

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO COMMISSION STAFF'S INFORMATION REQUESTS
SET THREE
DATED JANUARY 31, 2020

1. Refer to Community Action of Kentucky, Inc.'s (CAK) Response to Staff's First Request for Information, Attachment A, which contains CAK's recommendations for revisions to HEA programs. If the Commission were to implement each recommendation, explain how implementing the recommendation would impact your utility, addressing in detail any perceived benefits, adverse consequences, or impediments to implementing the recommendations.

Response: The recommendations as provided by CAK are not clear enough for Columbia to be able to address in detail the impact, benefits, adverse consequences and impediments. A number of the recommendations seem to already be elements of Columbia's Energy Assistance Program. CAK appears to have a misunderstanding about some aspects of Columbia's HEA program because the example using Columbia, on CAK's Response to Staff's First Request for Information, Attachment A, Page A-4, is inaccurate. Columbia suggests the Commission consider the formation of a working group that would include

Commission participants and the parties to this investigation to bring forward recommendations that would meet the Commission's purpose of creating uniformity in HEA programs across the Commonwealth and ensuring effective and accountable HEA programs that are consistently applied, more beneficial to and easily accessed by eligible low-income customers, and result in increased benefits to all ratepayers.

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2. Identify any other bill payment assistance programs, other than those listed on the attached spreadsheet, that your utility funds either through customer donations or shareholder funds. Describe all funding sources for the program(s); state whether the program is a crisis program or recurring benefit program; provide the eligibility criteria; and state whether any fees are paid to administer the program(s).

Response: Columbia does not fund any other bill assistance programs.

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3. Explain whether HEA benefits are prioritized or provided before or after other available benefits, such as LIHEAP, donations, or other programs aimed at reducing consumers' energy burdens.

Response: HEA benefits are not prioritized or provided based on other available benefits.

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4. Refer to Columbia's response to the Attorney General's Initial Request for Information, Item 1.
 - a. Explain how Community Action Council for Lexington-Fayette, Bourbon, Harrison & Nicholas Counties (CAC) interacts with the process described by Columbia.
 - b. Explain in detail Columbia's participation with the Winter Care Energy Fund.

Response:

- a. CAC is identified by Winter Care as being the authorized agent to provide customer intake and fund disbursement. Other local community action agencies in Columbia's service territory partner with CAC to provide customer intake services. Columbia directs customers identified as being in financial need to contact these agencies to determine eligibility. Once eligibility is determined, Winter Care notifies Columbia of the assistance amount that it will pledge for the

customer. Winter Care receives an amount equal to ten percent (10%) of the total amount credited to the accounts of eligible customers during the preceding month for their administrative expenses incurred. CAC provides Columbia a monthly invoice which details fund disbursement information and administrative expenses.

b. The Winter Care Energy Fund Inc. "Winter Care", is a non-profit corporation established in July, 1983 in order to implement an agreement negotiated between Kentucky Utilities Company, Inc. (K.U.) and the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. which provided that K.U. would solicit contributions for low-income energy assistance from its residential customers. After the original agreement, other companies, including Columbia, entered into similar agreements with Winter Care, expanding its coverage to assist low-income individuals on the basis of financial hardship with paying their heating bills during the winter months. Columbia's contributions to Winter Care are a combination of company and customer dollars.

In 1985, Winter Care, Columbia and the Citizens Energy Corporation ("Citizen's Energy") joined in an energy assistance funding program, wherein Citizens Energy purchases low cost natural gas and resells it to Columbia at the

latter's average purchase price. Citizen's Energy is a non-profit organization founded in 1979 to aid the poor and headquartered in Boston, Massachusetts. The proceeds from the sale, not to exceed \$90,000 annually, are contributed to Winter Care for energy assistance to low-income Columbia customers. Columbia solicits contributions from its customers for Winter Care, and in addition to voluntary customer contributions, Columbia shareholders provide \$45,000 annually in funding to Winter Care for energy assistance to eligible Columbia customers.

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5. Refer to Columbia's response to the Attorney General's Initial Request for Information, Item 2. Explain why the available enrollment slots in 2018 were 500 less than 2014 through 2017.

Response: Columbia's HEA Program is designed to serve approximately 850 participants with an annual budget of \$675,000. Any unexpended funds are returned to the pool at the end of each program year. While the annual budget remains at \$675,000 it is adjusted to include any unexpended funds from the previous program year. Because the amount of unexpended funds was less in 2017 than in the previous year fewer enrollment slots were made available for program year 2018.

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6. Refer to Columbia's response to Staffs Second Request for Information, Item 6. The request sought the "calculation and derivation of the customer benefit levels," not the "average benefit level paid" for a program year. Explain, in detail, how Columbia determined what "fixed amount of credit" should be provided on customers' bills, as discussed in its response to Item 1. Said differently, how, when, and why was it determined that the maximum benefit for a participant in a program year is \$600?

