

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 1

Refer to the Direct Testimony of James Crist (Crist Testimony), pages 8–9. Explain whether requiring customers to reaffirm their intent to participate in Columbia Gas of Kentucky, Inc.'s (Columbia Kentucky) Small Volume Aggregation Service and Small Volume Gas Transportation Service (CHOICE program) on a regular basis or at the end of their current contract term would harm these customers.

Response: James L. Crist

In my experience, customers value convenience and may find it irritating to be required to reaffirm their intent to remain on their supply contract on a regular basis. Such a requirement may also create customer confusion. There is nothing to prevent a customer from contacting his or her supplier to cancel service at any time. A customer may also receive a written notice of contract expiration in advance of the contract expiration date. That notice should prompt the customer to take some action. Therefore, I believe that a reaffirmation requirement is unnecessary.

However, if a reaffirmation requirement is desired, it should be non-discriminatory and be required of all customers, including those on default service. It should be easy to indicate a response, such as a click on a website. Although it is unclear to me what action, if any, would be taken in response to the answer a customer provided, suppliers should not be penalized if a customer does not respond to a reaffirmation request. Indeed, there should be no action that results if a customer chooses not to respond. In other words, a customer currently on default service that does not respond should not be forced onto CHOICE service. Likewise, a customer currently on CHOICE service that does not respond should not be forced onto default service.

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 2

Refer to the Crist Testimony, page 9. For fixed rate contracts, confirm that customers bear the risk that Columbia Kentucky's gas costs will be lower than the fixed rate.

Response: James L. Crist

Shopping customers on a fixed rate contract may experience the default price being lower than the fixed rate price. For non-shopping customers, the inverse is also true: those customers bear the risk that the default price may be higher than the fixed rate price offered by competitive market participants. But the risk to non-shopping customers is not symmetrical because the amount that the default price can drop is limited, however there is no limit on the amount the default price can increase. In the past 12 months the Henry Hub price has increased from \$2.57/Dth to \$6.59/Dth. In 2021 the Henry Hub hit a high price of \$23.86/Dth. This data indicates a significant risk of the Henry Hub price, and the default service price experiencing an increase rather than a decrease. Fixed rate contracts, on the other hand, present no such risk of price spikes.

Responses to the Commission Staff's First Request for Information to
Interstate Gas Supply, Inc., Constellation New Energy Gas Division, LLC, and XOOM Energy Kentucky, LLC
Case No. 2021-00386

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 3

Refer to the Crist Testimony, page 10. Identify the CHOICE program marketers that provide carbon offsets in Columbia Kentucky's service area.

Response: James L. Crist

As discussed in direct testimony, IGS Energy offers a fixed-rate carbon-offset product to residential customers in the Columbia Kentucky service area. That product is offered for terms of 12, 36, and 60-months in duration.

Responses to the Commission Staff's First Request for Information to
Interstate Gas Supply, Inc., Constellation New Energy Gas Division, LLC, and XOOM Energy Kentucky, LLC
Case No. 2021-00386

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 4

Refer to the Crist Testimony, pages 11–12. Explain whether natural gas customers can purchase carbon offsets separate from their natural gas, in the way that electric customers can purchase renewable energy credits.

Response: James L. Crist

There are carbon offset products available to customers. Mr. Crist is not aware of the level of product purchases by residential natural gas customers in the Columbia Gas of Kentucky service territory.

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 5

Refer to the Crist Testimony, page 19.

- a. Provide an analysis that could determine the value of the CHOICE program beyond a strict comparison of the price paid and the standard gas costs.**
- b. If customers generally pay more under the CHOICE program and are generally uninformed about its existence and their own participation, explain the value of the CHOICE program to Columbia Kentucky's ratepayers.**
- c. Separately for each Joint Intervenor, provide the savings achieved annually for the last five years.**

Response: James L. Crist and Counsel (as it pertains to legal matters)

The Joint Intervenors object to subpart a of this request on the ground that the term "standard gas costs" is vague and undefined. The Joint Intervenors further object to subpart a of this request on the ground that this request is unduly burdensome as it seeks data not in existence. The Joint Intervenors further object to subpart c of this request on the ground that this request is unduly burdensome as it seeks data not in existence. Notwithstanding and subject to these objections, the Joint Intervenors provide the following response:

