

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF AN ADJUSTMENT)
OF GAS RATES OF COLUMBIA GAS) CASE NO. 2013-00167
OF KENTUCKY, INC.)

VOLUME 4

FILING REQUIREMENTS

Columbia Gas of Kentucky, Inc.
Case 2013-00167
Table of Contents
Volume 4

Tab	Filing Requirement	Volume	Description	Responsible Witness
51	12-n	4	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast	S. Mark Katko
52	12-o	4	Complete monthly budget variance reports, with narrative explanations or the 12 months prior to base period	S. Mark Katko

**Columbia Gas of Kentucky, Inc.
CASE NO. 2013-00167
Forecasted Test Period Filing Requirements
Filing Requirement 12-n**

Description of Filing Requirement:

The latest twelve (12) months of the monthly managerial reports providing financial results of operations in comparison to the forecast;

Response:

Please refer to the attached.

Responsible Witness:

S. Mark Katko

Columbia Gas of Kentucky
Plan vs. Plan - April 2012
(\$ millions)

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Net Revenues	3.7	24.5	58.7	61.3
O&M Expense	2.5	10.3	30.9	31.3
Depreciation	0.6	2.2	6.6	6.9
Other Taxes	0.3	1.1	3.2	3.4
*Operating Earnings	0.3	10.9	17.9	19.7
Other Income	0.1	0.3	0.8	0.5
Interest Expense	0.4	1.6	4.8	5.3
*Operating Earnings before Taxes	(0.0)	9.6	13.9	14.9
Income Tax	0.2	4.4	6.1	5.9
Net Operating Earnings	(0.2)	5.1	7.8	9.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	4.5	27.5	60.9	60.8
O&M Expense	2.5	10.3	30.8	31.1
Depreciation	0.5	2.1	6.6	6.9
Other Taxes	0.3	1.1	3.1	3.3
*Operating Earnings	1.2	14.0	20.35	19.6
Other Income	0.1	0.3	0.7	0.5
Interest Expense	0.4	1.6	4.8	5.3
*Operating Earnings before Taxes	0.9	12.7	16.2	14.8
Income Tax	0.4	5.0	6.3	6.0
Net Operating Earnings	0.6	7.7	9.9	8.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.9)	(3.0)	(2.2)	0.5
O&M Expense	0.0	(0.0)	0.1	0.3
Depreciation	0.0	0.0	(0.0)	-
Other Taxes	0.0	0.1	0.1	0.1
*Operating Earnings	(0.9)	(3.1)	(2.4)	0.1
Other Income	(0.0)	(0.0)	0.1	0.0
Interest Expense	(0.0)	0.0	0.0	0.0
*Operating Earnings before Taxes	(0.9)	(3.1)	(2.3)	0.1
Income Tax				
Net Operating Earnings	(0.9)	(3.1)	(2.3)	0.1

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Base Margin (less LCR)	3.1	21.4	49.2	50.4
LCR	0.3	1.8	5.0	4.9
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.1	0.3	2.4	2.8
Regulatory Outcome	-	-	0.4	1.4
Other OGDR	0.1	0.5	1.1	1.1
CKY Purchase Receivable	0.0	0.3	0.4	0.4
Uncollectibles - NonTracked	0.0	0.2	0.3	0.3
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.1	0.5	0.7	0.5
Total Revenue	3.8	25.0	59.6	62.1
Total Revenue w/o Trackers	3.7	24.5	58.7	61.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	3.7	23.4	51.1	50.4
LCR	0.4	2.0	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	0.9	2.4	2.8
Regulatory Outcome	-	-	0.3	0.6
Other OGDR	0.1	0.6	1.2	1.2
CKY Purchase Receivable	0.0	0.4	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.0	0.3	0.5	0.5
Total Revenue	4.6	27.9	61.6	61.6
Total Revenue w/o Trackers	4.5	27.5	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	(0.7)	(2.0)	(1.9)	0.0
LCR	(0.1)	(0.2)	(0.1)	-
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	(0.1)	(0.6)	0.0	-
Regulatory Outcome	-	-	0.1	0.9
C) Other OGDR	(0.0)	(0.0)	(0.1)	(0.1)
C) CKY Purchase Receivable	(0.0)	(0.1)	(0.1)	(0.1)
C) Uncollectibles - NonTracked	(0.0)	(0.0)	(0.1)	(0.1)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.2	0.2	(0.0)
Total Variance	(0.8)	(2.9)	(2.1)	0.5
Total Variance w/o Trackers	(0.9)	(3.0)	(2.2)	0.5

Variance Explanations:

- A) Variance due to customer and usage erosion
- B) Variance represents downward revision to Off-System sales assumptions due to lack of price volatility
- C) Variance due to declining gas costs

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Penalty Charges	0.1	0.2	0.4	0.3
Return Check	0.0	0.1	0.2	0.2
Other Fees	0.0	0.2	0.3	0.3
Other Revenue	0.0	0.0	0.1	0.1
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	0.5	1.1	1.1

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.1	0.2	0.3	0.3
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.0	0.2	0.4	0.4
Other Revenue	0.0	0.1	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.6	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	(0.0)
Return Check	0.0	0.0	0.0	0.0
Other Fees	(0.0)	(0.0)	(0.0)	(0.0)
Other Revenue	(0.0)	(0.1)	(0.1)	(0.0)
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	(0.0)	(0.0)	(0.0)	0.0
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	(0.0)	(0.1)	(0.1)

Columbia Gas of Kentucky
2012 Customer & Usage Information - 0&12 vs. 4&8

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.1	0.5
Commercial	0.0	0.0
Total	0.1	0.5

Usage Change	Month	YTD
Residential	0.4	0.5
Commercial	0.7	0.3
Industrial (Non-LCR)	(0.0)	0.2
Total	1.0	1.0

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	4.2	41.1
Comm	39.1	275.2
Ind	7,610.2	34,769.0

Budget	Month	YTD
Residential	4.4	41.4
Commercial	36.2	276.4
Industrial	7,442.0	34,066.0

Variance	Month	Mo. %	YTD	YTD %
Residential	(0.2)	-4.4%	(0.3)	-0.7%
Commercial	2.9	7.9%	(1.2)	-0.4%
Industrial	168.2	2.3%	703.0	2.1%

Customer Count

Actual	Month	YTD Avg
Residential	120,207	120,962
Commercial	13,990	14,074
Industrial	177	176
Total	134,374	135,212

Budget	Month	YTD Avg
Residential	120,562	121,346
Commercial	13,969	14,057
Industrial	181	179
Total	134,712	135,582

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	(355.0)	-0.3%	(384.0)	-0.3%
Commercial	21.0	0.2%	17.0	0.1%
Industrial	(4.0)	-2.2%	(3.0)	-1.7%
Total	(338.0)	-0.3%	(370.0)	-0.3%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Labor	0.6	2.5	6.8	6.8
Benefits	0.2	0.8	2.2	1.9
Materials & Supplies	0.1	0.5	1.5	1.5
Outside Services	0.3	1.3	4.1	5.0
Management Fee	0.9	3.8	11.8	12.2
Uncollectibles	0.1	0.2	0.5	0.5
Other *	0.3	1.3	4.0	3.4
Trackers	0.1	0.6	0.9	0.8
Total O&M	2.7	10.9	31.8	32.1
Total O&M w/o Trackers	2.5	10.3	30.9	31.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.6	2.3	6.6	6.9
Benefits	0.2	0.7	1.9	1.6
Materials & Supplies	0.1	0.5	1.5	1.5
Outside Services	0.3	1.4	4.3	5.0
Management Fee	1.0	4.0	11.9	12.2
Uncollectibles	0.0	0.2	0.5	0.5
Other *	0.3	1.3	3.9	3.4
Trackers	0.1	0.4	0.8	0.7
Total O&M	2.6	10.7	31.5	31.8
Total O&M w/o Trackers	2.5	10.3	30.8	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	(0.0)	0.2	0.2	(0.0)
B) Benefits	0.0	0.1	0.3	0.3
C) Materials & Supplies	(0.0)	0.0	(0.0)	-
D) Outside Services	0.0	(0.1)	(0.2)	0.0
E) Management Fee	(0.0)	(0.2)	(0.1)	-
Uncollectibles	0.0	(0.0)	-	-
Other *	(0.0)	(0.0)	0.0	(0.0)
E) Trackers	0.1	0.2	0.1	0.0
Total Change	0.1	0.2	0.3	0.3
Total Change w/o Trackers	0.0	(0.0)	0.1	0.3

Variance Explanations:

- A) YTD & 2012 Yr Var - Primarily under runs in capital.
- B) 2012 and 2013 Yr Var primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) 2012 Yr Var - Primarily leak repairs.
- D) YTD Var - Primarily Legal and NGD Operations.
- E) Offset in revenue.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.3	0.8	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.1	0.1	(0.0)
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.3)	(0.1)	(0.7)
I&D Accrual	(0.0)	0.3	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.4	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	1.3	4.0	3.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.3	0.3
Corporate Insurance	0.1	0.3	0.9	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.3	0.3
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	0.6	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	1.3	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	(0.0)	(0.0)	0.0	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	0.0	(0.0)	(0.0)	-
Misc & Other Expenses	0.0	0.1	0.1	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.2)	0.0	(0.0)
I&D Accrual	(0.0)	0.2	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	(0.0)	-
Auto/Trucks Cleared	(0.0)	(0.0)	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	(0.0)	(0.0)	0.0	(0.0)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Distribution Ops	0.9	3.9	10.9	11.2
Meter To Cash	0.0	0.2	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.1	0.3	0.4
Presidents	0.1	0.4	1.6	1.6
Other Dept	-	-	-	-
Management Fee	0.9	3.8	11.8	12.2
Benefits	0.2	0.8	2.2	1.9
Uncollectibles	0.1	0.2	0.5	0.5
Other Corporate *	0.2	1.0	2.9	3.0
Trackers	0.1	0.6	0.9	0.8
Total O&M	2.7	10.9	31.8	32.1
Total O&M w/o Trackers	2.5	10.3	30.9	31.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.9	3.6	10.9	11.2
Meter To Cash	0.0	0.2	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.1	0.4	0.4
Presidents	0.1	0.6	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	4.0	11.9	12.2
Benefits	0.2	0.7	1.9	1.6
Uncollectibles	0.0	0.2	0.5	0.5
Other Corporate *	0.2	1.0	2.9	3.0
Trackers	0.1	0.4	0.8	0.7
Total O&M	2.8	10.7	31.5	31.8
Total O&M w/o Trackers	2.5	10.3	30.8	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	0.1	0.2	0.0	-
Meter To Cash	(0.0)	(0.0)	0.0	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	(0.0)	(0.0)	(0.0)	-
Presidents	(0.0)	(0.1)	(0.0)	-
Other Dept	-	-	-	-
B) Management Fee	(0.0)	(0.2)	(0.1)	-
C) Benefits	0.0	0.1	0.3	0.3
Uncollectibles	0.0	(0.0)	-	-
Other Corporate *	(0.0)	0.0	(0.0)	(0.0)
D) Trackers	0.1	0.2	0.1	0.0
Total Change	0.1	0.2	0.3	0.3
Total Change w/o Trackers	0.0	(0.0)	0.1	0.3

Variance Explanations:

- A) YTD Var - Primarily under runs in capital offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations.
- C) 2012 and 2013 Yr Var primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Offset in revenue.

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2012 4&3	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.3	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	1.0	2.9	3.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.3	0.3
Corporate Insurance	0.1	0.3	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	1.0	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	(0.0)	0.0	(0.0)	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	0.0	(0.0)	(0.0)	-
Legal Fees	-	-	-	-
Outside Services	0.0	(0.0)	(0.0)	0.0
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	(0.0)
I&D Accrual	(0.0)	(0.0)	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	(0.0)	0.0	(0.0)	(0.0)

Variance Explanations:

Columbia Gas of Kentucky
Depredation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Depreciation	0.6	2.2	6.6	6.9
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.8	2.5	2.6
Payroll	0.0	0.2	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	1.0	3.0	3.1
Total Other Taxes w/o Trackers	0.3	1.1	3.2	3.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.5	2.1	6.6	6.9
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.8	2.4	2.6
Payroll	0.0	0.2	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	1.0	2.9	3.1
Total Other Taxes w/o Trackers	0.3	1.1	3.1	3.3

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	(0.0)	-
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.1	0.1
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes Change	0.0	0.0	0.1	0.1
Total Change w/o Trackers	0.0	0.1	0.1	0.1

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2012 4&6	Mo Actual	YTD Actual	2012 4&6	2013 4&6
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.1
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.2	0.7	0.5
Total Other Income	0.1	0.3	0.8	0.5
Long-Term Interest Expense	0.4	1.5	4.7	5.2
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	0.0	0.0	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	1.5	4.8	5.3
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.3	0.6	0.5
Total Other Income	0.1	0.3	0.7	0.5
Long-Term Interest Expense	0.4	1.5	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.0	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	1.5	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	0.0
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.0)	0.1	(0.0)
Total Other Income	(0.0)	(0.0)	0.1	0.0
Long-Term Interest Expense	0.0	0.0	0.0	-
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	-	-	-
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	0.0	0.0	0.0
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 4&8	Mo	2012	2013
Assets			
Net Property Plant and Equipment	207.1	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.6	-	-
Restricted Cash	3.0	3.0	-
Accounts Receivable	59.7	48.4	26.7
Gas Inventory	34.2	44.9	46.8
Unrecovered Purchase Costs	-	-	11.1
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.4	0.4	0.4
Current Regulatory Assets	3.0	2.8	2.8
Prepayments and Other Assets	1.8	3.0	3.1
Total Current Assets	102.5	102.4	90.9
NC Regulatory Assets	17.7	16.9	15.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.8	1.8
Total Other Assets	19.4	18.7	17.6
Total Assets	329.4	333.1	328.6
Capitalization & Liabilities			
Total Common Stock Equity	94.3	92.1	93.4
Long Term Debt, excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	161.6	150.4	182.7
Obligations Due in One Year	14.7	28.7	2.0
Accounts Payable	9.3	11.6	12.1
Customer Deposits and AR Credit Balance	13.1	17.7	17.7
Taxes Accrued	4.1	4.5	5.4
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	17.7	8.8	-
Price Risk Management Liabilities (Current)	1.2	1.2	1.2
Exchange Gas Payable	12.5	14.0	8.1
Current Regulatory Liabilities	2.6	2.3	2.2
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.1)	(1.3)	2.4
Total Current Liabilities	74.4	87.7	51.2
Price Risk Management Liabilities - NC	1.3	1.3	1.3
Deferred Income Taxes	45.4	46.8	47.3
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	26.4	26.6	26.9
Accrued Liab for Post Retirement Benefits - NC	10.1	9.9	9.0
Other Non-Current Liabilities	9.8	10.0	10.0
Other NC Liab & Deferred Credits	93.4	95.0	94.8
Total Capitalization & Liabilities	329.4	333.1	328.6

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	205.5	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.5	3.6	-
Accounts Receivable	62.1	39.2	31.4
Gas Inventory	27.5	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.9	2.7	2.7
Prepayments and Other Assets	2.0	2.9	3.1
Total Current Assets	98.2	93.6	82.6
NC Regulatory Assets	18.1	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.8	19.1	18.4
Total Assets	323.9	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	97.2	94.4	95.9
Long Term Debt, excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	164.5	152.7	185.3
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	13.5	11.1	11.4
Customer Deposits and AR Credit Balance	4.8	17.7	17.7
Taxes Accrued	5.9	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	11.2	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	13.8	4.7	4.7
Current Regulatory Liabilities	2.2	2.2	2.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.7)	(0.8)	(0.7)
Total Current Liabilities	66.2	77.2	41.2
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	45.3	46.8	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	26.5	26.7	27.0
Accrued Liab for Post Retirement Benefits - NC	10.2	10.0	8.5
Other Non-Current Liabilities	9.7	9.8	10.0
Other NC Liab & Deferred Credits	93.2	94.8	94.6
Total Capitalization & Liabilities	323.9	324.7	321.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	1.5	(0.0)	(0.0)
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.6	-	-
C) Restricted Cash	(0.6)	(0.6)	-
D) Accounts Receivable	(2.5)	9.2	(4.7)
E) Gas Inventory	6.6	(0.2)	2.1
F) Unrecovered Purchase Costs	-	-	10.7
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.2	0.2	0.2
Current Regulatory Assets	0.1	0.1	0.1
Prepayments and Other Assets	(0.2)	0.0	0.0
Total Current Assets	4.3	8.8	6.4
NC Regulatory Assets	(0.4)	(0.5)	(1.0)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	0.1	0.1	0.2
Total Other Assets	(0.3)	(0.4)	(0.8)
Total Assets	5.5	8.4	7.5
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.9)	(2.3)	(2.6)
G) Long Term Debt , excluding amounts due within one year	-	-	-
Total Capitalization	(2.9)	(2.3)	(2.6)
G) Current Portion of Long Term Debt	-	-	2.0
D) Accounts Payable	(4.2)	0.5	0.8
D) Customer Deposits and AR Credit Balance	8.3	-	-
H) Taxes Accrued	(1.7)	(0.4)	0.1
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	6.5	0.9	-
I) Price Risk Management Liabilities (Current)	0.6	0.6	0.6
J) Exchange Gas Payable	(1.4)	9.3	3.4
Current Regulatory Liabilities	0.5	0.1	0.1
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
Other Accruals	(0.5)	(0.4)	3.1
Total Current Liabilities	8.2	10.5	10.0
Price Risk Management Liabilities - NC	0.2	0.2	0.2
Deferred Income Taxes	0.1	0.0	(0.5)
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.1)	(0.1)	(0.1)
Accrued Liab for Post Retirement Benefits - NC	(0.1)	(0.1)	0.5
Other Non-Current Liabilities	0.1	0.1	(0.0)
Other NC Liab & Deferred Credits	0.3	0.2	0.1
Total Capitalization & Liabilities	5.5	8.4	7.5

