



Ms. Gwen Pinson  
Executive Director  
Kentucky Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602

December 28, 2017

RE: Case No. 2016 - 00107

Dear Ms. Pinson:

Pursuant to the Commission's Order of October 11, 2016 in Case No. 2016-00107 and Sheet 51d of its tariff, Columbia Gas of Kentucky, Inc., ("Columbia") hereby submits its Energy Efficiency/Conservation Program Report containing supporting documentation and revised tariff to be effective with meter readings beginning with its February Unit 1 bills on January 31, 2018.

If you have any questions, please call me at (859) 288-0242 or email [jmcoop@nisource.com](mailto:jmcoop@nisource.com). Thank you.

Sincerely,

/s/ Judy M. Cooper

Enclosures

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Year End Program Results  
 Filing Date: December 28, 2017

Program Year End: October 31, 2017

**EECPCR - Energy Efficiency/Conservation Program Cost Recovery**

<b>Actual Program Costs</b>	
Energy Audit Program	\$ 18,262
High-Efficiency Appliance Rebate Program	\$ 396,224
Furnace Replacement Program	\$ 200,845
CKY Program Administration	\$ 68,168
Total Program Costs	<u>\$ 683,499</u>
<b>TOTAL EECPCR</b>	<u><b>\$ 683,499</b></u>

**EECPLS - Energy Efficiency/Conservation Program Lost Sales**

	<b># of Participants</b>	<b>Mcf Conserved</b>	<b>Distribution Charge</b>	<b>Lost Sales</b>
<b>Current Year Program Participation</b>				
Furnace Replacements	76	501.6	\$ 3.5665	\$ 1,789
Appliance Rebates	1,017	6,508.8	\$ 3.5665	\$ 23,214
Residential Energy Audits	119	357.0	\$ 3.5665	\$ 1,273
<b>Total Current Year Lost Sales</b>	<b>1,212</b>	<b>7,367.4</b>		<b>\$ 26,276</b>
<b>Prior Year Participation</b>				
Furnace Replacements	897	5,920.2	\$ 3.5665	\$ 21,114
Appliance Rebates	7,165	45,856.0	\$ 3.5665	\$ 163,545
Residential Energy Audits	2,467	7,401.0	\$ 3.5665	\$ 26,396
<b>Total Prior Year(s) Lost Sales</b>	<b>10,529</b>	<b>59,177.2</b>		<b>\$ 211,055</b>
<b>TOTAL EECPLS</b>	<b>11,741</b>	<b>66,544.6</b>		<b>\$ 237,331</b>

**EECPI - Energy Efficiency/Conservation Program Incentive**

Actual Program Benefits (Schedule C)	\$ 259,045
Less: Actual Program Costs	<u>\$ (683,499)</u>
<b>Net Resource Savings</b>	<b>\$ (424,454)</b>
Incentive Percentage	15%
<b>EECPI</b>	<u><b>\$ -</b></u>

**EECPBA - Energy Efficiency/Conservation Program Balancing Adjustment**

Actual Recovery EECPRC 11/1/09 through 10/31/17	\$ 7,580,254
Actual Program Costs EECPRC 11/1/09 through 10/31/17	<u>\$ 7,337,680</u>
<b>EECPBA Under (Over) Recovery</b>	<b>\$ (242,574)</b>
Interest (1)	<u>\$ (2,660)</u>
Total Including Interest	\$ (245,234)
Estimated Bills	1,451,792
<b>EECPBA Rate</b>	<u><b>\$ (0.17)</b></u>

(1) Interest equal to the average of the 3-month Commercial Paper Rate for the immediately preceding 12-month period. Interest for the period is 1.0967%

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule A - Current Year Participation Detail

Schedule A

Program Year End: October 31, 2017

	Program Participants	Mcf Conservation (1)	
		Per Participant	Total
<b><u>A. Low-Income Furnace Replacement Program</u></b>			
Furnace Replacements	76	6.6	501.6
<b><u>B. High-Efficiency Appliance Rebates</u></b>			
Residential Rebates	1,017	6.4	6,508.8
<b><u>C. Energy Audits</u></b>			
Residential Energy Audits	119	3.0	357.0
<b>Total - A. B. C.</b>	<b>1,212</b>		<b>7,367.4</b>

(1) Estimates based on budget and guidelines as submitted in Case No. 2009-00141

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule B - Cumulative Prior Years Program Participation

