

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED OCTOBER 4, 2022

1. Provide the annual volumes of the CHOICE program's commercial customers individually for each of the last five years. It is not necessary to identify the individual customers.

Response:

Please refer to the attachments 2021-00386 PSC Staff Post Hearing DR No. 1 – 2017; 2018; 2019; 2020; 2021; 2022. Each of these documents contain customer usage information by month, per Mcf, for each requested year. Each line represents an individual customer. The column marked "Revenue Class" provides a distinction between "commercial" and "industrial" customers.

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2. Provide the years in which the CHOICE program had the least and the greatest number of customer participants.

Response:

The greatest number of participants was in 2002. The least number of participants was in 2022.

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3. Provide the years in which the CHOICE program had the least and the greatest number of marketer participants.

Response:

The least number of marketer participants was in calendar years 2005-2009. The greatest number of marketer participants was in calendar year 2016.

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4. State what customer-identifying information Columbia Kentucky collects and maintains in its customers' account files.

Response:

The information below would be requested and maintained in Columbia's customer information system, if applicable and provided by customer:

1. Customer Name
2. Social Security Number – Truncated
3. Date of Birth
4. Employer
5. Spouse
6. Federal Tax ID
7. Home Phone
8. Cell Phone – Primary & Others
9. Email address – Primary & Others
10. Mailing Address
11. Account password (if one has been provided)
12. Physical Classification – If offered
13. Bank Information – Account and routing numbers if autopay enrollment at time of Connect – Truncated

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5. Confirm that the Gas Cost Incentive component of the Performance-Based Ratemaking (PBR) mechanism does not include volumes of gas for CHOICE customers. If this cannot be confirmed, explain.

Response:

The Gas Cost Incentive component of the Performance-Based Ratemaking (PBR) mechanism does not include purchase for CHOICE customers.

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6. Explain how Columbia Kentucky determines the appropriate Demand Quantities for each transportation pipeline included in the Transportation Cost Incentive (TCI) component of the PBR mechanism. Include in the response a description of the timeline for Columbia Kentucky to reserve pipeline capacity and forecast demand.

Response:

As directed in its tariff, the demand quantities used for each transportation contract included in the TCI is based on the daily quantity (DQ) that Columbia Kentucky has under contract.

Each year, Columbia Kentucky develops a 5-year forecast of its Design Day Demand anticipated under design conditions. This forecast is one of the major determinants of the level of daily capacity contracted and/or renewed to meet its firm requirements. Seasonal demand is also considered to ensure enough supply is available under a colder than normal winter season. The expiration and/or renewal timeline for each contract is dependent on the terms included within the agreement with the pipeline and varies by contract.

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7. Confirm that the TCI component of the PBR mechanism does not include volumes of gas for CHOICE customers or other transportation customers. If this cannot be confirmed, explain.

Response:

Columbia releases capacity to the CHOICE suppliers at cost. Therefore, there is no value added to the TCI component of capacity released to CHOICE suppliers. Columbia does not release capacity to transportation customers as part of the CHOICE program.

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8. Regarding the Off-system Sales Incentive (OSSI) component of the PBR mechanism, provide the origin of the gas sold and explain how Columbia Kentucky determines the correct appropriate quantities of gas to procure and sell.

Response:

The quantities of gas associated with a sale are driven by many factors such as daily demand, the overall supply position, and the supply/demand balance of third parties. As an example, an electric generator seeks to procure gas supply from the marketplace, and they wish to burn it the very same day (also known as "intraday gas"). This intraday gas typically carries a premium price, as most gas trades on a day ahead basis. As long as Columbia Kentucky can serve this market while providing safe, reliable service to firm customers, Columbia Kentucky may offer to serve the electric generator with all or a portion of its intraday needs. If Columbia Kentucky and the electric generator agree to a volume and price, the difference between the sale price to the electric generator and the supply cost is then applied to the OSSI component of the PBR mechanism.

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9. Confirm that the OSSI component of the PBR mechanism does not include volumes of gas for CHOICE customers or other transportation customers. If this cannot be confirmed, explain.

Response:

Columbia can neither confirm, nor deny the statement. Columbia does not have visibility into the counter party's use of the gas procured in an off-system sales transaction.

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10. Generally explain how Columbia Kentucky's pipeline transportation reservation costs are recovered from customers. Include in the explanation, a description of the allocation between rate classes and between rate cases.

Response:

Columbia includes pipeline reservation costs in the Expected Gas Costs filed quarterly. These costs include storage demand and transportation demand costs contracted with Columbia Pipeline and Tennessee Pipeline.

Within the Expected Gas Cost ("EGC") factor included as part of the company's quarterly gas cost filings, the annual reservations costs are reduced by expected recoveries from Commercial CHOICE marketer and Stand-by customers to determine the annual reservation costs includable in the EGC. These includable dollars are divided by expected total company sales volumes to determine the factor included within the EGC.

The recovery of the pipeline reservation costs is based on sales volumes and does not differentiate between classes.

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11. Explain what data is collected by Columbia Kentucky regarding customer participation in the CHOICE program, savings participating customers realize, the number of marketers participating, and the number of offers available. Include in your answer how often the data is collected and how long it is kept by Columbia Kentucky.

Response:

The number of customers enrolled with a CHOICE marketer and the number of marketers participating in the program are retained in monthly reports that have been generated since the inception of the program. Savings information calculates the total amount paid by CHOICE customers compared to the amount customers would have paid if supplied by Columbia Gas of Kentucky. This data is collected monthly, in aggregate, and has been kept since the inception of the program.

Columbia Gas of Kentucky submits a monthly marketer report to the PSC. The report includes a listing of the current approved suppliers and their promoted online offerings.

The information provided to the Commission is obtained from the marketer's public websites.

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12. Provide the cost and timeline required for Columbia Kentucky to publish information about the existence of the CHOICE program and a link to further information on the program on its website's home page in a prominent and consistent location.

Response:

The described action would cost Columbia no more than \$170 and can be effectuated in one full business day.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:)
)
 ELECTRONIC TARIFF FILING OF) Case No. 2021-00386
 COLUMBIA GAS OF KENTUCKY,)
 INC. TO EXTEND ITS SMALL)
 VOLUME GAS TRANSPORTATION)
 SERVICE)

VERIFICATION OF JUDY COOPER

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF FAYETTE)

Judy Cooper, Director of Regulatory Affairs of Columbia Gas of Kentucky, Inc., being duly sworn, states that she has supervised the preparation of her Responses to Commission Staff's Post-Hearing Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Judy Cooper
 Judy Cooper

The foregoing Verification was signed, acknowledged and sworn to before me this 20th day of October, 2022, by Judy Cooper.

Evelyn Long Durr
 Notary Commission No. KYN P49615
 Commission expiration: 05/15/2026