Response: The maximum program benefit and distribution of a fixed bill credit during the five winter heating months of November through March were program guidelines developed at the outset of Columbia's Energy Assistance Program ("EAP"). The details were established by a collaborative consisting of representatives from Columbia, the CAC, the Kentucky Attorney General's office and the Lexington-Fayette Urban County Government pursuant to the settlement agreement reached in Columbia's Case No. 2002-00145. The program was

designed to assist 850 low-income families within Columbia's service territory. The cost of gas at the time of the program development and historical residential data were utilized to determine the program benefit level and the number of customers to be served.

The idea was to assist eligible customers by providing a set dollar amount each month to align with winter consumption. The subsidy credit is greater during the colder winter months and less during the other heating months (i.e. during January and February the amount of credit is greater than the credit in November).

Each year, Columbia determines the pool of dollars available after the excess credits are returned to the EAP pool and in advance of the enrollment period. Columbia also reviews the number of EAP participants, average bills, cost of gas, excess credits returned to the pool, participant consumption, and heating degree days of the past winter along with administrative costs. Using this information, a determination is then made by Columbia as to the reasonableness of the maximum benefit, monthly bill credit amount and number of participants that it will seek to enroll in the coming enrollment period. The maximum benefit amount and monthly bill credit amounts have been consistently determined to be reasonable. The number of participants that Columbia would seek to enroll has been adjusted,

making assistance available to a greater number of customers than originally anticipated while staying within the established funding limits of the program.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO COMMISSION STAFF'S AMENDMENT
TO INFORMATION REQUESTS
SET THREE
DATED JANUARY 31, 2020

1. For each HEA program, provide the following information for each of the last five full program years:
 - a. The average monthly bill for all residential customers for each month from November to March.
 - b. The average monthly bill for residential customers receiving HEA benefits for each month from November to March.
 - c. The average monthly bill for residential customers receiving LIHEAP benefits for each month from November to March.

Response:

a. All Residential

Program Year	Nov	Dec	Jan	Feb	March
2015	\$ 83.10	\$ 145.04	\$ 178.20	\$ 183.18	\$ 165.44
2016	\$ 44.02	\$ 67.86	\$ 96.63	\$ 110.27	\$ 76.06
2017	\$ 45.84	\$ 99.22	\$ 137.30	\$ 115.57	\$ 105.14
2018	\$ 72.68	\$ 123.88	\$ 198.09	\$ 149.93	\$ 109.10
2019	\$ 75.62	\$ 126.95	\$ 137.51	\$ 143.92	\$ 116.78

b. HEA participants

Program Year	Nov	Dec	Jan	Feb	March
2015	\$ 83.54	\$ 134.72	\$ 160.29	\$ 167.61	\$ 157.79
2016	\$ 46.35	\$ 73.96	\$ 105.81	\$ 105.84	\$ 77.16
2017	\$ 48.95	\$ 98.92	\$ 131.59	\$ 110.34	\$ 108.22
2018	\$ 80.76	\$ 118.63	\$ 184.43	\$ 141.42	\$ 107.41
2019	\$ 76.72	\$ 121.80	\$ 133.30	\$ 134.89	\$ 113.72

c. LIHEAP participants

Program Year	Nov	Dec	Jan	Feb	March
2015	\$ 78.69	\$ 136.02	\$ 197.90	\$ 169.73	\$ 163.97
2016	\$ 44.81	\$ 70.94	\$ 106.11	\$ 110.44	\$ 75.79
2017	\$ 46.47	\$ 98.66	\$ 133.44	\$ 111.60	\$ 112.16
2018	\$ 75.29	\$ 121.93	\$ 190.39	\$ 145.32	\$ 111.08
2019	\$ 73.18	\$ 120.16	\$ 132.90	\$ 135.50	\$ 112.80

KY PSC Case No. 2019-00366
Commission Staff's Information Request Set 3 No. 2 Amendment
Respondent: Susie Durr

**COLUMBIA GAS OF KENTUCKY, INC.
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2. Refer to Appendix C of the Commission's Order in Case No. 2019-00366 dated October 28, 2019. For the period of January 1, 2015, until December 31, 2019, provide (monthly and annually) the following information:

- a. Total service termination notices issued.
- b. Total service terminations.
- c. Total amount of unique customers issued service termination notices.
- d. Total amount of unique customers with service terminated.

Response:

a. Total service termination notices issued

Year	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Annual Total
2015	195	156	232	222	191	19	224	0	0	123	44	38	1444
2016	31	44	44	21	29	52	90	0	0	88	86	49	534
2017	144	114	146	142	136	141	136	0	0	114	114	83	1270
2018	277	236	217	238	313	187	202	0	0	88	83	57	1898
2019	128	106	115	92	104	97	140	0	0	72	70	39	963

b. Total service terminations

Year	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Annual Total
2015	1	0	2	14	13	1	2	0	0	7	2	3	45
2016	0	1	1	0	3	1	1	0	0	5	3	1	16
2017	5	1	1	3	18	6	18	0	0	8	7	0	67
2018	3	1	3	7	20	21	8	0	0	3	3	2	71
2019	2	0	2	5	5	6	9	0	0	2	3	0	34

c. Total amount of unique customers issued service termination notices

Year	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Annual Total
2015	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0

d. Total amount of unique customers with service terminated

Year	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sept	Oct	Nov	Dec	Annual Total
2015	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0