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) Variance due to timing issues around 2012 In-Service (\$1.1M) and Depreciation (\$425K)
- B) Increase in Money Pool funding
- C) Variance due to changes to the required reserves related to the Hedging Program, and MF Global bankruptcy (\$256K).
- D) April A/R variance due to decreases to Tariff receivables (\$5.3M), Choice Receivables (\$4.3), and Off-Systems Sales of (\$1.3M), partially offset by increased Money Pool deposits of \$9.9M. The \$8.3M Customer Deposits variance is due to an \$8.3M increase to A/P Factoring related to budget payment plans resulting from warmer than expected weather. The 2012 A/R variance is due to decreased Tariff receivables (\$1.7M), Unbilled receivables (\$2.3M), and Off-Systems Sales (\$1.3M), offset by \$15.7M in Money Pool funding. A/P Variance due to decreased payables related to declining Gas Costs (\$4.1M).
- E) April variance due to Rate Differential and Usage variances of \$3.02M and \$3.59M respectively. 2012 annual variance due to Rate Differential and Usage variances of (\$609K) and \$790K respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$1.4M and (\$700K) respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to an unfavorable \$1.5M increase to Federal Income tax payable.
- I) Variance due to changes in the Hedging obligations.
- J) March variance due to a decrease in the number of outstanding exchange obligations vs. the 0&12, while the variance in 2012 & 2013 indicate an increase in the number of outstanding exchange obligations.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
New Business	0.1	1.0	1.7	1.7
Betterment	0.0	0.3	1.0	0.2
Replacement	1.5	4.1	11.4	11.7
Support Services	0.3	0.5	1.2	1.6
Gross Capital	2.0	5.8	15.3	15.1
Contributions & Reimbursements	0.0	(0.0)	(0.7)	(0.7)
Total NGD	2.0	5.7	14.7	14.5
Infrastructure/AMR	1.4	3.4	9.1	8.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.1	0.5	1.7	1.7
Betterment	0.3	0.6	1.0	0.2
Replacement	1.1	3.5	11.4	11.7
Support Services	0.0	0.2	1.2	1.6
Gross Capital	1.5	4.8	15.3	15.1
Contributions & Reimbursements	(0.1)	(0.4)	(0.7)	(0.7)
Total NGD	1.4	4.4	14.7	14.5
Infrastructure/AMR	0.9	3.1	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	(0.0)	0.5	-	-
Betterment	(0.3)	(0.4)	-	-
Replacement	0.4	0.6	-	-
Support Services	0.3	0.3	-	-
Gross Capital	0.4	1.0	-	-
Contributions & Reimbursements	0.1	0.3	-	-
Total NGD	0.8	1.3	-	-
Infrastructure/AMR	0.5	0.2	-	-

Variance Explanations:

Primarily mild weather and contractor availability.

Columbla Gas of Kentucky
Plan vs. Plan - May 2012
(\$ millions)

2012 5&7	2012	2013
Net Revenues	58.6	61.3
O&M Expense	31.0	31.0
Depreciation	6.6	7.0
Other Taxes	3.0	3.2
Operating Earnings	18.0	20.1
Other Income	0.8	0.5
Interest Expense	4.8	5.4
Net Operating Income	13.9	15.2
Income Tax	5.3	5.9
Net Operating Earnings	8.6	9.3

2012 0&12	2012	2013
Net Revenues	60.9	60.8
O&M Expense	30.9	31.1
Depreciation	6.6	6.9
Other Taxes	3.1	3.3
Operating Earnings	20.2	19.6
Other Income	0.7	0.5
Interest Expense	4.8	5.3
Net Operating Income	16.1	14.8
Income Tax	6.3	6.0
Net Operating Earnings	9.8	8.7

Variance	2012	2013
Net Revenues	(2.3)	0.5
O&M Expense	0.1	(0.0)
Depreciation	0.0	0.1
Other Taxes	(0.2)	(0.1)
Operating Earnings	(2.3)	0.5
Other Income	0.1	0.0
Interest Expense	0.0	0.1
Net Operating Income	(2.2)	0.5
Income Tax	(1.0)	(0.1)
Net Operating Earnings	(1.2)	0.6

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2012 5&7	2012	2013
Base Margin (less LCR)	48.9	50.4
LCR	5.0	4.9
LCR (Prior Dec. True-Up)	(0.1)	-
Supply Optimization	2.4	2.8
Regulatory Outcome	0.4	1.4
Other OGDR	1.4	1.1
CKY Purchase Receivable	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.3
Uncollectibles - Tracked	0.2	0.2
Trackers	0.7	0.5
Total Revenue	59.5	62.0
Total Revenue w/o Trackers	58.6	61.3

2012 0&12	2012	2013
Base Margin (less LCR)	51.1	50.4
LCR	5.1	4.9
LCR (Prior Dec. True-Up)	-	-
ESS	2.4	2.8
Regulatory Outcome	0.3	0.6
Other OGDR	1.2	1.2
CKY Purchase Receivable	0.5	0.5
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.5	0.5
Total Revenue	61.6	61.6
Total Revenue w/o Trackers	60.9	60.8

Variance	2012	2013
Base Margin (less LCR)	(2.2)	(0.0)
LCR	(0.1)	-
LCR (Prior Dec. True-Up)	(0.1)	-
ESS	0.0	-
Regulatory Outcome	0.1	0.8
Other OGDR	0.2	(0.1)
CKY Purchase Receivable	(0.1)	(0.1)
Uncollectibles - Non Tracked	(0.1)	(0.1)
Uncollectibles - Tracked	(0.0)	-
Trackers	0.2	(0.0)
Total Variance	(2.1)	0.4
Total Variance w/o Trackers	(2.3)	0.5

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 5&7	2012	2013
Labor	6.8	6.8
Benefits	2.2	1.9
Materials & Supplies	1.5	1.6
Outside Services	4.3	4.3
Management Fee	11.6	11.8
Uncollectibles	0.5	0.5
Other *	4.047	4.126
Trackers	0.9	0.8
Total O&M	31.933	31.791
Total O&M w/o Trackers	31.0	31.0

2012 0&12	2012	2013
Labor	6.6	6.9
Benefits	2.0	1.6
Materials & Supplies	1.5	1.5
Outside Services	4.3	4.5
Management Fee	11.9	12.2
Uncollectibles	0.5	0.5
Other *	3.9	3.9
Trackers	0.8	0.7
Total O&M	31.6	31.8
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
Labor	0.2	(0.0)
A) Benefits	0.2	0.3
Materials & Supplies	0.0	0.0
Outside Services	(0.0)	(0.2)
B) Management Fee	(0.4)	(0.4)
Uncollectibles	-	-
Other *	0.1	0.2
C) Trackers	0.2	0.0
Total Change	0.3	(0.0)
Total Change w/o Trackers	0.1	(0.0)

- A) 2013 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- B) 2012 - Primarily revised capital transfers, legal and NGD Operations. *2013-2014 - Primarily revised management fee transfers.
- C) Offset in revenues.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 5&7	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.2	0.3
Corporate Insurance	0.8	0.9
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.3	0.3
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.3	1.4
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	4.047	4.126

2012 0&12	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.3	0.3
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	3.9	3.889

Variance	2012	2013
Other		
Buildings and Land	(0.0)	-
Rents/Leases	(0.1)	-
Corporate Insurance	(0.0)	-
Employee Expenses	0.0	-
Company Memberships	0.0	0.0
Utilities	0.1	0.0
Misc Revenues	(0.0)	-
Misc & Other Expenses	0.2	0.2
Amortizations *	-	-
Deferred Credits	0.0	(0.0)
I&D Accrual	(0.0)	-
Well/Lease Rent/Royalty	-	-
Advertising	(0.0)	-
Auto/Trucks Cleared	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Below the Line O&M		
	0.1	0.2

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2012 5&7	2012	2013
Distribution Ops	11.2	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.4	0.4
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	11.6	11.8
Benefits	2.2	1.9
Uncollectibles	0.5	0.5
Other Corporate*	2.861	2.956
Trackers	0.9	0.8
Total O&M	31.933	31.791
Total O&M w/o Trackers	31.0	31.0

2012 0&12	2012	2013
Distribution Ops	10.9	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.4	0.4
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	11.9	12.2
Benefits	2.0	1.6
Uncollectibles	0.5	0.5
Other Corporate*	2.9	3.0
Trackers	0.8	0.7
Total O&M	31.6	31.8
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
A) Distribution Ops	0.3	0.0
Meter To Cash	0.0	-
Customer Call Center	(0.0)	-
Integration Center	0.0	-
Presidents	(0.0)	0.0
Other Departments	-	-
B) Management Fee	(0.4)	(0.4)
C) Benefits	0.2	0.3
Uncollectibles	-	-
Other Corporate*	(0.1)	(0.0)
D) Trackers	0.2	0.0
Total Change	0.3	(0.0)
Total Change w/o Trackers	0.1	(0.0)

- A) 2012 - Primarily fleet adj., right of way (ROW) clearing and tools and uniforms. '2014-2017 - Primarily fleet adj. and decreased AMR Savings.
- B) 2012 - Primarily revised capital transfers, legal and NGD Operations. '2013-2014 - Primarily revised management fee transfers.
- C) 2013 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- D) Offset in revenues.

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2012.05.7	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.2	0.1
Consulting Fees	0.0	0.2
Legal Fees	-	-
Outside Services	0.1	0.2
Buildings and Land	-	-
Rents/Leases	0.2	0.3
Corporate Insurance	0.8	0.9
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.1	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.6	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.801	2.958

2012.05.12	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.1	0.1
Consulting Fees	0.0	0.2
Legal Fees	-	-
Outside Services	0.2	0.2
Buildings and Land	-	-
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.0	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.0

Variance	2012	2013
Other		
Net Labor (CIP)	(0.0)	(0.0)
Materials/Supplies	0.0	-
Audit Fees	0.0	-
Consulting Fees	(0.0)	-
Legal Fees	-	-
Outside Services	(0.0)	0.0
Buildings and Land	-	-
Rents/Leases	(0.1)	-
Corporate Insurance	(0.0)	-
Employee Expenses	-	-
Company Memberships	0.0	0.0
Utilities	0.1	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.0	(0.0)
Amortizations *	-	-
Deferred Credits	(0.0)	(0.0)
I&D Accrual	(0.0)	-
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	(0.1)	(0.0)

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2012 5&7	2012	2013
Depreciation	6.6	7.0
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.5	2.7
Payroll	0.5	0.5
Distribution	-	-
Other	0.0	-
Total Other Taxes	3.0	3.1
Total Other Taxes w/o Trackers	3.0	3.2

2012 0&12	2012	2013
Depreciation	6.6	6.9
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.4	2.6
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	2.9	3.1
Total Other Taxes w/o Trackers	3.1	3.3

Variance	2012	2013
A) Depreciation Change	0.0	0.1
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	0.1	0.1
Payroll	0.0	-
Distribution	-	-
Other	0.0	-
Total Other Taxes Change	0.1	0.1
Total Change w/o Trackers	(0.2)	(0.1)

A) Variance due to increased Capital spend

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2012 5&7	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.2
Hedging Interest Income	0.1	0.1
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.7	0.5
Total Other Income	0.8	0.5
Long-Term Interest Expense	4.7	5.3
Short-Term Interest Expense	-	0.1
Customer Deposits	0.2	0.2
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.1)	(0.1)
Interest Expense	4.8	5.4

2012 0&12	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.1
Hedging Interest Income	0.1	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.6	0.5
Total Other Income	0.7	0.5
Long-Term Interest Expense	4.7	5.2
Short-Term Interest Expense	-	-
Customer Deposits	0.2	0.2
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	4.8	5.3

Variance	2012	2013
Miscellaneous	-	-
AFUDC	0.0	0.0
Hedging Interest Income	(0.0)	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.0)	-
A) Temp Cash Inv Int Inc	0.1	(0.0)
Total Other Income	0.1	0.0
B) Long-Term Interest Expense	0.0	0.1
A) Short-Term Interest Expense	-	0.1
Customer Deposits	-	-
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	0.0	0.1

- A) Variance due to fluctuations in normal operating activity.
B) Variance due to changes in Capital structure to maintain appropriate debt / equity percentages.

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 5&7	2012	2013
Assets		
Net Property Plant and Equipment	212.6	226.3
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.0	-
Accounts Receivable	47.4	26.0
Gas Inventory	45.0	46.9
Unrecovered Purchase Costs	-	5.0
Material & Supplies	-	-
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.8	2.8
Prepayments and Other Assets	3.0	3.2
Total Current Assets	101.4	84.0
NC Regulatory Assets	16.9	15.8
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	2.0	1.9
Total Other Assets	18.9	17.7
Total Assets	333.3	328.5
Capitalization & Liabilities		
Total Common Stock Equity	92.0	97.3
Long Term Debt, excluding amounts due within one year	58.3	87.1
Total Capitalization	150.3	184.4
Current Portion of Long Term Debt	28.7	9.1
Accounts Payable	10.6	12.3
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	4.5	5.5
Interest Accrued	0.1	0.1
Overrecovered Gas and Fuel Costs	14.0	-
Price Risk Management Liabilities (Current)	1.2	1.2
Exchange Gas Payable	9.6	0.7
Current Regulatory Liabilities	2.5	2.2
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(1.3)	0.0
Total Current Liabilities	87.7	48.8
Price Risk Management Liabilities - NC	1.3	1.3
Deferred Income Taxes	47.0	47.7
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	26.6	26.9
Accrued Liab for Post Retirement Benefits - NC	10.0	9.1
Other Non-Current Liabilities	9.9	9.9
Other NC Liab & Deferred Credits	95.2	95.3
Total Capitalization & Liabilities	333.3	328.5

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 0&12	2012	2013
Assets		
Net Property Plant and Equipment	211.6	219.7
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.6	-
Accounts Receivable	39.2	31.4
Gas Inventory	45.1	44.6
Unrecovered Purchase Costs	-	0.5
Material & Supplies	0.0	0.0
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.7	2.7
Prepayments and Other Assets	2.9	3.1
Total Current Assets	93.6	82.6
NC Regulatory Assets	17.4	16.8
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	1.7	1.7
Total Other Assets	19.1	18.4
Total Assets	324.7	321.1
Capitalization & Liabilities		
Total Common Stock Equity	94.4	95.9
Long Term Debt, excluding amounts due within one year	58.3	89.3
Total Capitalization	152.7	185.3
Current Portion of Long Term Debt	28.7	-
Accounts Payable	11.1	11.4
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	5.0	5.3
Interest Accrued	0.0	0.0
Overrecovered Gas and Fuel Costs	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6
Exchange Gas Payable	4.7	4.7
Current Regulatory Liabilities	2.2	2.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(0.8)	(0.7)
Total Current Liabilities	77.2	41.2
Price Risk Management Liabilities - NC	1.1	1.1
Deferred Income Taxes	46.8	47.7
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	26.7	27.0
Accrued Liab for Post Retirement Benefits - NC	10.0	8.5
Other Non-Current Liabilities	9.8	10.0
Other NC Liab & Deferred Credits	94.8	94.6
Total Capitalization & Liabilities	324.7	321.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	2012	2013
Assets		
Net Property Plant and Equipment	0.9	6.6
Total Investments	0.0	0.0
Cash and Cash Equivalents	-	-
Restricted Cash	(0.5)	-
A) Accounts Receivable	8.2	(5.5)
B) Gas Inventory	(0.0)	2.3
C) Unrecovered Purchase Costs	-	4.5
Material & Supplies	(0.0)	(0.0)
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)
Current Regulatory Assets	0.1	0.1
Prepayments and Other Assets	0.0	0.1
Total Current Assets	7.7	1.5
D) NC Regulatory Assets	(0.5)	(1.0)
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	0.3	0.3
Total Other Assets	(0.2)	(0.7)
Total Assets	8.5	7.4
Capitalization & Liabilities		
E) Total Common Stock Equity	(2.4)	1.4
E) Long Term Debt, excluding amounts due within one year	-	(2.3)
Total Capitalization	(2.4)	(0.9)
E) Current Portion of Long Term Debt	-	9.1
A) Accounts Payable	(0.5)	0.9
Customer Deposits and AR Credit Balance	-	-
Taxes Accrued	(0.4)	0.2
Interest Accrued	0.0	0.0
C) Overrecovered Gas and Fuel Costs	6.0	-
Price Risk Management Liabilities (Current)	0.6	0.6
F) Exchange Gas Payable	4.9	(4.0)
Current Regulatory Liabilities	0.3	0.1
Accrued Liability for Post Retirement Benefits - Cur	-	-
Environmental	-	-
G) Other Accruals	(0.5)	0.7
Total Current Liabilities	10.5	7.6
Price Risk Management Liabilities - NC	0.2	0.2
G) Deferred Income Taxes	0.2	(0.0)
Deferred Investment Tax Credits	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.1)	(0.1)
Accrued Liab for Post Retirement Benefits - NC	(0.0)	0.6
Other Non-Current Liabilities	0.1	(0.1)
Other NC Liab & Deferred Credits	0.4	0.6
Total Capitalization & Liabilities	8.5	7.4

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

A) Variances due to fluctuations in Gas Costs and Usage primarily to Tariff Sales and Off-System sales, as well as Money Pool deposits effecting balances in both A/R and A/P (short term borrowings). 2012 A/R variance due to decreased Tariff Sales (\$1.8M), Off-System sales (\$700K), and Unbilled (\$2.2M), offset by Money Pool deposits of \$14.7M.

B)

Year	Volume Variance (\$\$\$)	Rate Variance (\$\$\$)	Total Variance (\$\$\$)
2012	(0.8)	0.8	(0.0)
2013	1.4	0.8	2.2
2014	3.8	0.3	4.1
2015	3.5	0.0	3.5
2016	3.0	0.2	3.1
2017	2.7	0.2	2.9

C) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA fillings and either collected or passed back to the customers.

D) Variances are due to changes to pension funding obligations

E) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.

F) Variance due to changes in the number of exchange obligations vs. the 0&12.