Schedule B

Program Years: November 1, 2009 through October 31, 2016

	2010	2011	2012	2013	2014	2015	2016	Cumulative Total
<b>Program Participants</b>								
<b><u>A. Low-Income Furnace Replacement Program</u></b>								
Furnace Replacements	24	91	160	264	198	98	62	897
<b><u>B. High-Efficiency Appliance Rebates</u></b>								
Residential Rebates	-	1,429	1,138	1,194	1,248	1,179	977	7,165
<b><u>C. Energy Audits</u></b>								
Residential Energy Audits	183	277	158	1,399	252	116	82	2,467
<b>Total</b>	<b>207</b>	<b>1,797</b>	<b>1,456</b>	<b>2,857</b>	<b>1,698</b>	<b>1,393</b>	<b>1,121</b>	<b>10,529</b>
<b>Total Conservation Mcf</b>								
<b><u>A. Low-Income Furnace Replacement Program</u></b>								
Furnace Replacements	158.4	600.6	1,056.0	1,742.4	1,306.8	646.8	409.2	5,920
<b><u>B. High-Efficiency Appliance Rebates</u></b>								
Residential Rebates	-	9,145.6	7,283.2	7,641.6	7,987.2	7,545.6	6,252.8	45,856
<b><u>C. Energy Audits</u></b>								
Residential Energy Audits	549.0	831.0	474.0	4,197.0	756.0	348.0	246.0	7,401
<b>Total</b>	<b>707.4</b>	<b>10,577.2</b>	<b>8,813.2</b>	<b>13,581.0</b>	<b>10,050.0</b>	<b>8,540.4</b>	<b>6,908.0</b>	<b>59,177.2</b>
<b>Total Lost Sales (Mcf)</b>	<b>707.4</b>	<b>10,577.2</b>	<b>8,813.2</b>	<b>13,581.0</b>	<b>10,050.0</b>	<b>8,540.4</b>	<b>6,908.0</b>	<b>59,177.2</b>

Columbia Gas of Kentucky, Inc.  
 Energy Efficiency/Conservation Program  
 Schedule C - Calculation of Program Benefits

Schedule C

Program Year End: October 31, 2017

Current Year Conservation (Mcf) 7,367.4 (1)

Year	(1) Mcf Conserved	(2) Gas Cost	Commodity Savings
2017	7,367.4	\$ 4.1995	\$ 30,939
2018	7,367.4	\$ 4.5690	\$ 33,662
2019	7,367.4	\$ 5.0784	\$ 37,415
2020	7,367.4	\$ 5.5685	\$ 41,026
2021	7,367.4	\$ 5.4655	\$ 40,266
2022	7,367.4	\$ 5.3423	\$ 39,359
2023	7,367.4	\$ 5.3653	\$ 39,528
2024	7,367.4	\$ 5.4855	\$ 40,414
2025	7,367.4	\$ 5.5691	\$ 41,030
2026	7,367.4	\$ 5.6922	\$ 41,937
<b>Total Commodity Savings</b>	<b>73,674.0</b>		<b>\$ 385,575</b>

Discount Rate 7.62%

**Program Benefits \$259,045**  
 (present value of commodity savings)

(1) Per Schedule A  
 (2) Per Schedule D

**Columbia Gas of Kentucky, Inc.**  
**Energy Efficiency/Conservation Program**  
**Schedule D - Commodity Rates**

**Schedule D**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
	\$/Mcf									
Commodity Purchase Rate (1)	2.7179	3.0874	3.5968	4.0869	3.9839	3.8607	3.8837	4.0039	4.0875	4.2106
Demand Purchase Rate (2)	<u>1.4816</u>									
Total	4.1995	4.5690	5.0784	5.5685	5.4655	5.3423	5.3653	5.4855	5.5691	5.6922

(1) U. S. Energy Information Administration - *Annual Energy Outlook 2017*, Henry Hub Spot Price

(2) Per Case No. 2017-00423

**ENERGY EFFICIENCY AND CONSERVATION RIDER  
ENERGY EFFICIENCY/CONSERVATION PROGRAM COST RECOVERY  
(Continued)**

**MODIFICATIONS TO EECPRC (continued)**

Each change in the EECPRC shall be placed into effect with meter readings on and after the effective date of such change.

**Adjustment Factors: Per Meter per Billing Period**

**Residential:**

EECPCR	\$0.61	
EECPLS	\$0.03	
EECPI	\$0.12	
EECPBA	<del>(\$0.2417)</del>	<del>— R —</del>
Total EECPRC for Residential Customers	\$0. <del>55</del> <u>59</u>	<del>— R —</del>

**Commercial:**

EECPCR	\$0.00
EECPLS	\$0.00
EECPI	\$0.00
EECPBA	<u>\$0.00</u>
Total EECPRC for Commercial Customers	\$0.00

DATE OF ISSUE      ~~January 20, 2017~~ December 28, 2017  
DATE EFFECTIVE      January 31, 2018~~7~~  
ISSUED BY            /s/ Herbert A. Miller, Jr.  
TITLE                    President

**ENERGY EFFICIENCY AND CONSERVATION RIDER  
 ENERGY EFFICIENCY/CONSERVATION PROGRAM COST RECOVERY  
 (Continued)**

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**Residential:**

EECPCR	\$0.61	
EECPLS	\$0.03	
EECPI	\$0.12	
EECPBA	<u>(\$0.17)</u>	
Total EECPRC for Residential Customers	\$0.59	

**Commercial:**

EECPCR	\$0.00
EECPLS	\$0.00
EECPI	\$0.00
EECPBA	<u>\$0.00</u>
Total EECPRC for Commercial Customers	\$0.00

DATE OF ISSUE            December 28, 2017  
 DATE EFFECTIVE        January 31, 2018  
 ISSUED BY                /s/ Herbert A. Miller, Jr.  
 TITLE                      President