COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO COMMISSION STAFF'S
FIRST REQUESTS FOR INFORMATION
DATED JUNE 6, 2018

1. Refer to Columbia's Response to Staff's First Request for Information, Item 1 ("Staff's First Data Request").

a. Refer to page 3.

(1) Explain why the benefit/cost ratios were calculated over a 20-year analysis period.

(2) Provide support as to why a 20-year analysis period should be continued.

b. Refer to Attachment 1. Also, refer to Columbia's Revised Response to Staff's Second Data Request, Item 1, Attachment 1 from Case No. 2016-00107.[1]

(1) Explain why the Total Resource Cost ("TRC") score for the Audit Program increases from 2.63 to 4.23.

[1] Case No. 2016-00107, Tariff Application of Columbia Gas of Kentucky, Inc. to Continue its Energy Efficiency Conservation Rider and Energy Efficiency Conservation Program (Ky. PSC filed June 2, 2016).

(2) Explain why the TRC score for the High-Efficiency Furnace Rebate Program increases from 1.77 to 2.50.

(3) Explain why the TRC score for the Low Income High-Efficiency Furnace Replacement Program increases from 0.88 to 1.06.

c. Provide in Excel spreadsheet format all results and supporting calculations for each California Test for each individual Demand-Side Management program and for the program as a whole. The response should be in sufficient detail that all inputs to the calculations can be seen, specifically, the inputs to each test's benefits, avoided costs, costs, lost revenue, and escalation factors, if applicable.

Response:

a. (1) A 20-year analysis period was selected because the life of the equipment and benefits from Columbia's DSM programs are expected extend to 20 years or longer. For example, the expected life of a high efficiency furnace is at least 20 years. Similarly, many home or behavioral improvements that a customer would make as a result of an energy audit would extend for 20 years or more. A 20-year analysis period is also

consistent with evaluation periods used by other utilities in Kentucky to evaluate cost/benefits of DSM programs.

(2) The analysis period should be continued because of the reasonableness of the use of a 20-year period as discussed in response to question a(2), above.

b. The TRC scores increased from those shown in Data Request, Item 1, Attachment 1 from Case No. 2016-00107 because a higher cost of natural gas was utilized in the benefit/cost analysis performed in the current proceeding.

c. The Excel spreadsheets are attached (PSC2-1 Attachment A.xls and PSC2-1 Attachment B.xls).

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2. Confirm if the value of the program benefits is based on 2009 engineering estimates of Mcf.

a. If these estimates have been updated, provide the engineering study.

b. If these estimates have not been updated, provide support to the continual use of 2009 estimates.

Response:

Confirmed.

a. The engineering estimates have not been updated.

b. It is not anticipated that the engineering estimates of energy savings would have changed since 2009, specifically because high-efficiency furnace technologies and other energy efficiency measures for natural gas have not changed materially during the last decade. Customers are still replacing

appliances of the same vintages as when the program was created and performing energy efficiency improvements at premises that were existing when the program was created; therefore, the engineering estimates should still be valid. The energy savings from the programs are therefore expected to be as great or greater than they were in 2009.