G) Variance in 2012 & out years primarily driven by Federal and State tax liabilities.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2012 5&7	2012	2013
New Business	2.7	2.4
Betterment	0.3	0.2
Replacement	12.0	16.7
Support Services	1.3	1.6
Gross Capital	16.3	20.8
Contributions & Reimbursements	(0.7)	(0.7)
Total CKY *	15.6	20.2
Infrastructure/AMR	9.6	13.2

2012 0&12	2012	2013
New Business	1.7	1.7
Betterment	1.0	0.2
Replacement	11.4	11.7
Support Services	1.2	1.6
Gross Capital	15.3	15.1
Contributions & Reimbursements	(0.7)	(0.7)
Total CKY	14.7	14.5
Infrastructure/AMR	9.1	8.2

Variance	2012	2013
New Business	1.0	0.7
Betterment	(0.7)	-
Replacement	0.6	5.0
Support Services	0.1	-
Gross Capital	1.0	5.7
Contributions & Reimbursements	-	-
Total CKY	1.0	5.7
Infrastructure/AMR	0.5	5.0

Plan variances due to additional capital allocations to NGD and updated forecasts.

Columbia Gas of Kentucky
Plan vs. Plan - June 2012
(\$ millions)

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Net Revenues	2.9	31.1	58.6	61.3
O&M Expense	2.5	15.3	31.1	31.0
Depreciation	0.6	3.3	6.6	7.0
Other Taxes	0.2	1.5	3.0	3.2
*Operating Earnings	(0.4)	11.1	17.9	20.1
Other Income	0.1	0.4	0.7	0.6
Interest Expense	0.4	2.4	4.8	5.4
*Operating Earnings before Taxes	(0.7)	9.1	13.9	15.2
Income Tax	(0.2)	3.5	5.4	5.9
Net Operating Earnings	(0.5)	5.6	8.5	9.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	3.1	34.2	60.9	60.8
O&M Expense	2.6	15.5	30.9	31.1
Depreciation	0.5	3.2	6.6	6.9
Other Taxes	0.2	1.5	2.9	3.1
*Operating Earnings	(0.3)	14.0	20.5	19.8
Other Income	0.1	0.4	0.7	0.5
Interest Expense	0.4	2.4	4.8	5.3
*Operating Earnings before Taxes	(0.6)	12.1	16.4	15.0
Income Tax	0.4	5.0	6.3	6.0
Net Operating Earnings	(1.0)	7.1	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.2)	(3.1)	(2.3)	0.5
O&M Expense	(0.2)	(0.2)	0.2	(0.0)
Depreciation	0.0	0.0	0.0	0.1
Other Taxes	(0.0)	0.1	0.1	0.1
*Operating Earnings	(0.1)	(3.0)	(2.6)	0.3
Other Income	(0.0)	(0.0)	0.1	0.1
Interest Expense	0.0	0.0	0.0	0.1
*Operating Earnings before Taxes	(0.1)	(3.0)	(2.5)	0.2
Income Tax				
Net Operating Earnings	(0.1)	(3.0)	(2.5)	0.2

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Base Margin (less LCR)	2.3	26.7	48.9	50.4
LCR	0.3	2.5	5.0	4.9
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.1	0.6	2.4	2.8
Regulatory Outcome	-	-	0.4	1.4
Other OGDR	0.1	0.9	1.3	1.1
CKY Purchase Receivable	0.0	0.3	0.4	0.4
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.1	0.6	0.8	0.5
Total Revenue	3.0	31.9	59.6	62.0
Total Revenue w/o Trackers	2.9	31.1	58.6	61.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	2.5	28.9	51.1	50.4
LCR	0.3	2.6	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	1.3	2.4	2.8
Regulatory Outcome	0.0	0.0	0.3	0.6
Other OGDR	0.1	0.7	1.2	1.2
CKY Purchase Receivable	(0.0)	0.4	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.0	0.3	0.5	0.5
Total Revenue	3.1	34.7	61.6	61.6
Total Revenue w/o Trackers	3.1	34.2	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	(0.2)	(2.2)	(2.1)	(0.0)
LCR	0.0	(0.2)	(0.1)	-
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	(0.0)	(0.7)	0.0	-
Regulatory Outcome	(0.0)	(0.0)	0.0	0.8
Other OGDR	(0.0)	0.2	0.2	(0.1)
C) CKY Purchase Receivable	0.0	(0.1)	(0.1)	(0.1)
D) Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.1)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.3	0.3	(0.0)
Total Variance	(0.2)	(2.8)	(2.0)	0.4
Total Variance w/o Trackers	(0.2)	(3.1)	(2.3)	0.5

Variance Explanations:

- A) Variance due to customer and usage erosion.
- B) Variance represents downward revision to Off-System sales assumptions due to lack of price volatility.
- C) Variance due to April Billing Service interruptions of \$265K.
- D) Variance due to declining gas costs.

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Penalty Charges	0.1	0.3	0.4	0.3
Return Check	0.0	0.1	0.2	0.1
Other Fees	0.0	0.4	0.6	0.4
Other Revenue	0.0	0.0	0.1	0.1
Pub Util-Flex	0.0	0.0	0.1	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	0.9	1.3	1.1

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.2	0.4	0.4
Other Revenue	0.0	0.1	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.7	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	0.0
Return Check	0.0	0.0	0.0	0.0
Other Fees	0.0	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.1)	(0.1)	(0.1)
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	(0.0)	(0.0)	(0.0)	(0.0)
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.0	0.2	0.2	(0.1)

Columbia Gas of Kentucky
2012 Customer & Usage Information - 6&6 vs. 0&12

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.1	0.4
Commercial	0.0	0.0
Total	0.1	0.4

Usage Change	Month	YTD
Residential	0.2	0.0
Commercial	0.5	0.4
Industrial (Non-LCR)	(0.1)	0.1
Total	0.6	0.6

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	1.1	44.3
Comm	18.7	541.3
Ind	5,384.2	87,224.9

Budget	Month	YTD
Residential	1.0	44.4
Commercial	16.7	318.4
Industrial	5,287.3	45,707.2

Variance	Month	Mo. %	YTD	YTD %
Residential	0.1	7.0%	(0.1)	-0.1%
Commercial	2.0	12.1%	222.9	70.0%
Industrial	96.9	1.8%	41,517.7	90.8%

Customer Count

Actual	Month	YTD Avg
Residential	118,913	120,385
Commercial	13,808	14,001
Industrial	177	178
Total	132,898	134,563

Budget	Month	YTD Avg
Residential	118,250	120,496
Commercial	13,741	13,967
Industrial	181	181
Total	132,172	134,644

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	663.0	0.6%	(110.7)	-0.1%
Commercial	67.0	0.5%	33.5	0.2%
Industrial	(4.0)	-2.2%	(3.5)	-1.9%
Total	726.0	0.5%	(80.7)	-0.1%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Labor	0.6	3.6	6.9	6.8
Benefits	0.2	1.1	2.2	1.9
Materials & Supplies	0.1	0.7	1.5	1.6
Outside Services	0.4	2.0	4.4	4.8
Management Fee	0.9	5.6	11.6	11.8
Uncollectibles	(0.0)	0.2	0.5	0.5
Other *	0.3	1.9	4.1	3.6
Trackers	0.1	0.7	1.0	0.8
Total O&M	2.5	16.0	32.1	31.8
Total O&M w/o Trackers	2.5	15.3	31.1	31.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	3.4	6.6	6.9
Benefits	0.2	1.0	2.0	1.6
Materials & Supplies	0.2	0.7	1.5	1.5
Outside Services	0.4	2.1	4.3	5.0
Management Fee	1.0	6.0	11.9	12.2
Uncollectibles	0.0	0.3	0.5	0.5
Other *	0.3	2.0	3.9	3.4
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.6	16.0	31.6	31.8
Total O&M w/o Trackers	2.6	15.5	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.0	0.2	0.2	(0.0)
B) Benefits	(0.0)	0.1	0.2	0.3
Materials & Supplies	(0.1)	(0.0)	(0.0)	0.0
Outside Services	0.0	(0.1)	0.0	(0.2)
C) Management Fee	(0.1)	(0.3)	(0.4)	(0.4)
Uncollectibles	(0.0)	(0.0)	-	-
Other *	0.0	(0.0)	0.1	0.2
D) Trackers	0.0	0.3	0.2	0.0
Total Change	(0.1)	0.0	0.4	(0.0)
Total Change w/o Trackers	(0.2)	(0.2)	0.2	(0.0)

Variance Explanations:

- A) YTD & 2012 Yr Var - Primarily meter reading and maintenance of mains.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- D) Offset in revenue.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 G&G	Mo Actual	YTD Actual	2012 G&G	2013 G&G
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.4	0.6	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.7)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.7	1.3	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	1.9	4.1	3.6

2012 O&I2	Mo Budget	YTD Budget	2012 O&I2	2013 O&I2
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.4	0.9	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.3	0.3
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	0.7	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	2.0	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	(0.0)	(0.0)	(0.0)	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	(0.0)	(0.0)	(0.0)	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.0	0.0	(0.0)
I&D Accrual	(0.0)	(0.0)	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	(0.0)	-
Auto/Trucks Cleared	(0.0)	(0.0)	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	0.0	(0.0)	0.1	0.2

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses.

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Distribution Ops	0.9	5.6	11.2	11.2
Meter To Cash	0.0	0.3	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.1	0.2	0.4	0.4
Presidents	0.1	0.7	1.6	1.6
Other Dept	-	-	-	-
Management Fee	0.9	5.6	11.6	11.8
Benefits	0.2	1.1	2.2	1.9
Uncollectibles	(0.0)	0.2	0.5	0.5
Other Corporate *	0.3	1.5	2.9	3.0
Trackers	0.1	0.7	1.0	0.8
Total O&M	2.5	16.0	32.1	31.8
Total O&M w/o Trackers	2.5	15.3	31.1	31.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.9	5.5	10.9	11.2
Meter To Cash	0.1	0.3	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.2	0.4	0.4
Presidents	0.1	0.8	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	6.0	11.9	12.2
Benefits	0.2	1.0	2.0	1.6
Uncollectibles	0.0	0.3	0.5	0.5
Other Corporate *	0.2	1.5	2.9	3.0
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.6	16.0	31.6	31.8
Total O&M w/o Trackers	2.6	15.5	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	(0.0)	0.1	0.3	0.0
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	0.0	0.0	0.0	-
Presidents	(0.0)	(0.2)	(0.0)	0.0
Other Dept	-	-	-	-
B) Management Fee	(0.1)	(0.3)	(0.4)	(0.4)
C) Benefits	(0.0)	0.1	0.2	0.3
Uncollectibles	(0.0)	(0.0)	-	-
Other Corporate *	0.0	0.0	0.0	(0.0)
D) Trackers	0.0	0.3	0.2	0.0
Total Change	(0.1)	0.0	0.4	(0.0)
Total Change w/o Trackers	(0.2)	(0.2)	0.2	(0.0)

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj, partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Offset in revenue.

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2012 O&M	Mo Actual	YTD Actual	2012 O&M	2013 O&M
Other Corporate				
Net Labor	0.0	0.2	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.4	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	1.5	2.9	3.0

2012 O&M	Mo Budget	YTD Budget	2012 O&M	2013 O&M
Other Corporate				
Net Labor	0.0	0.2	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.3	0.3
Corporate Insurance	0.1	0.4	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	1.5	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	(0.0)	(0.0)	(0.0)	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	0.0	0.0	0.0	-
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	0.0
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	0.0	(0.0)	(0.0)	(0.0)
I&D Accrual	(0.0)	(0.0)	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.0	0.0	(0.0)

Variance Explanations:

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Depreciation	0.6	3.3	6.6	7.0
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.2	2.5	2.7
Payroll	0.1	0.3	0.5	0.5
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes	0.3	1.5	3.0	3.1
Total Other Taxes w/o Trackers	0.2	1.5	3.0	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.5	3.2	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.2	2.4	2.6
Payroll	0.0	0.2	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	1.4	2.9	3.1
Total Other Taxes w/o Trackers	0.2	1.5	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	0.0	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.1	0.1
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.1
Total Change w/o Trackers	(0.0)	0.1	0.1	0.1

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.1	0.1
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.3	0.7	0.5
Total Other Income	0.1	0.4	0.7	0.8
Long-Term Interest Expense	0.4	2.3	4.7	5.3
Short-Term Interest Expense	-	-	-	0.1
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.1)
Interest Expense	0.4	2.4	4.8	5.4
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.4	0.6	0.5
Total Other Income	0.1	0.4	0.7	0.5
Long-Term Interest Expense	0.4	2.3	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	2.4	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	0.0
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.1
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.1)	0.1	(0.0)
Total Other Income	(0.0)	(0.0)	0.1	0.1
Long-Term Interest Expense	0.0	0.0	0.0	0.1
Short-Term Interest Expense	-	-	-	0.1
Customer Deposits Interest Expense	-	-	-	-
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	(0.0)	(0.0)	(0.0)
Interest Expense	0.0	0.0	0.0	0.1
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 G&B	Mo	2012	2013
Assets			
Net Property Plant and Equipment	209.6	212.6	226.3
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	1.5	-	-
Restricted Cash	2.7	3.1	-
Accounts Receivable	48.5	46.8	25.4
Gas Inventory	39.7	45.2	47.1
Unrecovered Purchase Costs	-	-	6.8
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.8	2.7	2.7
Prepayments and Other Assets	1.2	3.0	3.2
Total Current Assets	96.5	100.7	85.3
NC Regulatory Assets	17.3	16.7	15.6
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	2.1	2.2	2.1
Total Other Assets	19.4	18.9	17.7
Total Assets	326.0	332.6	329.7
Capitalization & Liabilities			
Total Common Stock Equity	92.9	91.9	97.3
Long Term Debt, excluding amounts due within one year	67.3	58.3	87.1
Total Capitalization	160.3	150.3	184.3
Obligations Due in One Year	14.7	28.7	9.5
Accounts Payable	6.9	10.7	12.3
Customer Deposits and AR Credit Balance	11.2	17.7	17.7
Taxes Accrued	3.7	4.5	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	19.4	12.0	-
Price Risk Management Liabilities (Current)	1.0	1.0	1.0
Exchange Gas Payable	14.2	11.4	1.5
Current Regulatory Liabilities	4.1	4.0	3.6
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.6)	(1.6)	0.5
Total Current Liabilities	73.8	88.8	51.8
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	45.5	47.0	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	25.0	25.1	25.4
Accrued Liab for Post Retirement Benefits - NC	9.9	9.9	9.0
Other Non-Current Liabilities	9.8	9.9	10.0
Other NC Liab & Deferred Credits	91.9	93.5	93.6
Total Capitalization & Liabilities	326.0	332.6	329.7

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	207.0	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.5	3.6	-
Accounts Receivable	43.5	39.2	31.4
Gas Inventory	37.4	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.9	2.7	2.7
Prepayments and Other Assets	1.7	2.9	3.1
Total Current Assets	89.1	93.6	82.6
NC Regulatory Assets	17.9	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.6	19.1	18.4
Total Assets	316.0	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	95.7	94.4	95.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	163.1	152.7	185.3
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	11.7	11.1	11.4
Customer Deposits and AR Credit Balance	6.2	17.7	17.7
Taxes Accrued	4.1	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	10.4	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	9.9	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.7)	(0.8)	(0.7)
Total Current Liabilities	60.8	78.6	42.6
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	45.7	46.8	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	25.1	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.7	9.8	10.0
Other NC Liab & Deferred Credits	92.1	93.4	93.2
Total Capitalization & Liabilities	316.0	324.7	321.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	2.6	0.9	6.5
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	1.5	-	-
C) Restricted Cash	(0.9)	(0.5)	-
D) Accounts Receivable	5.0	7.6	(6.0)
E) Gas Inventory	2.3	0.1	2.5
F) Unrecovered Purchase Costs	-	-	6.3
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	(0.1)	(0.1)	(0.1)
Prepayments and Other Assets	(0.4)	0.0	0.1
Total Current Assets	7.5	7.1	2.7
NC Regulatory Assets	(0.6)	(0.7)	(1.1)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	0.4	0.5	0.4
Total Other Assets	(0.2)	(0.2)	(0.7)
Total Assets	9.9	7.9	8.6
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.8)	(2.4)	1.3
G) Long Term Debt, excluding amounts due within one year	-	-	(2.3)
Total Capitalization	(2.8)	(2.4)	(0.9)
G) Current Portion of Long Term Debt	-	-	9.5
D) Accounts Payable	(4.8)	(0.4)	1.0
D) Customer Deposits and AR Credit Balance	5.0	-	-
H) Taxes Accrued	(0.4)	(0.4)	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	8.9	4.1	-
I) Price Risk Management Liabilities (Current)	0.4	0.4	0.4
J) Exchange Gas Payable	4.3	6.8	(3.1)
Current Regulatory Liabilities	0.4	0.4	0.1
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
Other Accruals	(0.9)	(0.7)	1.2
Total Current Liabilities	13.0	10.2	9.2
Price Risk Management Liabilities - NC	0.1	0.1	0.1
Deferred Income Taxes	(0.2)	0.2	(0.0)
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.1)	(0.1)	(0.1)
Accrued Liab for Post Retirement Benefits - NC	(0.1)	(0.1)	0.5
Other Non-Current Liabilities	0.1	0.1	(0.1)
Other NC Liab & Deferred Credits	(0.2)	0.1	0.3
Total Capitalization & Liabilities	9.9	7.9	8.6

