

**COLUMBIA GAS OF KENTUCKY, INC.  
RESPONSE TO THE ATTORNEY GENERAL'S  
INITIAL DATA REQUESTS  
DATED MAY 18, 2018**

1. Fully explain the reasoning behind Columbia's initial introduction of DSM/EE programs.

**Response:** Columbia's initial introduction of DSM/EE programs was proposed by application in Case No. 2009-00141, *In the Matter of Adjustment of Rates of Columbia Gas of Kentucky, Inc.*, in accordance with the requirements of KRS 278.285 and most recently re-authorized by Order in Case No. 2016-00107 The programs were introduced to encourage energy efficiency and conservation by customers and provide a financial incentive to the utility to promote energy efficiency and conservation. It was implemented to create a Total Resource Cost savings to Columbia and its customers.

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2. Refer to Columbia's Energy Efficiency/Conservation Program Report filed December 18, 2017. The number of Program Participants peaked for all programs in 2013, and declined each year until 2017, when participation again increased across the board.

- a. Explain whether the Company solicited customer feedback regarding program efficacy and exposure/availability.
- b. Explain whether the Company made any changes to the programs, or program advertising based on any such customer feedback.
- c. Explain Columbia's current method for soliciting customer feedback and incorporating ideas regarding its DSM/EE programs.

**Response:** Customer awareness of energy efficiency programs is solicited from Columbia's residential customers by J. D. Power. Please see response to the Commission Staff's First Request, Question No. 4. Feedback is also obtained

from experience. From its experience, Columbia has observed that its customers respond to promotional efforts and this feedback has been used to target communications to customers about the Energy Efficiency Conservation program offerings. Columbia's customers that participate in the Home Energy Audit or "Check-up" receive a follow-up survey and Columbia has received very positive feedback from these customers. It was feedback from customers that resulted in Columbia promoting the Home Energy Audit as a "Home Energy Checkup" because customers thought that "audit" had a negative connotation.

Columbia's DSM Collaborative provides feedback, generates suggestions and new ideas, and is engaged in discussion about any changes to the program. The Collaborative has also reviewed Columbia's promotional efforts and spending. This feedback was utilized in preparation of the proposals submitted in Case No. 2016-00107 *Tariff Application of Columbia Gas of Kentucky, Inc. To Continue Its Energy Efficiency Conservation Rider and Energy Efficiency Conservation Program*, which was approved by Order issued October 11, 2016.

In addition, Columbia has more recently created "My Energy Insights". This is the name given a panel of Columbia residential customers that have agreed to provide feedback on a variety of topics, including energy efficiency, via e-mail surveys and offers the voice of the customer internally.

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3. State whether Columbia's overall customer base has been declining, growing, or remained stable over the past five years.
  - a. Fully explain any trends in this data, and whether future variability in its customer base has any impact on Columbia's planned DSM/EE program offerings.
  - b. Provide any and all studies, analyses, and workpapers which evidence Columbia's planning for these programs.

**Response:** Columbia's customer base has expanded and contracted over the past five years with less than a 1% increase overall. A review of residential customers shows the number of Columbia's residential customers decreased from 117,894 in 2013 to 117,815 in 2014, then increased in 2015 to 118,337 and again in 2016 to 119,024, then decreased in 2017 to 118,988.

Columbia's DSM/EE offerings were most recently approved through June 30, 2021 in Case No. 2016-00107. As a result, Columbia is not currently proposing any planned changes to its DSM/EE offerings for its customer base.

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4. Fully explain whether there are any aspects of the Company's current DSM program it considers to be not cost-effective.
  - a. If so, explain whether the Company can take steps to mitigate these costs, describe any such steps, and explain whether it has already taken any such action.
  - b. If so, explain whether the Company thinks DSM spending in its program is justified.

**Response:** Please see response to Commission Staff's First Request, Question No. 1. Additionally, Columbia believes the program offerings and current recovery methodology are cost effective and justified. Columbia is very mindful of the costs associated with managing the program and seeks to most efficiently utilize expenditures and minimize administration costs.

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5. Fully describe Columbia's current DSM programs which are targeted to low-income customers.
  - a. Explain whether the Company intends to increase or decrease the program offerings in this area in the near future.
  - b. Explain the reasoning behind any such changes.

**Response:** Columbia's DSM program targeted to low-income customers is the Modified Low-Income High Efficiency Furnace Replacement Program. The program works in partnership with the Community Action Council to replace old, non-working or inefficient furnace equipment with high-efficiency models for income-eligible customers. The measure was modified in Case No. 2016-00107 to allow the cost per installation to increase from \$2,200 to \$2,800 per participant. Columbia has no plans to change any aspect of the low-income offering in the near future.