy Efficiency and Conservation Rider rate.

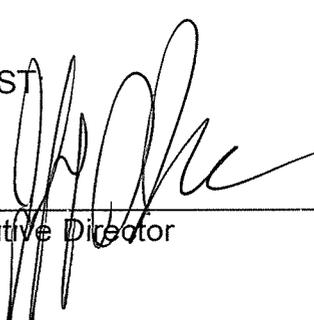
IT IS HEREBY ORDERED that:

1. Columbia's proposal to revise its Energy Efficiency and Conservation Rider rate to the \$0.76 per bill rate previously charged is approved to become effective May 30, 2013.
2. Within 20 days of the date of this Order, Columbia shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission



ATTEST



Executive Director

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