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) Variance due to timing issues around 2012 In-Service (\$2.1M) and Depreciation (\$600K).
- B) Increase in Money Pool funding.
- C) Monthly variance due to changes to the required reserves related to the Hedging Program, while YTD variance is due to MF Global bankruptcy (\$483K).
- D) June A/R variance due to decreases to Tariff receivables (\$2.2M), Choice Receivables (\$3.2M), and Off-Systems Sales of (\$1.4M), partially offset by increased Money Pool deposits of \$13.8M. The \$8.3M Customer Deposits variance is due to an \$8.3M increase to A/P Factoring related to budget payment plans resulting from warmer than expected weather. The 2012 A/R variance is due to decreased Tariff receivables (\$1.8M), Unbilled receivables (\$2.1M), and Off-Systems Sales (\$1.4M), offset by \$14.7M in Money Pool funding. A/P Variance due to decreased payables related to declining Gas Costs (\$4.9M).
- E) June variance due to Rate Differential and Usage variances of \$1.7M and \$639K respectively. 2012 annual variance due to Rate Differential and Usage variances of \$898K and (\$802)K respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$1.05M and \$1.4M respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to seasonality.
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to an increase in the number of outstanding exchange obligations vs. the 0&12.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
New Business	0.3	1.6	2.7	2.4
Betterment	0.0	0.3	0.3	0.2
Replacement	1.5	7.2	12.0	16.7
Support Services	0.2	0.7	1.3	1.6
Gross Capital	2.0	9.8	16.3	20.8
Contributions & Reimbursements	-	(0.2)	(0.7)	(0.7)
Total NGD	2.0	9.6	15.6	20.2
Infrastructure/AMR	1.4	6.2	9.6	13.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.1	0.7	1.7	1.7
Betterment	0.1	0.8	1.0	0.2
Replacement	1.1	5.4	11.4	11.7
Support Services	0.1	0.3	1.2	1.6
Gross Capital	1.3	7.2	15.3	15.1
Contributions & Reimbursements	(0.0)	(0.4)	(0.7)	(0.7)
Total NGD	1.3	6.9	14.7	14.5
Infrastructure/AMR	1.0	4.8	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.2	0.9	1.0	0.7
Betterment	(0.1)	(0.5)	(0.7)	0.1
Replacement	0.4	1.8	0.6	5.0
Support Services	0.1	0.4	0.1	0.0
Gross Capital	0.7	2.6	1.0	5.8
Contributions & Reimbursements	0.0	0.2	(0.0)	(0.0)
Total NGD	0.7	2.8	1.0	5.7
Infrastructure/AMR	0.4	1.4	0.5	5.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

Columbia Gas of Kentucky
Plan vs. Plan - July 2012
(\$ millions)

2012 7&5	2012	2013
Net Revenues	58.5	60.4
O&M Expense	31.2	31.8
Depreciation	6.7	7.0
Other Taxes	2.7	3.2
Operating Earnings	17.8	18.4
Other Income	0.7	0.4
Interest Expense	4.8	5.1
Net Operating Income	13.7	13.7
Income Tax	6.0	5.3
Net Operating Income	7.7	8.4

2012 0&12	2012	2013
Net Revenues	60.9	60.8
O&M Expense	30.9	31.1
Depreciation	6.6	6.9
Other Taxes	3.1	3.3
Operating Earnings	20.2	19.6
Other Income	0.7	0.5
Interest Expense	4.8	5.3
Net Operating Income	16.1	14.8
Income Tax	6.3	6.0
Net Operating Income	9.8	8.7

Variance	2012	2013
Net Revenues	(2.4)	(0.4)
O&M Expense	0.4	0.7
Depreciation	0.1	0.1
Other Taxes	(0.4)	(0.1)
Operating Earnings	(2.4)	(1.1)
Other Income	0.0	(0.1)
Interest Expense	0.0	(0.2)
Net Operating Income	(2.4)	(1.0)
Income Tax	(0.3)	(0.7)
Net Operating Income	(2.1)	(0.3)

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2012 7&5	2012	2013
Base Margin (less LCR)	49.2	50.2
LCR	4.9	5.1
LCR (Prior Dec. True-Up)	(0.1)	-
Supply Optimization	2.4	2.8
Regulatory Outcome	-	0.6
Other OGDR	1.3	1.0
CKY Purchase Receivable	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.8	0.5
Total Revenue	59.5	61.1
Total Revenue w/o Trackers	58.5	60.4

2012 0&12	2012	2013
Base Margin (less LCR)	51.4	50.4
LCR	5.1	4.9
LCR (Prior Dec. True-Up)	-	-
ESS	2.4	2.8
Regulatory Outcome	-	0.6
Other OGDR	1.2	1.2
CKY Purchase Receivable	0.5	0.5
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.5	0.5
Total Revenue	61.6	61.6
Total Revenue w/o Trackers	60.9	60.8

Variance	2012	2013
A) Base Margin (less LCR)	(2.2)	(0.2)
LCR	(0.1)	0.2
LCR (Prior Dec. True-Up)	(0.1)	-
ESS	(0.0)	(0.0)
Regulatory Outcome	-	0.0
Other OGDR	0.1	(0.2)
CKY Purchase Receivable	(0.1)	(0.1)
Uncollectibles - Non Tracked	(0.0)	(0.1)
Uncollectibles - Tracked	(0.0)	-
Trackers	0.3	(0.0)
Total Variance	(2.1)	(0.5)
Total Variance w/o Trackers	(2.4)	(0.4)

A) 2013 variance due to downward revisions to volumetric forecasts (\$1.5M), partially offset by increased customer charge (+\$600K).

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 7&5	2012	2013
Labor	7.0	7.3
Benefits	2.1	1.9
Materials & Supplies	1.5	1.5
Outside Services	4.3	4.3
Management Fee	12.1	12.4
Uncollectibles	0.2	0.5
Other *	4.1	3.8
Trackers	0.8	0.7
Total O&M	32.1	32.5
Total O&M w/o Trackers	31.2	31.8

2012 0&12	2012	2013
Labor	6.6	6.9
Benefits	2.0	1.6
Materials & Supplies	1.5	1.5
Outside Services	4.3	4.5
Management Fee	11.9	12.2
Uncollectibles	0.5	0.5
Other *	3.9	3.9
Trackers	0.8	0.7
Total O&M	31.6	31.8
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
A) Labor	0.4	0.5
B) Benefits	0.1	0.3
Materials & Supplies	(0.0)	(0.0)
Outside Services	0.0	(0.2)
C) Management Fee	0.1	0.2
D) Uncollectibles	(0.3)	(0.1)
Other *	0.1	(0.0)
E) Trackers	0.1	0.0
Total Change	0.4	0.7
Total Change w/o Trackers	0.4	0.7

- A) Primarily increase due to vacancy fills (LOGI & EGCO).
- B) 2013-2017 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- C) 2012-2017 – Primarily revised assumptions for Administrative Services (IT) and NGD EH&S Distribution partially offset by capital transfers.
- D) Reflects revised expenditure forecast.
- E) Offset in revenues.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 7&5	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.4	0.4
Misc Revenues	(0.2)	(0.2)
Misc & Other Expenses	0.2	0.1
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	4.1	3.8

2012 0&12	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.3	0.3
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	3.9	3.9

Variance	2012	2013
Other		
Buildings and Land	(0.0)	(0.0)
Rents/Leases	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.0)
Employee Expenses	0.0	0.0
Company Memberships	0.0	0.0
Utilities	0.1	0.1
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	0.2	0.1
Amortizations *	-	-
Deferred Credits	0.0	(0.0)
I&D Accrual	0.0	-
Well/Lease Rent/Royalty	-	-
Advertising	(0.0)	-
Auto/Trucks Cleared	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Below the Line O&M		
	0.1	(0.0)

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2012 7&5	2012	2013
Distribution Ops	11.1	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.6	0.7
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	12.1	12.4
Benefits	2.1	1.9
Uncollectibles	0.2	0.5
Other Corporate*	3.0	2.9
Trackers	0.8	0.7
Total O&M	32.1	32.5
Total O&M w/o Trackers	31.2	31.8

2012 0&12	2012	2013
Distribution Ops	10.9	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.4	0.4
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	11.9	12.2
Benefits	2.0	1.6
Uncollectibles	0.5	0.5
Other Corporate*	2.9	3.0
Trackers	0.8	0.7
Total O&M	31.6	31.8
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
A) Distribution Ops	0.2	(0.0)
Meter To Cash	(0.0)	-
Customer Call Center	(0.0)	-
B) Integration Center	0.2	0.3
Presidents	(0.0)	0.0
Other Departments	-	-
C) Management Fee	0.1	0.2
D) Benefits	0.1	0.3
E) Uncollectibles	(0.3)	(0.1)
Other Corporate*	0.1	(0.1)
F) Trackers	0.1	0.0
Total Change	0.4	0.7
Total Change w/o Trackers	0.4	0.7

- A) 2012 - Primarily fleet adj., right of way (ROW) clearing and tools and uniforms. 2014-2017 - Primarily fleet adj. and decreased AMR Savings.
- B) 2012-2017 - Primarily vacancy fills.
- C) 2012-2017 - Primarily revised assumptions for Administrative Services (IT) and NGD EH&S Distribution partially offset by capital transfers.
- D) 2013-2017 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- E) Reflects revised expenditure forecast.
- F) Offset in revenues.

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2012 78.5	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.2	0.1
Consulting Fees	0.1	0.1
Legal Fees	-	-
Outside Services	0.2	0.2
Buildings and Land	-	-
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.1	0.1
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	3.0	2.9

2012 08.12	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.1	0.1
Consulting Fees	0.0	0.2
Legal Fees	-	-
Outside Services	0.2	0.2
Buildings and Land	-	-
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.0	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.0

Variance	2012	2013
Other		
Net Labor (CIP)	(0.0)	(0.0)
Materials/Supplies	0.0	-
Audit Fees	0.0	0.0
Consulting Fees	0.1	(0.1)
Legal Fees	-	-
Outside Services	0.0	(0.0)
Buildings and Land	-	-
Rents/Leases	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.0)
Employee Expenses	-	-
Company Memberships	0.0	0.0
Utilities	0.1	0.1
Misc Revenues	-	-
Misc & Other Expenses	0.0	(0.0)
Amortizations *	-	-
Deferred Credits	(0.0)	(0.0)
I&D Accrual	0.0	-
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	0.1	(0.1)

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2012 7&5	2012	2013
Depreciation	6.7	7.0
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.5	2.7
Payroll	0.5	0.5
Distribution	-	-
Other	0.0	-
Total Other Taxes	3.0	3.1
Total Other Taxes w/o Trackers	2.7	3.2

2012 0&12	2012	2013
Depreciation	6.6	6.9
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.4	2.6
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	2.9	3.1
Total Other Taxes w/o Trackers	3.1	3.3

Variance	2012	2013
A) Depreciation Change	0.1	0.1
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	0.0	0.1
Payroll	0.0	-
Distribution	-	-
Other	0.0	-
Total Other Taxes Change	0.1	0.1
Total Change w/o Trackers	(0.4)	(0.1)

A) Variance due to increased Capital spend

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2012 7&5	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.2
Hedging Interest Income	0.0	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.6	0.3
Total Other Income	0.7	0.4
Long-Term Interest Expense	4.7	5.0
Short-Term Interest Expense	-	0.0
Customer Deposits	0.1	0.1
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.1)	(0.1)
Interest Expense	4.8	5.1

2012 08.12	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.1
Hedging Interest Income	0.1	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.6	0.5
Total Other Income	0.7	0.5
Long-Term Interest Expense	4.7	5.2
Short-Term Interest Expense	-	-
Customer Deposits	0.2	0.2
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	4.8	5.3

Variance	2012	2013
Miscellaneous	-	-
AFUDC	0.0	0.1
Hedging Interest Income	(0.0)	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.0)	-
A) Temp Cash Inv Int Inc	0.0	(0.2)
Total Other Income	0.0	(0.1)
B) Long-Term Interest Expense	0.0	(0.2)
A) Short-Term Interest Expense	-	0.0
Customer Deposits	(0.0)	(0.0)
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	0.0	(0.2)

- A) Variance due to fluctuations in normal operating activity
B) Variance due to changes in Capital structure to maintain appropriate debt/ equity percentages.

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 7&5	2012	2013
Assets		
Net Property Plant and Equipment	212.7	227.5
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.2	-
Accounts Receivable	48.6	26.2
Gas Inventory	45.1	45.7
Unrecovered Purchase Costs	-	8.9
Material & Supplies	-	-
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.5	2.5
Prepayments and Other Assets	3.0	3.2
Total Current Assets	102.4	86.8
NC Regulatory Assets	16.5	15.3
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	3.3	3.3
Total Other Assets	19.9	18.6
Total Assets	335.4	333.1
Capitalization & Liabilities		
Total Common Stock Equity	91.9	98.3
Long Term Debt, excluding amounts due within one year	58.3	87.1
Total Capitalization	150.2	185.3
Current Portion of Long Term Debt	28.7	5.3
Accounts Payable	10.6	11.4
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	4.6	5.5
Interest Accrued	0.1	0.1
Overrecovered Gas and Fuel Costs	9.7	-
Price Risk Management Liabilities (Current)	0.8	0.8
Exchange Gas Payable	13.2	2.4
Current Regulatory Liabilities	4.1	3.8
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(1.4)	1.9
Total Current Liabilities	88.2	49.0
Price Risk Management Liabilities - NC	1.0	1.0
Deferred Income Taxes	49.8	51.4
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	25.1	25.4
Accrued Liab for Post Retirement Benefits - NC	9.6	9.7
Other Non-Current Liabilities	11.0	11.1
Other NC Liab & Deferred Credits	96.9	98.9
Total Capitalization & Liabilities	335.4	333.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 0&12	2012	2013
Assets		
Net Property Plant and Equipment	211.6	219.7
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.8	-
Accounts Receivable	39.2	31.4
Gas Inventory	45.1	44.6
Unrecovered Purchase Costs	-	0.5
Material & Supplies	0.0	0.0
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.7	2.7
Prepayments and Other Assets	2.9	3.1
Total Current Assets	93.6	82.6
NC Regulatory Assets	17.4	16.8
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	1.7	1.7
Total Other Assets	19.1	18.4
Total Assets	324.7	321.1
Capitalization & Liabilities		
Total Common Stock Equity	94.4	95.9
Long Term Debt, excluding amounts due within one year	58.3	89.3
Total Capitalization	152.7	185.3
Current Portion of Long Term Debt	28.7	-
Accounts Payable	11.1	11.4
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	5.0	5.3
Interest Accrued	0.0	0.0
Overrecovered Gas and Fuel Costs	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6
Exchange Gas Payable	4.7	4.7
Current Regulatory Liabilities	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(0.8)	(0.7)
Total Current Liabilities	78.6	42.6
Price Risk Management Liabilities - NC	1.1	1.1
Deferred Income Taxes	46.8	47.7
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.0	8.5
Other Non-Current Liabilities	9.8	10.0
Other NC Liab & Deferred Credits	93.4	93.2
Total Capitalization & Liabilities	324.7	321.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	2012	2013
Assets		
Net Property Plant and Equipment	1.0	7.8
Total Investments	0.0	0.0
Cash and Cash Equivalents	-	-
Restricted Cash	(0.4)	-
A) Accounts Receivable	9.4	(5.3)
B) Gas Inventory	0.0	1.1
C) Unrecovered Purchase Costs	-	8.4
Material & Supplies	(0.0)	(0.0)
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)
Current Regulatory Assets	(0.2)	(0.2)
Prepayments and Other Assets	0.0	0.1
Total Current Assets	8.8	4.0
D) NC Regulatory Assets	(0.9)	(1.5)
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	1.7	1.7
Total Other Assets	0.8	0.2
Total Assets	10.6	12.0
Capitalization & Liabilities		
E) Total Common Stock Equity	(2.5)	2.3
E) Long Term Debt, excluding amounts due within one year	-	(2.3)
Total Capitalization	(2.5)	0.0
E) Current Portion of Long Term Debt	-	5.3
A) Accounts Payable	(0.5)	0.1
Customer Deposits and AR Credit Balance	0.0	0.0
Taxes Accrued	(0.4)	0.2
Interest Accrued	0.0	0.0
C) Overrecovered Gas and Fuel Costs	1.8	-
Price Risk Management Liabilities (Current)	0.2	0.2
F) Exchange Gas Payable	8.6	(2.3)
Current Regulatory Liabilities	0.5	0.3
Accrued Liability for Post Retirement Benefits - Cur	-	-
Environmental	-	-
G) Other Accruals	(0.6)	2.6
Total Current Liabilities	9.6	6.3
Price Risk Management Liabilities - NC	(0.1)	(0.1)
G) Deferred Income Taxes	3.0	3.7
Deferred Investment Tax Credits	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.2)	(0.2)
Accrued Liab for Post Retirement Benefits - NC	(0.4)	1.2
H) Other Non-Current Liabilities	1.2	1.0
Other NC Liab & Deferred Credits	3.5	5.6
Total Capitalization & Liabilities	10.6	12.0

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

A) 2012 variance is due to a (\$7.1M) reduction to the A/R balance stemming from fluctuations in Gas Costs and Usage (primarily to Tariff Sales and Off-System sales), offset by \$15.7M of favorable Money Pool deposits. The variance in the out years represents decreases in A/R balances and Money Pool fundings.

B)

Year	Volume Variance (\$\$\$)	Rate Variance (\$\$\$)	Total Variance (\$\$\$)
2012	(0.5)	0.5	0.0
2013	0.4	0.7	1.1
2014	1.5	0.5	1.9
2015	1.6	0.3	1.9
2016	1.5	0.3	1.9
2017	1.4	0.4	1.8

C) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.

D) Variances are due to changes to pension funding obligations.

E) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.

F) Variance due to changes in the number of exchange obligations vs. the 0&12.

G) Variances primarily driven by Federal and State tax liabilities.