- a. The term "standard gas costs" is not defined. For purposes of this data request, I will speculate it was intended to mean "default service costs". Such an analysis does not currently exist. To construct it is outside the scope of Mr. Crist's testimony. It would require determining how to assign value to the risk management attribute or environmental benefits of the specific CHOICE product. Such value assignment is qualitative and customer-specific.
- b. Customers place value on several components that comprise their purchase decision. As indicated on page 8 of the Summary Report of Findings (June 1, 2021) 21.1% of customers identified "Having a choice of energy suppliers" as the greatest benefit they receive from participating in CHOICE. This is consistent with customer satisfaction research that was conducted under my supervision during my employment as Marketing Director at Peoples Gas, as Marketing Vice President at Citizens Utilities and as Marketing Vice President at Equitable Gas. Some customers value the freedom to exercise their right to make a choice.
- c. Such data would be meaningless, similar to examining the wins or losses of someone's medical insurance premiums over the past. The value of having risk managed products is the satisfaction it creates knowing that you are protected from risk and the harm that risk can bring. Product comparisons of default service to innovative risk-managed products, or environmentally benign products, carry no credibility because they are comparing very dissimilar products.

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 6

Refer to the Crist Testimony, page 21.

- a. Explain why Columbia Kentucky should be responsible for marketing the Choice program on behalf of the gas marketers.
- b. Provide the estimated cost of creating and maintaining a new customer package and explain whether Columbia Kentucky or the gas marketers would bear these costs.
- c. Explain why Joint Intervenors are more concerned with approximately half of Columbia Kentucky's residential customers being unaware of the CHOICE program than the approximately 60 percent of current CHOICE program participants that do not understand they are currently enrolled in the program.
- d. Explain whether fixed cost contracts discourage energy efficiency by removing price signals.

Response: James L. Crist

- a. As the regulated utility, Columbia Gas of Kentucky bears some responsibility to inform and educate customers about the energy choices they have. This includes explaining to customers that they can choose a gas supplier and explaining what default service is and what CHOICE service is. One of the key findings in the Summary Report of Findings in the Columbia Gas of Kentucky Customer CHOICE Survey is that a significant number of customers are either not aware that they have a choice of gas supplier or not familiar with the alternatives to default service. Only 21.5% of customers felt there is sufficient information available to make an informed decision regarding choice of suppliers.¹
- b. As previously noted in Mr. Crist's testimony, customer education is the job of all parties involved in choice. Accordingly, Columbia, the gas marketers, and the Commission should work together to determine the appropriate distribution of costs.
- c. Mr. Crist's testimony did not make the characterization stated. The Joint Intervenors are concerned with all the customers of Columbia and the relatively low levels of understanding of the CHOICE program and feel that improvements in customer education can be made.
- d. Fixed cost contracts, i.e. fixed bill products, do not remove price signals. Such products are determined based on a customer's usage history and at the end of the typical one-year term the products are recomputed based on any changes in usage, so the customer receives a very strong price signal based on usage. A portion of a customer's usage is within their direct control (thermostat setting, purchase of energy-efficient appliances, etc.) and a portion of a customer's usage is due to weather and temperature variance, therefore out of the customer's control.

¹ See Case No. 2021-00386, *Electronic Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service*, Columbia Gas of Kentucky, Inc. Tariff Filing Attachment A at p. 15.
{00215030 1 }

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 7

Refer to the Crist Testimony, page 22.

- a. Explain why Columbia Kentucky's call center should be trained on the specifics of the gas marketers' offerings, including why these questions should not be solely addressed by the gas marketers.**
- b. Provide the Joint Intervenors' efforts to educate Columbia Kentucky's customers on the existence of the CHOICE program.**
- c. Provide the Joint Intervenors' efforts to educate current CHOICE program participants on their participation in the program.**
- d. State whether Joint Intervenors assess the satisfaction of their CHOICE participants and, if so, explain the methods used.**

Response: James L. Crist

- a. Mr. Crist's testimony did not recommend that Columbia Kentucky's call center be trained on the specifics of the gas marketers' offerings. Such product-specific questions are appropriately answered by marketers' call center representatives. Mr. Crist does recommend that the marketers' call center personnel be made aware of marketing campaigns and marketing material of Columbia Kentucky so that they are better equipped to address questions on such topics.
- b. Joint Intervenors' efforts to educate customers on the CHOICE program consist of educational content on suppliers' websites, direct mail marketing, outbound telephonic sales, and information provided by customer service representatives to customers that contact the marketer's call center.
- c. Joint Intervenors' efforts to educate current customers on the CHOICE program consist of educational content on suppliers' websites, direct mail marketing, and information provided by customer service representatives to customers that contact the marketer's call center.
- d. Customer retention is one metric that Joint Intervenors use to assess customer satisfaction. Marketers can track the date of customer enrollment as well as products purchased and collect data on customer retention. Such analysis would indicate customer preferences and ability to retain customers and satisfaction with the marketer and marketer's products. Additionally, please refer to the Joint Intervenors response to Set 1, Question 12.

