

**From:** [Melnykovych, Andrew \(PSC\)](#)  
**To:** "George Arvin"  
**Subject:** your comments in case number 2016-00162 - Columbia Gas application for rate adjustment  
**Date:** Tuesday, May 31, 2016 4:23:57 PM

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Dear Mr. & Mrs. Arvin:

Thank you for your comments in Case Number 2016-00162, the application of Columbia Gas of Kentucky for an adjustment in rates. Your comments will be placed into the case file for the Commission's consideration.

For your future reference, the case number in this matter is 2016-00162. It would be helpful if you would please refer to it in any further correspondence.

The application and other documents in this case are available at [http://psc.ky.gov/PSC\\_WebNet/ViewCaseFilings.aspx?Case=2016-00162](http://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2016-00162).

There will be an opportunity to address the PSC regarding this matter, both at a public meeting to be held at a date and location to be determined, and preceding the evidentiary hearing in this case, which will be held at the PSC at a date to be determined.

Thank you for your interest in this matter.

*Andrew Melnykovych*

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Kentucky Public Service Commission  
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**RECEIVED**  
By Kentucky PSC at 4:59 pm, May 31, 2016

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**From:** George Arvin [REDACTED]  
**Sent:** Tuesday, May 31, 2016 11:52 AM  
**To:** PSC - Public Information Officer  
**Subject:** Comments on Columbia Gas application for adjustment of rates

Information Officer

The attached document represents written comments by George Arvin and Peggy Arvin relating to the published notice in the State Journal news paper.

Such notice includes text that stating "Written comments regarding the application may be submitted to the Commission by mail" ..... "or through the Public Service Commission's web site shown above."

When we went to the Commissions web site the section that seemed to apply stated that a case number was required for submission.

Nowhere do we find a case number in the published notice.

Therefore we are submitting our comments via email and would appreciate confirmation they have been received and were submitted appropriately.

We would like to be notified when any public meetings are to be held regarding this request for rate adjustment by Columbia Gas.

If possible George Arvin would like to speak to the Commission regarding these written comments and has

questions he would like answered about the Accelerated Main Replacement Program Rider.

Thank you

George Arvin and Peggy Arvin

[REDACTED]

116 Portsmouth Lane

Frankfort, KY 40601

Our name is George Arvin and Peggy Arvin and our Columbia Gas Account Number is

We read the published notice on May 27 in the *State Journal* of request for approval of an adjustment of rates for residential customers to become effective June 27, 2016. We also read an article published in the *State Journal* on Sunday May 29 that appeared to be a press release from Columbia Gas attempting to explain the reasons for the large rate increase.

We wish to comment to the Kentucky Public Service Commission regarding this requested rate adjustment.

Our comments follow:

1. Nowhere can we find an explanation by Columbia Gas about the purpose of the current \$15 monthly fixed charge on residential bills. Apparently this is guaranteed revenue of \$180 per year per customer that appears to be unallocated as to its purpose and use by the gas company. The company requests an increase in this fixed cost amount from \$15 to \$17.50 that is a 16.67% increase! In this period of modest inflation and stagnant wage growth there is no justification whatsoever for any fixed cost increase especially when at the same time a variable cost increase of up to 35.8% is requested.
2. Since 2008 residential bills have included a line item charge for Accelerated Main Replacement Program Rider. This charge appears to have been to fund the \$92 million spent by the gas company to replace 108 miles of aging lines. We strongly disagree with the company proposal to bury this temporary line item charge into the permanent Customer Charge per bill. We question why a temporary charge to replace lines is even requested to become a permanent fixed charge. If the commission has received plans from the company that more aging lines need replacing then at most the \$2.25 monthly charge could be continued for a specific time period until these lines are replaced then terminate this charge at the end of such period.
3. The variable delivery charge requested rate adjustment from a total billing rate of \$4.4917 to \$6.1019 is an astounding request for up to 35.8% increase in delivery charge for each Mcf of gas delivered! The magnitude of this request is absurd on its face. Frankly we do not have available appropriate Columbia Gas data to determine what is an appropriate increase, or decrease, in variable cost for gas delivery. In our opinion such increase should be more like 4-6% to enable Columbia Gas to deal with modestly increasing net costs for a period of two to four years.

4. The company provided information in the *State Journal* article mentions a new training center for enhanced training. We respect the need for well trained employees but do not see this as a new need of the gas company. We are sure employees have been trained in the past and they have a training facility.

To summarize our comments:

- We see no justification whatsoever for a fixed cost increase in the residential gas delivery charge and request that this charge remain at \$15 unless the commission can find data to justify a decrease in the charge.
- We strongly disagree with burying the temporary Accelerated Main Replacement Program Rider charge into the permanent Customer fixed billing charge.
- We request the commission to either terminate the temporary Accelerated Main Replacement Program Rider charge on June 27 or require the gas company to disclose their plans including cost to replace specific aging lines with a time line for completion and upon such completion date terminate this charge from residential bills.
- We request the commission to consider a *modest* 4-6% increase in variable delivery charges, *if the gas company can justify such need*, to enable the utility company to maintain appropriate profit margins to support current service levels to their customers.

George Arvin would be happy to present and discuss these comments with the Commission.

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