H) Variance due to increases to Customer advances; specifically ColorPoint Greenhouse in Paris, KY.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2012 7&5 R	2012	2013
New Business	2.7	4.0
Betterment	0.3	0.1
Replacement	12.0	15.8
Support Services	1.4	2.0
Gross Capital	16.4	21.9
Contributions & Reimbursements	(0.7)	(0.6)
Total CKY *	15.8	21.3
Infrastructure/AMR	9.6	12.2

2012 0&12	2012	2013
New Business	1.7	1.7
Betterment	1.0	0.2
Replacement	11.4	11.7
Support Services	1.2	1.6
Gross Capital	15.3	15.1
Contributions & Reimbursements	(0.7)	(0.7)
Total CKY	14.7	14.5
Infrastructure/AMR	9.1	8.2

Variance	2012	2013
New Business	1.0	2.3
Betterment	(0.7)	(0.1)
Replacement	0.6	4.1
Support Services	0.2	0.5
Gross Capital	1.1	6.8
Contributions & Reimbursements	-	0.1
Total CKY	1.1	6.9
Infrastructure/AMR	0.5	4.0

Plan variances due to additional capital allocations to NGD and updated forecasts.

**Columbia Gas of Kentucky
Plan vs. Plan - August 2012
(\$ millions)**

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Net Revenues	3.2	37.5	58.3	60.4
O&M Expense	2.7	20.5	31.3	31.8
Depreciation	0.6	4.4	6.7	7.0
Other Taxes	0.2	1.8	2.7	3.2
*Operating Earnings	(0.3)	10.8	17.6	18.5
Other Income	0.0	0.5	0.6	0.4
Interest Expense	0.4	3.2	4.8	5.1
*Operating Earnings before Taxes	(0.6)	8.1	13.5	13.7
Income Tax	(0.2)	3.5	5.4	5.9
Net Operating Earnings	(0.5)	4.6	8.2	7.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	3.0	40.2	60.9	60.8
O&M Expense	2.5	20.6	30.9	31.1
Depreciation	0.6	4.3	6.6	6.9
Other Taxes	0.2	1.9	2.9	3.1
*Operating Earnings	(0.3)	13.3	20.5	19.8
Other Income	0.0	0.5	0.7	0.5
Interest Expense	0.4	3.2	4.8	5.3
*Operating Earnings before Taxes	(0.6)	10.7	16.4	15.0
Income Tax	0.4	5.0	6.3	6.0
Net Operating Earnings	(1.0)	5.7	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.2	(2.7)	(2.6)	(0.4)
O&M Expense	0.2	(0.1)	0.4	0.7
Depreciation	0.0	0.0	0.1	0.1
Other Taxes	0.0	(0.1)	(0.2)	0.1
*Operating Earnings	0.0	(2.5)	(2.8)	(1.4)
Other Income	(0.0)	(0.1)	(0.0)	(0.1)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
*Operating Earnings before Taxes	0.0	(2.6)	(2.9)	(1.3)
Income Tax				
Net Operating Earnings	0.0	(2.6)	(2.9)	(1.3)

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Base Margin (less LCR)	2.7	32.0	49.0	50.1
LCR	0.3	3.1	4.9	5.2
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.2	0.9	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.0	1.0	1.3	1.0
CKY Purchase Receivable	0.0	0.3	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.3
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.0	0.7	0.8	0.5
Total Revenue	3.3	38.3	59.4	61.1
Total Revenue w/o Trackers	3.2	37.5	58.3	60.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	2.5	33.9	51.4	50.4
LCR	0.3	3.2	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	1.6	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	0.8	1.2	1.2
CKY Purchase Receivable	(0.0)	0.4	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.0	0.3	0.5	0.5
Total Revenue	3.0	40.7	61.6	61.6
Total Revenue w/o Trackers	3.0	40.2	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.2	(1.9)	(2.4)	(0.3)
LCR	0.0	(0.1)	(0.1)	0.3
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	(0.0)	(0.7)	0.0	(0.0)
Regulatory Outcome	-	-	-	0.0
Other OGDR	(0.0)	0.1	0.1	(0.2)
CKY Purchase Receivable	0.0	(0.1)	(0.1)	(0.1)
Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.1)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.0	0.4	0.3	(0.0)
Total Variance	0.2	(2.4)	(2.2)	(0.5)
Total Variance w/o Trackers	0.2	(2.7)	(2.6)	(0.4)

Variance Explanations:

- A) Annual variance due to customer and usage erosion.
- B) Variance represents fluctuations in Off-System sales assumptions stemming from price volatility.

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Penalty Charges	0.0	0.3	0.4	0.4
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.5	0.6	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.0	1.0	1.3	1.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.3	0.4	0.4
Other Revenue	0.0	0.1	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.8	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	0.0
Return Check	(0.0)	0.0	0.0	0.0
Other Fees	(0.0)	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.1)	(0.2)	(0.2)
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	(0.0)	(0.0)	(0.0)	0.0
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	0.1	0.1	(0.2)

Columbia Gas of Kentucky
2012 Customer & Usage Information - 8&4 vs. 0&12

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.1	(0.2)
Commercial	0.1	0.1
Total	0.1	(0.0)

Usage Change	Month	YTD
Residential	0.1	0.2
Commercial	0.6	1.4
Industrial (Non-LCR)	(0.3)	(0.3)
Total	0.3	1.3

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	1.0	46.4
Comm	18.9	355.9
Ind	5,550.6	57,854.6

Budget	Month	YTD
Residential	1.0	46.3
Commercial	16.1	350.8
Industrial	5,917.1	57,160.2

Variance	Month	Mo. %	YTD	YTD %
Residential	0.0	2.9%	0.0	0.0%
Commercial	2.8	17.2%	5.1	1.5%
Industrial	(366.6)	-6.2%	694.4	1.2%

Customer Count

Actual	Month	YTD Avg
Residential	117,884	119,803
Commercial	13,729	13,939
Industrial	178	177
Total	131,791	133,919

Budget	Month	YTD Avg
Residential	17,252	119,712
Commercial	13,547	13,881
Industrial	181	181
Total	30,980	133,774

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	100,632	583.3%	91	0.1%
Commercial	182	1.3%	58	0.4%
Industrial	(3)	-1.7%	(4)	-2.2%
Total	100,811	325.4%	145	0.1%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Labor	0.6	4.8	7.1	7.3
Benefits	0.2	1.5	2.1	1.9
Materials & Supplies	0.1	1.0	1.5	1.5
Outside Services	0.3	2.8	4.3	4.8
Management Fee	1.0	7.5	12.1	12.4
Uncollectibles	0.1	0.2	0.2	0.5
Other *	0.4	2.6	4.0	3.3
Trackers	0.1	0.6	0.8	0.7
Total O&M	2.7	21.1	32.110	32.499
Total O&M w/o Trackers	2.7	20.5	31.3	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	4.5	6.6	6.9
Benefits	0.2	1.4	2.0	1.6
Materials & Supplies	0.1	1.0	1.5	1.5
Outside Services	0.3	2.9	4.3	5.0
Management Fee	1.0	7.9	11.9	12.2
Uncollectibles	0.0	0.3	0.5	0.5
Other *	0.3	2.7	3.9	3.4
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.5	21.1	31.6	31.8
Total O&M w/o Trackers	2.5	20.6	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.1	0.3	0.5	0.5
B) Benefits	0.0	0.2	0.1	0.3
Materials & Supplies	(0.0)	(0.0)	(0.0)	(0.0)
Outside Services	(0.0)	(0.0)	(0.1)	(0.2)
C) Management Fee	0.0	(0.3)	0.2	0.2
Uncollectibles	0.0	(0.2)	(0.3)	(0.1)
Other *	0.0	(0.1)	0.1	(0.1)
D) Trackers	0.0	0.1	0.1	0.0
Total Change	-0.2	0.0	0.5	0.7
Total Change w/o Trackers	-0.2	(0.1)	0.4	0.7

Variance Explanations:

- A) YTD & 2012 Yr Var - unfavorable shift in labor allocation (capitalization transfers), with slight offset for select vacancies.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- D) Offset in revenue.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.5	0.8	0.8
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.3	0.4	0.4
Misc Revenues	(0.0)	(0.1)	(0.2)	(0.2)
Misc & Other Expenses	0.0	0.1	0.2	0.1
Amortizations *	0.0	0.3	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.7)
I&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.9	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.4	2.6	4.0	3.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.6	0.9	0.9
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.3	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	0.9	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	2.7	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	(0.0)
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	(0.0)	(0.0)	(0.0)	0.0
Company Memberships	0.0	(0.0)	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.0	0.0	(0.0)
I&D Accrual	(0.0)	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	(0.0)	-
Auto/Trucks Cleared	0.0	(0.0)	(0.0)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	0.0	(0.1)	0.1	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Distribution Ops	0.9	7.6	11.1	11.2
Meter To Cash	0.1	0.4	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.1	0.3	0.6	0.7
Presidents	0.2	1.0	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	7.5	12.1	12.4
Benefits	0.2	1.5	2.1	1.9
Uncollectibles	0.1	0.2	0.2	0.5
Other Corporate *	0.3	2.0	3.0	2.9
Trackers	0.1	0.6	0.8	0.7
Total O&M	2.7	21.1	32.1	32.5
Total O&M w/o Trackers	2.7	20.5	31.3	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.9	7.3	10.9	11.2
Meter To Cash	0.1	0.4	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.2	0.4	0.4
Presidents	0.1	1.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	7.9	11.9	12.2
Benefits	0.2	1.4	2.0	1.6
Uncollectibles	0.0	0.3	0.5	0.5
Other Corporate *	0.3	2.0	2.9	3.0
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.5	21.1	31.6	31.8
Total O&M w/o Trackers	2.5	20.6	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	(0.0)	0.2	0.1	(0.0)
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	0.0	0.1	0.2	0.3
Presidents	0.0	(0.1)	(0.0)	0.0
Other Dept	-	-	-	-
B) Management Fee	0.0	(0.3)	0.2	0.2
C) Benefits	0.0	0.2	0.1	0.3
Uncollectibles	0.0	(0.2)	(0.3)	(0.1)
Other Corporate *	0.0	0.0	0.1	(0.1)
D) Trackers	0.0	0.1	0.1	0.0
Total Change	0.2	0.0	0.5	0.7
Total Change w/o Trackers	0.2	(0.1)	0.4	0.7

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj. partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Offset in revenue.

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2012 0&4	Mo Actual	YTD Actual	2012 0&4	2013 0&4
Other Corporate				
Net Labor	0.0	0.3	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.1
Consulting Fees	0.0	0.0	0.1	0.1
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.5	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.3	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
R&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	2.0	3.0	2.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.3	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.8	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.3	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
R&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	2.0	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	0.0	0.0	(0.0)	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	0.0
Consulting Fees	0.0	0.0	0.1	(0.1)
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.0)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	-	-	-	-
Company Memberships	(0.0)	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	0.0	(0.0)	(0.0)	(0.0)
R&D Accrual	(0.0)	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.0	0.1	(0.1)

Variance Explanations:

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Depreciation	0.6	4.4	6.7	7.0
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.6	2.5	2.7
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes	0.2	2.0	3.0	3.1
Total Other Taxes w/o Trackers	0.2	1.8	2.7	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.6	4.3	6.6	6.9
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.6	2.4	2.6
Payroll	0.0	0.3	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	1.9	2.9	3.1
Total Other Taxes w/o Trackers	0.2	1.9	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	0.1	0.1
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	(0.0)	0.0	0.0	0.1
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.1
Total Change w/o Trackers	0.0	(0.1)	(0.2)	0.1

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs-Plan
(\$ millions)

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.0	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.4	0.6	0.3
Total Other Income	0.0	0.5	0.5	0.4
Long-Term Interest Expense	0.4	3.1	4.7	5.0
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	0.1	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	3.2	4.8	5.1
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 08-12	Mo Budget	YTD Budget	2012 08-12	2013 08-12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.1
Hedging Interest Income	0.0	0.1	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.5	0.6	0.5
Total Other Income	0.0	0.5	0.7	0.5
Long-Term Interest Expense	0.4	3.1	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	3.2	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	0.1
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.1)	(0.0)	(0.2)
Total Other Income	(0.0)	(0.1)	(0.0)	(0.1)
Long-Term Interest Expense	0.0	0.0	0.0	(0.2)
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 8&4	Mo	2012	2013
Assets			
Net Property Plant and Equipment	211.0	212.7	227.5
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.2	-	-
Restricted Cash	3.0	2.9	-
Accounts Receivable	42.8	50.1	26.2
Gas Inventory	48.6	43.9	45.5
Unrecovered Purchase Costs	-	-	6.6
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.9	2.8	2.8
Prepayments and Other Assets	1.6	3.0	3.2
Total Current Assets	99.2	102.7	84.5
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.2	16.9	15.6
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.2	3.2	3.2
Total Other Assets	20.5	20.1	18.8
Total Assets	331.1	335.9	331.3
Capitalization & Liabilities			
Total Common Stock Equity	92.4	91.7	98.2
Long Term Debt , excluding amounts due within one year	67.3	58.3	87.1
Total Capitalization	159.7	150.1	185.2
Obligations Due in One Year	14.7	28.7	5.2
Accounts Payable	11.1	10.5	11.4
Customer Deposits and AR Credit Balance	12.7	17.7	17.7
Taxes Accrued	2.6	5.1	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	18.6	10.8	-
Price Risk Management Liabilities (Current)	1.2	1.2	1.2
Exchange Gas Payable	14.0	12.1	1.3
Current Regulatory Liabilities	4.3	4.2	3.9
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.4)	(1.4)	0.7
Total Current Liabilities	77.6	88.9	47.0
Price Risk Management Liabilities - NC	(0.4)	(0.4)	0.0
Deferred Income Taxes	1.3	1.3	1.3
Deferred Investment Tax Credits	46.3	49.7	51.2
Noncurrent Regulatory Liabilities	0.5	0.4	0.4
Accrued Liab for Post Retirement Benefits - NC	25.0	25.1	25.4
Other Non-Current Liabilities	9.9	9.6	9.7
Other NC Liab & Deferred Credits	10.8	10.9	11.1
Total Capitalization & Liabilities	93.7	97.0	99.1
Total Capitalization & Liabilities	331.1	335.9	331.3

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	208.0	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.5	3.6	-
Accounts Receivable	33.6	39.2	31.4
Gas Inventory	47.2	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.8	2.7	2.7
Prepayments and Other Assets	1.3	2.9	3.1
Total Current Assets	88.5	93.6	82.6
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.8	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.4	19.1	18.4
Total Assets	316.3	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	95.0	94.4	95.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	162.3	152.7	185.3
Obligations Due In One Year	14.7	28.7	-
Accounts Payable	12.3	11.1	11.4
Customer Deposits and AR Credit Balance	12.1	17.7	17.7
Taxes Accrued	3.2	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	8.6	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.8
Exchange Gas Payable	7.1	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.7)	(0.8)	(0.7)
Total Current Liabilities	61.5	78.6	42.6
Price Risk Management Liabilities - NC	(0.2)	-	-
Deferred Income Taxes	1.1	1.1	1.1
Deferred Investment Tax Credits	46.0	46.8	47.7
Noncurrent Regulatory Liabilities	0.5	0.4	0.4
Accrued Liab for Post Retirement Benefits - NC	25.1	25.2	25.5
Other Non-Current Liabilities	10.1	10.0	8.5
Other NC Liab & Deferred Credits	9.8	9.8	10.0
Total Capitalization & Liabilities	92.6	93.4	93.2
Total Capitalization & Liabilities	316.3	324.7	321.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	3.0	1.0	7.8
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.2	-	-
C) Restricted Cash	(0.6)	(0.7)	-
D) Accounts Receivable	9.2	10.9	(5.2)
E) Gas Inventory	1.4	(1.2)	0.9
F) Unrecovered Purchase Costs	-	-	6.2
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	0.1	0.1	0.1
Prepayments and Other Assets	0.3	0.0	0.1
Total Current Assets	10.7	9.1	2.0
Price Risk Management Assets	-	-	-
K) NC Regulatory Assets	(0.5)	(0.6)	(1.2)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
K) Deferred Charges	1.5	1.5	1.6
Total Other Assets	1.0	1.0	0.4
Total Assets	14.7	11.2	10.2
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.6)	(2.7)	2.2
G) Long Term Debt, excluding amounts due within one year	-	-	(2.3)
Total Capitalization	(2.6)	(2.7)	(0.1)
G) Current Portion of Long Term Debt	-	-	5.2
D) Accounts Payable	(1.1)	(0.6)	0.0
D) Customer Deposits and AR Credit Balance	0.6	0.0	0.0
H) Taxes Accrued	(0.6)	0.1	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	10.0	2.9	-
I) Price Risk Management Liabilities (Current)	0.5	0.5	0.5
J) Exchange Gas Payable	6.9	7.5	(3.4)
Current Regulatory Liabilities	0.7	0.6	0.4
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
K) Other Accruals	(0.7)	(0.5)	1.4
Total Current Liabilities	16.1	10.2	4.4
Price Risk Management Liabilities - NC	0.2	0.2	0.2
H) Deferred Income Taxes	0.3	2.9	3.5
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.1)	(0.1)	(0.1)
Accrued Liab for Post Retirement Benefits - NC	(0.3)	(0.4)	1.2
Other Non-Current Liabilities	1.0	1.0	1.0
Other NC Liab & Deferred Credits	1.2	3.6	5.9
Total Capitalization & Liabilities	14.7	11.2	10.2