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 8

Refer to the Crist Testimony, page 23.

- a. Explain whether longer term contracts provide greater value to CHOICE participants.**
- b. If the CHOICE program expiration date is extended to March 31,2027, confirm that gas marketers still could not enter into 60-month contracts that expire before the CHOICE program.**
- c. Explain whether a contract term that expires after the CHOICE Program expiration date would receive similar conditions and pricing to contracts that expire within the current program extension. If not, explain the differences.**

Response: James L. Crist and Counsel (as it pertains to legal matters).

The Joint Intervenors object to subpart a of this request on the grounds that this request calls for speculation. Notwithstanding and subject to this objection, the Joint Intervenors provide the following response:

- a. Longer-term contracts can provide greater value to CHOICE participants by protecting customers from pricing volatility related to extreme weather and geo-political events such as we are currently experiencing. Customers that obtain default service have no such protection and are at risk of price volatility. Some participants value long term stability highly and such participants would perceive greater value from a longer-term CHOICE product. Other participants may have beliefs that the costs of natural gas may be rising in the future and such participants would perceive great value from a longer-term fixed price CHOICE product.
- b. The wording of this data request is interpreted to ask if the CHOICE program were extended to March 31, 2027, would gas marketers still offer 60-month contracts that would extend beyond March 31, 2027. Some marketers would continue to offer 60-month contracts.
- c. There are no differences in the conditions and pricing of contracts that have a term ending with the proposed expiration date of the current CHOICE program and contracts that have a term ending beyond the proposed expiration date of the current CHOICE program.

Responses to the Commission Staff's First Request for Information to
Interstate Gas Supply, Inc., Constellation New Energy Gas Division, LLC, and XOOM Energy Kentucky, LLC
Case No. 2021-00386

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 9

Explain whether residential customers who rent their homes are able to utilize longer term contracts.

Response: James L. Crist

My understanding is that both renters and homeowners alike can purchase natural gas supply products offered by competitive market participants. As described in my testimony, some of those products are offered via long-term fixed rate contracts. Some customers that expect to be renting their homes longer for longer periods would find long term products appealing.

Responses to the Commission Staff's First Request for Information to
Interstate Gas Supply, Inc., Constellation New Energy Gas Division, LLC, and XOOM Energy Kentucky, LLC
Case No. 2021-00386

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 10

Explain whether the cancellation policies apply to customers that leave Columbia Kentucky's service area while under contract.

Response: James L. Crist

Customers that leave Columbia Kentucky's service area while under contract and therefore must cancel their contract are not subject to financial penalties.

Responses to the Commission Staff's First Request for Information to
Interstate Gas Supply, Inc., Constellation New Energy Gas Division, LLC, and XOOM Energy Kentucky, LLC
Case No. 2021-00386

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 11

Separately for each Joint Intervenor, for Columbia Kentucky's CHOICE program, provide the:

- a. Total number of customers;**
- b. Total number of customers with fixed rate contracts; and**
- c. Total number of customers with environmental attribute contracts.**

Response: James L. Crist

CONFIDENTIAL

The response to this request will be provided confidentially by each Joint Intervenor.

Responses to the Commission Staff's First Request for Information to
Interstate Gas Supply, Inc., Constellation New Energy Gas Division, LLC, and XOOM Energy Kentucky, LLC
Case No. 2021-00386

April 18, 2022

Staff Request to Joint Intervenors Set 1, Question 12

Explain whether the Joint Intervenors conduct surveys to gauge customer satisfaction. If so, provide those survey results for the two most recent surveys.

Response: James L. Crist and Counsel (as it pertains to legal matters).

XOOM uses customer relationship surveys to determine Net Promoter Score and Customer Satisfaction in all markets. XOOM conducts surveys weekly to new customers in all XOOM markets, to customers who have been with XOOM for at least six months, and after renewal. Customers who receive these surveys are randomly selected and may or may not include Kentucky customers. XOOM objects to providing the results of the two most recent surveys as these surveys are not specific to the Kentucky market, may not include Kentucky customers, and are therefore irrelevant to this proceeding. Similarly, IGS and CNEG use customer relationship surveys to evaluate customer satisfaction in their products after a customer's initial enrollment and renewal. These surveys are provided to customers enrolled across markets that IGS and CNEG serve. IGS and CNEG also object to providing their two most recent surveys given that the responses may not include responses that are specific to customers or products available in the Kentucky market and would include customer information data from out of state customers.