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May 4, 2017

Dr. Talina Mathews, Executive Director  
 Kentucky Public Service Commission  
 P.O. Box 615  
 Frankfort, Kentucky 40602

RECEIVED

MAY 8 2017

Public Service  
 Commission

**Re: Tariff Filing of Columbia Gas of Kentucky, Inc. to Extend its Small Volume Gas Transportation Service; Case No. 2017-00115**

Dear Dr. Mathews:

The Kentucky School Boards Association (KSBA) is writing to encourage the continuation of the Choice Program in Columbia Gas of Kentucky (CGKY) territory because of the value it has established in the communities serviced by CGKY.

Natural gas transportation for small commercial customers has allowed school boards in Kentucky to establish price and budget certainty that is critical to their successful energy procurement and management programs.

In partnership with Fellon-McCord, the KSBA established the Kentucky Gas Aggregation Program (KGAP). Fellon-McCord works with finance and facilities leadership of school boards in the CGKY service area to establish competitive third party natural gas arrangements that continuously meet their buying objectives and budgets.

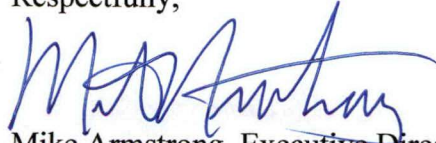
The flexibility of available third party supplies – namely contract length, load following flexibility, and supplier choice – has been valued by the school districts which utilize a seasonally changing amount of natural gas and cannot easily afford price swings, as previously experienced by CGKY-provided supply.

Most the dozen school districts who have leveraged and benefitted by KGAP where they otherwise have struggled with the unpredictability of the ‘purchased gas cost component’.

Through competitive third party supplier negotiations, participating districts can establish and maintain pricing that was 20 percent lower than the CGKY-purchased natural gas costs in 2014 and 2015. While the price reduction was certainly celebrated, the material universal success for the school districts was their ability to establish long-term price certainty to meet their budgets.

The cost and budgeting value was galvanized in late 2016, when school districts continued to choose third party supplier options – and establish a new competitive contract – amidst historically low purchased natural gas costs from CGKY. Therefore, the KSBA is in full and continued support of the Columbia Gas Choice Program.

Respectfully,



Mike Armstrong, Executive Director  
Kentucky School Boards Association