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) Variance due to timing issues around 2012 In-Service (\$2.1M) and Depreciation (\$600K)
- B) Increase in Money Pool funding
- C) Monthly variance due to changes to the required reserves related to the Hedging Program, while YTD variance is due to MF Global bankruptcy (\$483K).
- D) August A/R variance due to decreases to Choice Receivables (\$3.8M), and Off-Systems Sales of (\$1.2M), partially offset by increased Tariff receivables of \$2.1M & Money Pool deposits of \$13.4M. The \$600K Customer Deposits variance is due to adjustments to budget payment plans, and represents a \$7.7M decrease to prior month balances which stem from warmer than expected weather. The 2012 A/R variance is due to decreased Tariff receivables (\$2.3M), Unbilled receivables (\$2.5M), and Off-Systems Sales (\$1.2M), offset by \$15.7M In Money Pool funding. 2013 A/R Variance due to decreased Money Pool balance. A/P Variance is due to decreased payables related to declining Gas Costs: (\$1.3M) for August, (\$1.2M) for 2012 .
- E) August variance due to Rate Differential and Usage variances of \$(75)K and \$1.49M respectively. 2012 annual variance due to Rate Differential and Usage variances of \$312K and (\$1.5M) respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$743K and \$118K respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to in part to seasonality around commodity usage / delivery.
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding exchange obligations vs. the 0&12.
- K) Variance due to account reclassifications of Miscellaneous Deferrals; primarily Customer Advances related to capital projects.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
New Business	(0.6)	1.4	2.7	4.0
Betterment	0.0	0.3	0.3	0.1
Replacement	1.5	9.9	12.0	15.8
Support Services	0.0	0.9	1.4	2.0
Gross Capital	1.0	12.5	16.4	21.9
Contributions & Reimbursements	-	(0.3)	(0.7)	(0.6)
Total NGD	1.0	12.2	15.8	21.3
Infrastructure/AMR	1.3	8.6	9.6	12.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.1	0.9	1.7	1.7
Betterment	(0.1)	0.8	1.0	0.2
Replacement	0.8	7.2	11.4	11.7
Support Services	0.0	0.4	1.2	1.6
Gross Capital	0.9	9.3	15.3	15.1
Contributions & Reimbursements	(0.0)	(0.4)	(0.7)	(0.7)
Total NGD	0.9	8.9	14.7	14.5
Infrastructure/AMR	0.6	6.2	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	(0.7)	0.5	1.0	2.3
Betterment	0.1	(0.4)	(0.7)	(0.1)
Replacement	0.7	2.6	0.6	4.1
Support Services	(0.0)	0.5	0.2	0.5
Gross Capital	0.1	3.2	1.1	6.8
Contributions & Reimbursements	0.0	0.1	-	0.1
Total NGD	0.1	3.3	1.1	6.9
Infrastructure/AMR	0.7	2.3	0.5	4.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

Columbia Gas of Kentucky
Plan vs. Plan - September 2012
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Net Revenues	3.3	40.8	58.5	60.7
O&M Expense	2.5	23.0	31.0	31.7
Depreciation	0.6	5.0	6.7	7.0
Other Taxes	0.2	2.0	2.7	3.2
Operating Earnings	0.1	10.9	18.1	18.8
Other Income	0.0	0.5	0.6	0.5
Interest Expense	0.4	3.5	4.8	5.1
Net Operating Income	(0.3)	7.9	13.9	14.2
Income Tax	(0.1)	3.8	5.3	5.5
Net Operating Income	(0.1)	4.1	8.6	8.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	3.1	43.4	60.9	60.8
O&M Expense	2.7	23.3	30.9	31.1
Depreciation	0.6	4.9	6.6	6.9
Other Taxes	0.2	2.2	2.9	3.1
Operating Earnings	(0.4)	13.0	20.5	19.8
Other Income	0.0	0.6	0.7	0.5
Interest Expense	0.4	3.5	4.8	5.3
Net Operating Income	(0.7)	10.0	16.4	15.0
Income Tax	(0.3)	3.9	6.3	6.0
Net Operating Income	(0.5)	6.1	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.2	(2.5)	(2.4)	(0.1)
O&M Expense	(0.2)	(0.4)	0.1	0.7
Depreciation	0.0	0.1	0.1	0.1
Other Taxes	(0.0)	(0.2)	(0.2)	0.1
Operating Earnings	0.5	(2.1)	(2.4)	(1.0)
Other Income	(0.0)	(0.1)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
Net Operating Income	0.4	(2.1)	(2.4)	(0.8)
Income Tax	0.1	(0.1)	(1.0)	(0.6)
Net Operating Income	0.6	(2.3)	(3.5)	(1.4)

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Base Margin (less LCR)	2.8	34.8	49.2	50.3
LCR	0.4	3.5	4.9	5.2
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.1	1.1	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.0	1.3	1.0
CKY Purchase Receivable	0.0	0.3	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.1	0.8	1.0	0.5
Total Revenue	3.5	41.8	59.7	61.4
Total Revenue w/o Trackers	3.3	40.8	58.5	60.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	2.6	36.5	51.4	50.4
LCR	0.3	3.6	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	1.8	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	0.9	1.2	1.2
CKY Purchase Receivable	(0.0)	0.4	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.0	0.3	0.5	0.5
Total Revenue	3.2	43.9	61.6	61.6
Total Revenue w/o Trackers	3.1	43.4	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Base Margin (less LCR)	0.2	(1.7)	(2.2)	(0.1)
LCR	0.0	(0.1)	(0.1)	0.3
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
A) ESS	(0.0)	(0.7)	(0.0)	(0.0)
Regulatory Outcome	-	-	-	0.0
Other OGDR	(0.0)	0.1	0.1	(0.2)
CKY Purchase Receivable	0.0	(0.1)	(0.1)	(0.1)
Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.0)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.5	0.5	(0.0)
Total Variance	0.3	(2.0)	(2.0)	(0.1)
Total Variance w/o Trackers	0.2	(2.5)	(2.4)	(0.1)

Variance Explanations:

- A) YTD variance represents fluctuations in Off-System sales assumptions stemming from price volatility.

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Penalty Charges	0.0	0.3	0.4	0.4
Return Check	0.0	0.1	0.2	0.1
Other Fees	0.0	0.5	0.6	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.0	1.0	1.3	1.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.3	0.4	0.4
Other Revenue	0.0	0.1	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	0.0	0.0	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.9	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	(0.0)	0.0	0.0	0.0
Return Check	(0.0)	0.0	0.0	0.0
Other Fees	(0.0)	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.1)	(0.2)	(0.2)
Pub Util-Flex	0.0	0.0	0.1	-
Company Use	(0.0)	(0.0)	(0.0)	0.0
Balancing Services	-	-	-	-
Other Misc Income	(0.0)	(0.0)	(0.0)	(0.0)
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	0.1	0.1	(0.2)

Variance Explanations:

Columbia Gas of Kentucky
2012 Customer & Usage Information - 9&3 vs. 0&12

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.088	(0.073)
Commercial	0.063	0.209
Total	0.150	0.136

Usage Change	Month	YTD
Residential	0.142	0.330
Commercial	0.551	1.984
Industrial (Non-LCR)	(0.325)	(0.641)
Total	0.368	1.673

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	1.25	47.61
Comm	21.74	377.66
Ind	6,344.63	64,199.24

Budget	Month	YTD
Residential	1.19	47.53
Commercial	19.86	370.65
Industrial	6,701.66	63,861.88

Variance	Month	Mo. %	YTD	YTD %
Residential	0.06	5.2%	0.08	0.2%
Commercial	1.88	9.5%	7.01	1.9%
Industrial	(357.02)	-5.3%	337.37	0.5%

Customer Count

Actual	Month	YTD Avg
Residential	117,792	119,579
Commercial	13,708	13,913
Industrial	177	177
Total	131,677	133,669

Budget	Month	YTD Avg
Residential	117,227	119,436
Commercial	13,547	13,844
Industrial	181	181
Total	130,955	133,461

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	565	0.5%	143	0.1%
Commercial	161	1.2%	69	0.5%
Industrial	(4)	-2.2%	(4)	-2.0%
Total	722	0.6%	209	0.2%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Labor	0.6	5.4	7.2	7.3
Benefits	0.2	1.7	2.2	1.9
Materials & Supplies	0.1	1.1	1.4	1.5
Outside Services	0.3	3.2	4.2	4.8
Management Fee	1.0	8.5	12.0	12.4
Uncollectibles	0.0	0.2	0.1	0.5
Other *	0.3	2.8	4.0	3.3
Trackers	0.1	0.8	1.0	0.7
Total O&M	2.6	23.7	32.0	32.5
Total O&M w/o Trackers	2.5	23.0	31.0	31.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	5.0	6.6	6.9
Benefits	0.2	1.6	2.0	1.6
Materials & Supplies	0.1	1.2	1.5	1.5
Outside Services	0.5	3.3	4.3	5.0
Management Fee	1.0	8.9	11.9	12.2
Uncollectibles	0.0	0.4	0.5	0.5
Other *	0.3	3.0	3.9	3.4
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.7	23.9	31.6	31.8
Total O&M w/o Trackers	2.7	23.3	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.1	0.4	0.5	0.5
B) Benefits	0.0	0.2	0.1	0.3
Materials & Supplies	(0.0)	(0.0)	(0.0)	(0.0)
Outside Services	(0.2)	(0.2)	(0.1)	(0.2)
C) Management Fee	(0.1)	(0.4)	0.0	0.2
D) Uncollectibles	(0.0)	(0.2)	(0.4)	(0.1)
Other *	(0.1)	(0.1)	0.0	(0.1)
E) Trackers	0.1	0.3	0.2	0.0
Total Change	(0.1)	(0.1)	0.3	0.7
Total Change w/o Trackers	(0.2)	(0.4)	0.1	0.7

Variance Explanations:

- A) YTD & 2012 Yr Var - unfavorable shift in labor allocation (capitalization transfers), with slight offset for select vacancies.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- D) Annual variance due to revisions to the bad debt calculation.
- E) Offset in revenue.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.6	0.8	0.8
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.3	0.4	0.4
Misc Revenues	(0.0)	(0.2)	(0.2)	(0.2)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	0.1
Auto/Trucks Cleared	0.1	1.0	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M				
	0.3	2.8	4.0	3.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.6	0.9	0.9
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	1.0	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M				
	0.3	3.0	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	(0.0)
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	(0.0)	(0.0)	(0.0)	0.0
Company Memberships	0.0	(0.0)	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.2	0.3	0.1
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.1	0.1	(0.0)
I&D Accrual	(0.0)	(0.1)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.1)	(0.1)	-
Auto/Trucks Cleared	(0.0)	(0.1)	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M				
	(0.1)	(0.1)	0.1	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Distribution Ops	0.8	8.4	11.0	11.2
Meter To Cash	0.0	0.4	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.4	0.6	0.7
Presidents	0.1	1.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	8.5	12.0	12.4
Benefits	0.2	1.7	2.2	1.9
Uncollectibles	0.0	0.2	0.1	0.5
Other Corporate *	0.2	2.2	3.1	2.9
Trackers	0.1	0.8	1.0	0.7
Total O&M	2.6	23.7	32.0	32.5
Total O&M w/o Trackers	2.5	23.0	31.0	31.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	1.0	8.3	10.9	11.2
Meter To Cash	0.0	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.4	0.4
Presidents	0.1	1.2	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	8.9	11.9	12.2
Benefits	0.2	1.6	2.0	1.6
Uncollectibles	0.0	0.4	0.5	0.5
Other Corporate *	0.2	2.2	2.9	3.0
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.7	23.9	31.6	31.8
Total O&M w/o Trackers	2.7	23.3	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	(0.2)	0.1	0.1	(0.0)
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	0.0	0.1	0.2	0.3
Presidents	(0.0)	(0.1)	(0.0)	0.0
Other Dept	-	-	-	-
B) Management Fee	(0.1)	(0.4)	0.0	0.2
C) Benefits	0.0	0.2	0.1	0.3
D) Uncollectibles	(0.0)	(0.2)	(0.4)	(0.1)
Other Corporate *	(0.0)	0.0	0.1	(0.1)
D) Trackers	0.1	0.3	0.2	0.0
Total Change	(0.1)	(0.1)	0.3	0.7
Total Change w/o Trackers	(0.2)	(0.4)	0.1	0.7

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj, partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations - primarily revised capitalization transfers.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Annual variance due to revisions to the bad debt calculation.
- E) Offset in revenue.

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Other Corporate				
Net Labor	0.0	0.3	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.1
Consulting Fees	0.0	0.1	0.1	0.1
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.6	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.2	3.1	2.9

2012 9&12	Mo Budget	YTD Budget	2012 9&12	2013 9&12
Other Corporate				
Net Labor	0.0	0.3	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.6	0.9	0.8
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.2	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	0.0	0.0	0.0	(0.0)
Materials/Supplies	(0.0)	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	0.0
Consulting Fees	0.0	0.0	0.1	(0.1)
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	(0.0)
I&D Accrual	(0.0)	(0.1)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	(0.0)	0.0	0.1	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Depreciation	0.6	5.0	6.7	7.0
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.8	2.5	2.7
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes	0.2	2.2	3.0	3.1
Total Other Taxes w/o Trackers	0.2	2.0	2.7	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.6	4.9	6.6	6.9
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.8	2.4	2.6
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	2.2	2.9	3.1
Total Other Taxes w/o Trackers	0.2	2.2	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.1	0.1	0.1
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.0	0.1
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.1
Total Change w/o Trackers	(0.0)	(0.2)	(0.2)	0.1

Variance Explanations:

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.0	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.4	0.6	0.4
Total Other Income	0.0	0.5	0.8	0.5
Long-Term Interest Expense	0.4	3.5	4.7	5.0
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	0.1	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.1)
Interest Expense	0.4	3.5	4.8	5.1
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.1
Hedging Interest Income	0.0	0.1	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.5	0.6	0.5
Total Other Income	0.0	0.8	0.7	0.5
Long-Term Interest Expense	0.4	3.5	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	3.5	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	(0.0)	0.0	0.0	0.1
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.1)	(0.0)	(0.1)
Total Other Income	(0.0)	(0.1)	(0.0)	(0.0)
Long-Term Interest Expense	0.0	0.0	0.0	(0.2)
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 9&3	Mo	2012	2013
Assets			
Net Property Plant and Equipment	212.9	212.7	227.5
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.4	-	-
Restricted Cash	2.2	3.3	2.2
Accounts Receivable	39.1	53.0	25.7
Gas Inventory	52.4	45.0	44.9
Unrecovered Purchase Costs	-	-	9.6
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.5	2.4	2.4
Prepayments and Other Assets	1.3	3.0	3.2
Total Current Assets	98.1	106.8	88.3
Price Risk Management Assets	-	-	-
NC Regulatory Assets	16.7	16.4	15.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.0	3.0	3.0
Total Other Assets	19.7	19.4	18.2
Total Assets	331.1	339.4	334.4
Capitalization & Liabilities			
Total Common Stock Equity	90.2	92.0	98.7
Long Term Debt , excluding amounts due within one year	67.3	58.3	87.1
Total Capitalization	157.6	150.3	185.7
Obligations Due In One Year	14.7	28.7	6.3
Accounts Payable	9.5	10.7	11.2
Customer Deposits and AR Credit Balance	14.2	17.7	17.7
Taxes Accrued	3.8	4.7	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	18.9	13.2	-
Price Risk Management Liabilities (Current)	0.8	0.8	0.8
Exchange Gas Payable	14.8	13.4	2.0
Current Regulatory Liabilities	4.4	4.3	4.0
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.3)	(1.3)	2.4
Total Current Liabilities	80.0	92.4	50.0
Price Risk Management Liabilities - NC	0.9	0.9	0.9
Deferred Income Taxes	46.6	49.8	51.3
Deferred Investment Tax Credits	0.5	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.9	25.0	25.3
Accrued Liab for Post Retirement Benefits - NC	9.8	9.6	9.7
Other Non-Current Liabilities	11.0	11.0	11.2
Other NC Liab & Deferred Credits	93.5	96.7	98.7
Total Capitalization & Liabilities	331.1	339.4	334.4

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	208.6	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.6	3.6	-
Accounts Receivable	25.8	39.2	31.4
Gas Inventory	51.9	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.8	2.7	2.7
Prepayments and Other Assets	1.1	2.9	3.1
Total Current Assets	85.2	93.6	82.6
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.7	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.3	19.1	18.4
Total Assets	313.5	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	92.6	94.4	95.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	159.9	152.7	185.3
Obligations Due In One Year	14.7	28.7	-
Accounts Payable	12.4	11.1	11.4
Customer Deposits and AR Credit Balance	15.2	17.7	17.7
Taxes Accrued	1.9	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	7.2	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	5.9	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.8)	(0.8)	(0.7)
Total Current Liabilities	60.9	78.6	42.8
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	46.1	46.8	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.2	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.8	9.8	10.0
Other NC Liab & Deferred Credits	92.6	93.4	93.2
Total Capitalization & Liabilities	313.5	324.7	321.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	4.3	1.1	7.8
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.4	-	-
C) Restricted Cash	(1.4)	(0.3)	2.2
D) Accounts Receivable	13.3	13.9	(5.7)
E) Gas Inventory	0.557	(0.083)	0.295
F) Unrecovered Purchase Costs	-	-	9.1
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	(0.3)	(0.3)	(0.3)
Prepayments and Other Assets	0.2	0.0	0.1
Total Current Assets	12.9	13.2	5.8
Price Risk Management Assets	-	-	-
K) NC Regulatory Assets	(1.0)	(1.0)	(1.6)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
K) Deferred Charges	1.3	1.3	1.3
Total Other Assets	0.4	0.3	(0.3)
Total Assets	17.6	14.6	13.3
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.4)	(2.4)	2.7
G) Long Term Debt , excluding amounts due within one year	-	-	(2.3)
Total Capitalization	(2.4)	(2.4)	0.4
G) Current Portion of Long Term Debt	-	-	6.3
D) Accounts Payable	(2.9)	(0.4)	(0.1)
D) Customer Deposits and AR Credit Balance	(1.0)	0.0	0.0
H) Taxes Accrued	1.9	(0.2)	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	11.7	5.3	-
I) Price Risk Management Liabilities (Current)	0.1	0.1	0.1
J) Exchange Gas Payable	8.9	8.7	(2.7)
Current Regulatory Liabilities	0.8	0.7	0.5
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
K) Other Accruals	(0.5)	(0.5)	3.1
Total Current Liabilities	19.1	13.8	7.4
Price Risk Management Liabilities - NC	(0.2)	(0.2)	(0.2)
H) Deferred Income Taxes	0.5	3.0	3.6
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	(0.3)	(0.3)	(0.3)
Accrued Liab for Post Retirement Benefits - NC	(0.3)	(0.4)	1.2
Other Non-Current Liabilities	1.2	1.2	1.2
Other NC Liab & Deferred Credits	0.9	3.3	5.5
Total Capitalization & Liabilities	17.6	14.6	13.3

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) Variance due to timing around 2012 In-Service (\$2.1M) and Depreciation (\$600K)
- B) Increase in Money Pool funding
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program. The 2012 variance is due to MF Global bankruptcy (\$483K).
- D) September A/R variance is due to a (\$2.9M) decrease to Account Receivables (\$4.2M) for Choice and (\$1.4M) to Off-Systems Sales, partially offset by increased Tariff receivables of \$3.6M. Additional offsets include increased Money Pool deposits of \$16.2M. The 2012 A/R variance is due to decreased Tariff receivables (\$2.3M), Unbilled receivables (\$2.0M), and Off-Systems Sales (\$1.4M), offset by \$18.8M in Money Pool funding. 2013 A/R variance is driven by decreases to the Money Pool balance. A/P variance is due to decreased payables related to declining Gas Costs: (\$3.7M) for September, (\$400K) for 2012. The \$1.0M Customer Deposits variance is due to adjustments to budget payment plans.
- E) Monthly variance due to Rate Differential and Usage variances of \$931.4K and (\$376.1K) respectively. 2012 annual variance due to Rate Differential and Usage variances of (\$212.4K) and \$128.1K respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$74K and \$220.3K respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to increased federal tax accruals.
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding exchange obligations vs. the 0&12.
- K) 2013 variance due to account reclassifications of Miscellaneous Deferrals; primarily Customer Advances related to capital projects.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
New Business	1.2	2.6	2.7	4.0
Betterment	0.0	0.3	0.3	0.1
Replacement	1.1	11.0	12.0	15.8
Support Services	0.2	1.1	1.4	2.0
Gross Capital	2.5	15.0	16.4	21.9
Contributions & Reimbursements	0.0	(0.3)	(0.7)	(0.6)
Total NGD	2.5	14.7	15.8	21.3
Infrastructure/AMR	1.1	9.6	9.6	12.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.1	1.0	1.7	1.7
Betterment	0.2	0.9	1.0	0.2
Replacement	0.9	8.1	11.4	11.7
Support Services	0.1	0.5	1.2	1.6
Gross Capital	1.2	10.5	15.3	15.1
Contributions & Reimbursements	(0.2)	(0.5)	(0.7)	(0.7)
Total NGD	1.1	10.0	14.7	14.5
Infrastructure/AMR	0.6	6.8	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	1.1	1.5	1.0	2.3
Betterment	(0.2)	(0.6)	(0.7)	(0.1)
Replacement	0.3	2.9	0.6	4.1
Support Services	0.1	0.6	0.2	0.5
Gross Capital	1.3	4.5	1.1	6.8
Contributions & Reimbursements	0.2	0.2	-	0.1
Total NGD	1.4	4.7	1.1	6.9
Infrastructure/AMR	0.5	2.8	0.5	4.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

Columbia Gas of Kentucky
Plan vs. Plan - October 2012
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Net Revenues	4.2	45.1	59.6	60.7
O&M Expense	2.5	25.5	31.3	31.8
Depreciation	0.6	5.5	6.7	7.0
Other Taxes	0.2	2.3	2.7	3.2
Operating Earnings	0.9	11.8	19.0	18.8
Other Income	0.0	0.5	0.6	0.5
Interest Expense	0.4	3.9	4.8	5.1
Net Operating Income	0.5	8.4	14.8	14.2
Income Tax	(0.0)	3.8	6.3	5.5
Net Operating Income	0.5	4.6	8.6	8.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	4.0	47.6	60.9	60.8
O&M Expense	2.5	25.9	30.9	31.1
Depreciation	0.8	5.5	6.6	6.9
Other Taxes	0.2	2.4	2.9	3.1
Operating Earnings	0.7	13.9	20.5	19.8
Other Income	0.0	0.6	0.7	0.5
Interest Expense	0.4	3.9	4.8	5.3
Net Operating Income	0.3	10.5	16.4	15.0
Income Tax	0.1	4.0	6.3	6.0
Net Operating Income	0.2	6.5	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.2	(2.5)	(1.3)	(0.1)
O&M Expense	(0.0)	(0.4)	0.4	0.7
Depreciation	0.0	0.1	0.1	0.1
Other Taxes	0.0	(0.1)	(0.2)	0.1
Operating Earnings	0.2	(2.1)	(1.5)	(1.0)
Other Income	0.0	(0.1)	(0.1)	0.0
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
Net Operating Income	0.2	(2.1)	(1.5)	(0.8)
Income Tax	(0.1)	(0.3)	(0.1)	(0.5)
Net Operating Income	0.3	(1.9)	(1.5)	(0.3)

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Base Margin (less LCR)	3.5	38.3	50.3	50.4
LCR	0.4	3.9	4.9	5.1
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.2	1.3	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.1	1.3	1.0
CKY Purchase Receivable	0.0	0.3	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.1	1.0	1.1	0.5
Total Revenue	4.4	46.2	61.0	61.4
Total Revenue w/o Trackers	4.2	45.1	59.6	60.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	3.4	40.0	51.4	50.4
LCR	0.4	4.0	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	2.0	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.0	1.2	1.2
CKY Purchase Receivable	0.0	0.4	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.0	0.4	0.5	0.5
Total Revenue	4.1	48.2	61.8	61.8
Total Revenue w/o Trackers	4.0	47.6	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.2	(1.7)	(1.1)	0.1
LCR	(0.0)	(0.1)	(0.1)	0.2
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	0.0	(0.7)	(0.0)	(0.0)
Regulatory Outcome	-	-	-	0.0
Other OGDR	(0.0)	0.1	0.1	(0.2)
CKY Purchase Receivable	(0.0)	(0.1)	(0.1)	(0.1)
Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.0)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.6	0.6	(0.0)
Total Variance	0.3	(1.9)	(0.7)	(0.2)
Total Variance w/o Trackers	0.2	(2.5)	(1.3)	(0.1)

Variance Explanations:

- A) 2012 variance due to approximately \$1.8M in non-operating Weather Letter adjustments, offset by \$700K of decreased operating revenues driven by volumetric declines.
- B) YTD variance represents fluctuations in Off-System sales assumptions stemming from price volatility.

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Penalty Charges	0.0	0.4	0.4	0.4
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.5	0.6	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	1.1	1.3	1.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.3	0.4	0.4
Other Revenue	0.0	0.2	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	0.0	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	1.0	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	0.0
Return Check	(0.0)	0.0	0.0	0.0
Other Fees	0.0	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.1)	(0.2)	(0.2)
Pub Util-Flex	0.0	0.1	0.1	-
Company Use	(0.0)	(0.0)	(0.0)	(0.0)
Balancing Services	-	-	-	-
Other Misc Income	-	(0.0)	(0.0)	(0.0)
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	0.1	0.1	(0.2)

Columbia Gas of Kentucky
2012 Customer & Usage Information - 10&2 vs. 0&12

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.012	0.004
Commercial	0.009	0.029
Total	0.020	0.034

Usage Change	Month	YTD
Residential	0.007	0.040
Commercial	(0.038)	0.161
Industrial (Non-LCR)	0.020	0.034
Total	(0.011)	0.234

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	3.3	50.9
Comm	30.7	408.3
Ind	7,028.2	71,227.5

Budget	Month	YTD
Residential	3.2	50.8
Commercial	32.3	403.0
Industrial	7,071.8	70,933.7

Variance	Month	Mo. %	YTD	YTD %
Residential	0.0	0.8%	0.1	0.2%
Commercial	(1.6)	-5.1%	5.4	1.3%
Industrial	(43.6)	-0.6%	293.8	0.4%

Customer Count

Actual	Month	YTD Avg
Residential	118,363	119,458
Commercial	13,755	13,897
Industrial	177	177
Total	132,295	133,532

Budget	Month	YTD Avg
Residential	117,765	119,269
Commercial	13,585	13,818
Industrial	181	181
Total	131,531	133,268

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	598	0.5%	189	0.2%
Commercial	170	1.3%	79	0.6%
Industrial	(4)	-2.2%	(4)	-2.0%
Total	764	0.6%	264	0.2%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Labor	0.7	6.1	7.3	7.3
Benefits	0.2	1.9	2.2	1.9
Materials & Supplies	0.1	1.2	1.4	1.5
Outside Services	0.3	3.5	4.2	4.8
Management Fee	0.9	9.5	12.1	12.4
Uncollectibles	(0.0)	0.2	0.1	0.5
Other *	0.3	3.1	3.9	3.3
Trackers	0.2	0.9	1.1	0.7
Total O&M	2.7	26.4	32.3	32.5
Total O&M w/o Trackers	2.5	25.5	31.3	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	6.6	6.6	6.9
Benefits	0.2	1.7	2.0	1.6
Materials & Supplies	0.1	1.3	1.5	1.5
Outside Services	0.3	3.7	4.3	5.0
Management Fee	1.0	9.9	11.9	12.2
Uncollectibles	0.0	0.4	0.5	0.5
Other *	0.3	3.3	3.9	3.4
Trackers	0.0	0.6	0.8	0.7
Total O&M	2.6	26.4	31.6	31.8
Total O&M w/o Trackers	2.5	25.9	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.1	0.5	0.6	0.5
B) Benefits	(0.0)	0.2	0.1	0.3
Materials & Supplies	(0.0)	(0.0)	(0.1)	(0.0)
Outside Services	(0.0)	(0.2)	(0.1)	(0.2)
C) Management Fee	(0.0)	(0.4)	0.2	0.2
D) Uncollectibles	(0.0)	(0.2)	(0.4)	(0.1)
Other *	0.0	(0.2)	(0.1)	(0.1)
E) Trackers	0.1	0.4	0.3	0.0
Total Change	0.1	(0.0)	0.7	0.7
Total Change w/o Trackers	(0.0)	(0.4)	0.4	0.7

Variance Explanations:

- A) YTD & 2012 Yr Var - unfavorable shift in labor allocation / capitalization transfers for corrosion mitigation & leak repair, with slight offset for select vacancies.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- D) Annual variance due to revisions to the bad debt calculation & accrual.
- E) Offset in revenue.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.6	0.8	0.8
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.3	0.4	0.4
Misc Revenues	(0.0)	(0.2)	(0.2)	(0.2)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	0.1
Auto/Trucks Cleared	0.1	1.0	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M				
	0.3	3.1	3.8	3.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.3	0.3	0.3
Corporate Insurance	0.1	0.7	0.9	0.9
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.4	0.6	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	1.1	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M				
	0.3	3.3	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	(0.0)
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	0.0	(0.0)	0.0	0.0
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	0.0	0.0	0.0	-
Deferred Credits	(0.0)	0.1	0.1	(0.0)
I&D Accrual	(0.0)	(0.1)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	(0.1)	(0.1)	-
Auto/Trucks Cleared	(0.0)	(0.1)	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	-	(0.0)	(0.0)	(0.0)
Below the Line O&M				
	0.0	(0.2)	(0.1)	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Distribution Ops	0.9	9.3	11.0	11.2
Meter To Cash	0.1	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.1	0.4	0.6	0.7
Presidents	0.1	1.2	1.6	1.6
Other Dept	-	-	-	-
Management Fee	0.9	9.5	12.1	12.4
Benefits	0.2	1.9	2.2	1.9
Uncollectibles	(0.0)	0.2	0.1	0.5
Other Corporate *	0.3	2.5	3.0	2.9
Trackers	0.2	0.9	1.1	0.7
Total O&M	2.7	26.4	32.3	32.5
Total O&M w/o Trackers	2.5	25.5	31.3	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.9	9.2	10.9	11.2
Meter To Cash	0.0	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.4	0.4
Presidents	0.1	1.3	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	9.9	11.9	12.2
Benefits	0.2	1.7	2.0	1.6
Uncollectibles	0.0	0.4	0.5	0.5
Other Corporate *	0.2	2.4	2.9	3.0
Trackers	0.0	0.6	0.8	0.7
Total O&M	2.6	26.4	31.6	31.8
Total O&M w/o Trackers	2.5	25.9	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	0.0	0.1	0.1	(0.0)
Meter To Cash	0.0	(0.0)	(0.0)	-
Customer Call Center	0.0	(0.0)	(0.0)	-
Integration Center	0.0	0.1	0.2	0.3
Presidents	0.0	(0.1)	(0.0)	0.0
Other Dept	-	-	-	-
B) Management Fee	(0.0)	(0.4)	0.2	0.2
C) Benefits	(0.0)	0.2	0.1	0.3
D) Uncollectibles	(0.0)	(0.2)	(0.4)	(0.1)
Other Corporate *	0.0	0.0	0.1	(0.1)
E) Trackers	0.1	0.4	0.3	0.0
Total Change	0.1	(0.0)	0.7	0.7
Total Change w/o Trackers	(0.0)	(0.4)	0.4	0.7

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj. partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations - primarily revised capitalization transfers.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Annual variance due to revisions to the bad debt calculation & accrual.
- E) Offset in revenue.

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Other Corporate				
Net Labor	0.0	0.4	0.6	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.1
Consulting Fees	0.0	0.1	0.1	0.1
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.6	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.2	0.2
Amortizations *	0.0	0.4	0.6	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	2.6	3.0	2.9

2012 08/12	Mo Budget	YTD Budget	2012 08/12	2013 08/12
Other Corporate				
Net Labor	0.0	0.4	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.7	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.2	0.2
Amortizations *	0.0	0.4	0.6	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.4	2.8	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	0.0	0.0	0.0	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	0.0
Consulting Fees	0.0	0.0	0.1	(0.1)
Legal Fees	-	-	-	-
Outside Services	0.0	(0.0)	(0.0)	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	0.0	0.0	0.0	-
Deferred Credits	0.0	(0.0)	(0.0)	(0.0)
I&D Accrual	(0.0)	(0.1)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	-	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.0	0.1	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Depreciation	0.8	5.5	6.7	7.0
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	2.1	2.4	2.6
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes	0.2	2.5	3.0	3.1
Total Other Taxes w/o Trackers	0.2	2.3	2.7	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.6	5.5	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	2.0	2.4	2.6
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	2.4	2.9	3.1
Total Other Taxes w/o Trackers	0.2	2.4	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.1	0.1	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.0	0.0
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.0
Total Change w/o Trackers	0.0	(0.1)	(0.2)	0.1

Variance Explanations:

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs-Plan
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.0	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.5	0.8	0.4
Total Other Income	0.0	0.5	0.6	0.5
Long-Term Interest Expense	0.4	3.9	4.7	5.0
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	0.1	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.1)
Interest Expense	0.4	3.9	4.8	5.1
NET INCOME FROM SUBSIDIARIES	(0.0)	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.1
Hedging Interest Income	0.0	0.1	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.6	0.6	0.5
Total Other Income	0.0	0.6	0.7	0.6
Long-Term Interest Expense	0.4	3.9	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	3.9	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	0.1
Hedging Interest Income	(0.0)	(0.0)	(0.1)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	0.0	(0.1)	(0.0)	(0.1)
Total Other Income	0.0	(0.1)	(0.1)	0.0
Long-Term Interest Expense	0.0	0.0	0.0	(0.2)
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
NET INCOME FROM SUBSIDIARIES	(0.0)	0.0	0.0	-

Variance Explanations:

A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 10&2	Mo	2012	2013
Assets			
Net Property Plant and Equipment	215.0	213.7	228.6
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.4	-	-
Restricted Cash	1.8	3.4	1.3
Accounts Receivable	40.3	52.6	26.7
Gas Inventory	53.4	43.2	45.4
Unrecovered Purchase Costs	-	-	9.5
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	1.2	3.0	3.2
Total Current Assets	99.3	104.2	86.3
Price Risk Management Assets	-	-	-
NC Regulatory Assets	16.5	16.3	15.1
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.0	3.0	3.0
Total Other Assets	19.6	19.4	18.1
Total Assets	334.2	337.7	335.4
Capitalization & Liabilities			
Total Common Stock Equity	90.7	92.7	99.4
Long Term Debt , excluding amounts due within one year	67.3	53.3	87.1
Total Capitalization	158.0	146.0	186.4
Obligations Due in One Year	14.7	28.7	4.9
Accounts Payable	9.7	10.4	11.2
Customer Deposits and AR Credit Balance	16.4	17.7	17.7
Taxes Accrued	3.7	4.7	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	16.4	13.0	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	17.3	15.6	3.3
Current Regulatory Liabilities	4.5	4.4	4.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.7)	(0.6)	2.4
Total Current Liabilities	82.8	94.7	49.8
Price Risk Management Liabilities - NC	0.8	0.8	0.8
Deferred Income Taxes	46.5	50.2	51.8
Deferred Investment Tax Credits	0.4	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.9	25.0	25.3
Accrued Liab for Post Retirement Benefits - NC	9.7	9.6	9.7
Other Non-Current Liabilities	11.0	11.1	11.3
Other NC Liab & Deferred Credits	93.4	97.0	99.1
Total Capitalization & Liabilities	334.2	337.7	335.4

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	209.2	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.6	3.6	-
Accounts Receivable	24.4	39.2	31.4
Gas Inventory	53.3	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.7	2.7	2.7
Prepayments and Other Assets	0.9	2.9	3.1
Total Current Assets	85.0	93.6	82.6
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.6	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.3	19.1	18.4
Total Assets	313.9	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	92.8	94.4	95.9
Long Term Debt, excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	160.1	152.7	185.3
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	11.6	11.1	11.4
Customer Deposits and AR Credit Balance	18.2	17.7	17.7
Taxes Accrued	1.9	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	6.1	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	4.7	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.8)	(0.8)	(0.7)
Total Current Liabilities	60.9	78.6	42.6
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	46.3	46.8	47.7
Deferred Investment Tax Credits	0.4	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.2	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.8	9.8	10.0
Other NC Liab & Deferred Credits	92.9	93.4	93.2
Total Capitalization & Liabilities	313.9	324.7	321.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	5.8	2.1	8.9
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.4	-	-
C) Restricted Cash	(1.8)	(0.2)	1.3
D) Accounts Receivable	15.9	13.4	(4.7)
E) Gas Inventory	0.1	(1.9)	0.8
F) Unrecovered Purchase Costs	-	-	9.0
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	(0.8)	(0.8)	(0.8)
Prepayments and Other Assets	0.3	0.0	0.1
Total Current Assets	14.2	10.6	5.7
Price Risk Management Assets	-	-	-
K) NC Regulatory Assets	(1.1)	(1.1)	(1.7)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
L) Deferred Charges	1.4	1.4	1.4
Total Other Assets	0.3	0.3	(0.3)
Total Assets	20.3	13.0	14.3
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.1)	(1.7)	3.4
G) Long Term Debt , excluding amounts due within one year	-	(5.0)	(2.3)
Total Capitalization	(2.1)	(6.7)	1.1
G) Current Portion of Long Term Debt	-	-	4.9
D) Accounts Payable	(2.0)	(0.7)	(0.1)
D) Customer Deposits and AR Credit Balance	(1.8)	0.0	0.0
H) Taxes Accrued	1.8	(0.3)	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	10.3	5.1	-
I) Price Risk Management Liabilities (Current)	(0.1)	(0.1)	(0.1)
J) Exchange Gas Payable	12.6	10.9	(1.4)
K) Current Regulatory Liabilities	0.9	0.8	0.6
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
L) Other Accruals	0.1	0.2	3.1
Total Current Liabilities	21.9	16.1	7.2
Price Risk Management Liabilities - NC	(0.3)	(0.3)	(0.3)
H) Deferred Income Taxes	0.2	3.4	4.0
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	(0.3)	(0.3)	(0.3)
K) Accrued Liab for Post Retirement Benefits - NC	(0.4)	(0.5)	1.2
L) Other Non-Current Liabilities	1.2	1.2	1.2
Other NC Liab & Deferred Credits	0.6	3.6	5.9
Total Capitalization & Liabilities	20.3	13.0	14.3

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) Variance due to timing around 2012 In-Service and subsequent Depreciation.
- B) Increase in Money Pool funding.
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program. The 2012 variance includes MF Global bankruptcy of (\$483K).
- D) A/R: Month and YTD variances are due primarily due to increased Money Pool funding of \$16.2M. This favorable funding was partially offset by a net decrease in Unaffiliated A/R of approximately (\$2.5M). Components of the A/R variance include unfavorable variances of (\$4.8M) related to Choice / GTS accounts, and (\$1.4M) for Off-Systems Sales, partially offset by increased Tariff receivables of \$3.6M.
A/P: 2012 variance is due to decreased payables related to declining Gas Costs (\$2.2M), offset by decreased A/R and inventory.
Customer Deposits: The \$1.8M variance is due to adjustments to budget payment plans related to declining gas cost and usage; offset by declining A/R.
- E) Monthly variance due to Rate Differential and Usage variances of (\$349K) and \$469K respectively. 2012 annual variance due to Rate Differential and Usage variances of \$323K and (\$2.190M) respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$1.235M and (\$441.4K) respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to changes to the Federal tax payment and accrual calculation(s).
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding "Park" exchange obligations vs. the 0&12.
- K) Non-current Regulatory Asset variance due to an \$800K change to the hedging program. Current Reg Liab variance due to unfavorable changes to DSM, Uncollectibles, & Other Misc Adjustments of (\$240K), (\$225K), and (\$94K) respectively. Variance to Non-current OPEB liability due to changes in actuarial assumption provided by Corporate at the 7&5.
- L) Other Accruals variance due to approximately \$560K of reductions to misc. other taxes, and reclasses to other accounts of roughly \$1.7M. Variance in Deferred Charges & Other Non-current liabilities is due to Customer Advances stemming from Capital projects.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
New Business	1.1	3.7	3.7	4.0
Betterment	0.0	0.3	0.3	0.1
Replacement	1.6	12.6	12.0	15.8
Support Services	0.2	1.3	1.4	2.0
Gross Capital	2.9	17.9	17.4	21.9
Contributions & Reimbursements	(0.1)	(0.4)	(0.7)	(0.6)
Total NGD	2.8	17.5	16.8	21.3
Infrastructure/AMR	1.2	10.8	9.6	12.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.2	1.2	1.7	1.7
Betterment	(0.0)	0.9	1.0	0.2
Replacement	0.9	9.0	11.4	11.7
Support Services	0.0	0.5	1.2	1.6
Gross Capital	1.1	11.7	15.3	15.1
Contributions & Reimbursements	(0.0)	(0.6)	(0.7)	(0.7)
Total NGD	1.1	11.1	14.7	14.5
Infrastructure/AMR	0.8	7.6	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.9	2.5	2.0	2.3
Betterment	0.0	(0.6)	(0.7)	(0.1)
Replacement	0.7	3.6	0.6	4.1
Support Services	0.2	0.8	0.2	0.5
Gross Capital	1.8	6.2	2.1	6.8
Contributions & Reimbursements	(0.0)	0.2	-	0.1
Total NGD	1.7	6.4	2.1	6.9
Infrastructure/AMR	0.4	3.2	0.5	4.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

Columbia Gas of Kentucky
Plan vs. Plan - November 2012
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Net Revenues	5.8	50.9	58.3	60.7
O&M Expense	3.2	28.6	30.9	31.8
Depreciation	0.6	6.1	6.7	7.0
Other Taxes	0.1	2.5	2.8	3.2
Operating Earnings	2.0	13.7	18.0	18.8
Other Income	0.0	0.5	0.6	0.5
Interest Expense	0.4	4.3	4.7	5.0
Net Operating Income	1.7	9.9	13.8	14.3
Income Tax	0.4	4.2	5.8	5.5
Net Operating Income	1.2	5.7	8.0	8.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	5.6	53.2	60.9	60.8
O&M Expense	2.4	28.3	30.9	31.1
Depreciation	0.6	6.0	6.6	6.9
Other Taxes	0.2	2.7	2.9	3.1
Operating Earnings	2.3	16.2	20.5	19.8
Other Income	0.0	0.6	0.7	0.5
Interest Expense	0.4	4.4	4.8	5.3
Net Operating Income	1.9	12.4	16.4	15.0
Income Tax	0.7	4.8	6.3	6.0
Net Operating Income	1.2	7.6	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.3	(2.3)	(2.6)	(0.1)
O&M Expense	0.7	0.3	(0.0)	0.7
Depreciation	0.0	0.1	0.1	0.1
Other Taxes	(0.2)	(0.1)	(0.1)	0.1
Operating Earnings	(0.3)	(2.5)	(2.5)	(1.1)
Other Income	(0.0)	(0.1)	(0.1)	0.0
Interest Expense	(0.0)	(0.1)	(0.1)	(0.3)
Net Operating Income	(0.3)	(2.6)	(2.5)	(0.7)
Income Tax	(0.3)	(0.8)	(0.5)	(0.5)
Net Operating Income	0.0	(2.0)	(2.0)	(0.2)

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Base Margin (less LCR)	5.0	43.3	49.8	50.4
LCR	0.5	4.4	4.9	5.1
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.2	1.4	1.5	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.2	1.3	1.0
CKY Purchase Receivable	0.0	0.4	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.2	1.1	1.2	0.5
Total Revenue	6.0	52.2	59.8	61.4
Total Revenue w/o Trackers	5.8	50.9	58.3	60.7

2012 08&12	Mo Budget	YTD Budget	2012 08&12	2013 08&12
Base Margin (less LCR)	4.7	44.7	51.4	50.4
LCR	0.5	4.5	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	2.2	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.1	1.2	1.2
CKY Purchase Receivable	0.1	0.5	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.1	0.4	0.5	0.5
Total Revenue	5.6	53.8	61.6	61.8
Total Revenue w/o Trackers	5.6	53.2	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.3	(1.4)	(1.6)	0.1
A) LCR	0.0	(0.1)	(0.1)	0.2
A) LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	(0.0)	(0.7)	(0.8)	(0.0)
Regulatory Outcome	-	-	-	0.0
Other OGDR	(0.0)	0.1	0.1	(0.2)
CKY Purchase Receivable	(0.0)	(0.1)	(0.1)	(0.1)
Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.1)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.7	0.7	(0.0)
Total Variance	0.4	(1.5)	(1.9)	(0.2)
Total Variance w/o Trackers	0.3	(2.3)	(2.6)	(0.1)

Variance Explanations:

- A) 2012 variance due to approximately \$1.8M in non-operating Weather Letter adjustments, offset by \$1.5M of decreased operating revenues driven by volumetric declines.
- B) YTD variance represents fluctuations in Off-System sales assumptions stemming from price volatility.

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Penalty Charges	0.0	0.4	0.4	0.4
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.5	0.6	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	1.2	1.3	1.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.3	0.4	0.4
Other Revenue	0.0	0.2	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	0.0	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	1.1	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.1	0.1	0.0
Return Check	0.0	0.0	0.0	0.0
Other Fees	0.0	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.2)	(0.2)	(0.2)
Pub Util-Flex	0.0	0.1	0.1	-
Company Use	(0.0)	(0.0)	(0.0)	(0.0)
Balancing Services	-	-	-	-
Other Misc Income	-	(0.0)	(0.0)	(0.0)
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	0.1	0.1	(0.2)

Columbia Gas of Kentucky
2012 Customer & Usage Information - 11&1 vs. 0&12

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.065	0.108
Commercial	0.121	0.416
Total	0.187	0.523

Usage Change	Month	YTD
Residential	0.455	0.857
Commercial	0.349	1.955
Industrial (Non-LCR)	0.187	0.523
Total	0.990	3.335

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	7.6	58.4
Comm	55.3	463.6
Ind	7,437.5	78,665.0

Budget	Month	YTD
Residential	7.4	58.1
Commercial	54.2	457.2
Industrial	7,353.6	78,287.3

Variance	Month	Mo. %	YTD	YTD %
Residential	0.2	2.5%	0.3	0.5%
Commercial	1.0	1.9%	6.4	1.4%
Industrial	83.9	1.1%	377.7	0.5%

Customer Count

Actual	Month	YTD Avg
Residential	119,883	119,465
Commercial	13,909	13,898
Industrial	177	177
Total	133,969	133,541

Budget	Month	YTD Avg
Residential	119,165	119,259
Commercial	13,736	13,811
Industrial	181	181
Total	133,082	133,251

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	718	0.6%	206	0.2%
Commercial	173	1.3%	88	0.6%
Industrial	(4)	-2.2%	(4)	-2.0%
Total	887	0.7%	290	0.2%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Labor	0.7	6.8	7.4	7.3
Benefits	0.4	2.3	2.4	1.9
Materials & Supplies	0.1	1.4	1.5	1.5
Outside Services	0.5	3.9	4.2	4.8
Management Fee	1.3	10.7	11.5	12.4
Uncollectibles	(0.0)	0.1	0.1	0.5
Other *	0.3	3.5	3.9	3.3
Trackers	0.0	1.1	1.3	0.8
Total O&M	3.2	29.8	32.1	32.5
Total O&M w/o Trackers	3.2	28.6	30.9	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	6.1	6.6	6.9
Benefits	0.1	1.9	2.0	1.6
Materials & Supplies	0.1	1.4	1.5	1.5
Outside Services	0.3	4.0	4.3	5.0
Management Fee	1.0	10.9	11.9	12.2
Uncollectibles	0.1	0.5	0.5	0.5
Other *	0.3	3.6	3.9	3.4
Trackers	0.1	0.7	0.8	0.7
Total O&M	2.5	28.9	31.6	31.8
Total O&M w/o Trackers	2.437	28.3	30.884	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.2	0.7	0.7	0.5
B) Benefits	0.2	0.4	0.4	0.3
Materials & Supplies	0.0	(0.0)	(0.0)	(0.0)
Outside Services	0.1	(0.1)	(0.1)	(0.2)
C) Management Fee	0.2	(0.2)	(0.4)	0.2
D) Uncollectibles	(0.1)	(0.3)	(0.5)	(0.1)
Other *	(0.0)	(0.1)	(0.1)	(0.1)
E) Trackers	(0.1)	0.5	0.5	0.0
Total Change	0.7	0.8	0.5	0.7
Total Change w/o Trackers	0.7	0.3	(0.0)	0.7

Variance Explanations:

- A) YTD & 2012 Yr Var - unfavorable shift in labor allocation / capitalization transfers for corrosion mitigation & leak repair, partially offset by open headcount.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, and CIP.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised Corp. CIP calculation.
- D) Annual variance due to revisions to the bad debt calculation & accrual.
- E) Offset in revenue.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.7	0.8	0.8
Employee Expenses	0.0	0.3	0.3	0.4
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.3	0.4	0.4
Misc Revenues	(0.0)	(0.2)	(0.2)	(0.2)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	0.1
Auto/Trucks Cleared	0.1	1.1	1.2	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M				
	0.3	3.5	3.9	3.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.3	0.3	0.3
Corporate Insurance	0.1	0.8	0.9	0.9
Employee Expenses	0.0	0.3	0.3	0.4
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.3	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	1.3	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M				
	0.3	3.6	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	0.0	(0.0)	(0.0)	(0.0)
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.0)
Employee Expenses	0.0	(0.0)	0.0	0.0
Company Memberships	-	0.0	0.0	0.0
Utilities	(0.0)	0.1	0.1	0.1
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.2	0.3	0.1
Amortizations *	-	0.0	0.0	-
Deferred Credits	0.0	0.1	0.1	(0.0)
I&D Accrual	0.0	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.1)	(0.1)	-
Auto/Trucks Cleared	(0.0)	(0.1)	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M				
	(0.0)	(0.1)	(0.1)	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Distribution Ops	1.0	10.3	11.0	11.2
Meter To Cash	0.0	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.1	0.5	0.6	0.7
Presidents	0.1	1.3	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.3	10.7	11.5	12.4
Benefits	0.4	2.3	2.4	1.9
Uncollectibles	(0.0)	0.1	0.1	0.5
Other Corporate *	0.4	2.8	3.1	2.9
Trackers	0.0	1.1	1.3	0.8
Total O&M	3.2	29.8	32.1	32.5
Total O&M w/o Trackers	3.2	28.6	30.9	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.8	10.0	10.9	11.2
Meter To Cash	0.0	0.8	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.4	0.4
Presidents	0.1	1.5	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	10.9	11.9	12.2
Benefits	0.1	1.9	2.0	1.6
Uncollectibles	0.1	0.5	0.5	0.5
Other Corporate *	0.2	2.7	2.9	3.0
Trackers	0.1	0.7	0.8	0.7
Total O&M	2.5	28.9	31.6	31.8
Total O&M w/o Trackers	2.4	28.3	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	0.2	0.3	0.1	(0.0)
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	0.0	0.2	0.2	0.3
Presidents	(0.0)	(0.1)	(0.1)	0.0
Other Dept	-	-	-	-
B) Management Fee	0.2	(0.2)	(0.4)	0.2
C) Benefits	0.2	0.4	0.4	0.3
D) Uncollectibles	(0.1)	(0.3)	(0.5)	(0.1)
Other Corporate *	0.1	0.2	0.2	(0.1)
E) Trackers	(0.1)	0.5	0.5	0.0
Total Change	0.7	0.8	0.5	0.7
Total Change w/o Trackers	0.7	0.3	(0.0)	0.7

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj. partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations - primarily revised capitalization transfers. 2012 Yr Var - Primarily revised Corp. CIP calculation.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Annual variance due to revisions to the bad debt calculation & accrual.
- E) Offset in revenue.

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs -Plan
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Other Corporate				
Net Labor	0.2	0.8	0.8	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.2	0.2	0.1
Consulting Fees	0.0	0.1	0.1	0.1
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.7	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	(0.0)	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.4	2.8	3.1	2.9

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.4	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.8	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.7	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	0.1	0.2	0.2	(0.0)
Materials/Supplies	(0.0)	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	0.0
Consulting Fees	0.0	0.0	0.1	(0.1)
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.0)
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	0.0	0.0	-
Deferred Credits	0.0	(0.0)	(0.0)	(0.0)
I&D Accrual	0.0	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.1	0.2	0.2	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Depreciation	0.6	6.1	6.7	7.0
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	2.2	2.4	2.6
Payroll	0.1	0.5	0.6	0.5
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes	0.3	2.7	3.0	3.1
Total Other Taxes w/o Trackers	0.1	2.5	2.8	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.6	6.0	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	2.2	2.4	2.6
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	2.6	2.9	3.1
Total Other Taxes w/o Trackers	0.2	2.7	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.1	0.1	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	(0.0)	0.0	(0.0)	0.0
Payroll	0.0	0.1	0.1	-
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.0
Total Change w/o Trackers	(0.2)	(0.1)	(0.1)	0.1

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Miscellaneous	-	-	-	-
AFUDC	(0.0)	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.0	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.5	0.6	0.4
Total Other Income	0.0	0.5	0.6	0.5
Long-Term Interest Expense	0.4	4.3	4.7	5.0
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	0.1	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	(0.0)	(0.0)	(0.1)
Interest Expense	0.4	4.3	4.7	5.0
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.1
Hedging Interest Income	0.0	0.1	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.6	0.8	0.5
Total Other Income	0.0	0.6	0.7	0.5
Long-Term Interest Expense	0.4	4.3	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	4.4	4.8	5.9
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	(0.0)	0.0	0.0	0.1
Hedging Interest Income	(0.0)	(0.0)	(0.1)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	0.0	(0.1)	(0.1)	(0.1)
Total Other Income	(0.0)	(0.1)	(0.1)	0.0
Long-Term Interest Expense	(0.0)	0.0	(0.0)	(0.2)
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	(0.0)	(0.1)	(0.1)	(0.1)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	(0.0)	0.0	(0.0)
Interest Expense	(0.0)	(0.1)	(0.1)	(0.3)
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 11&1	Mo	2012	2013
Assets			
Net Property Plant and Equipment	215.5	213.6	228.4
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.4	-	-
Restricted Cash	2.0	3.5	1.4
Accounts Receivable	48.0	52.9	26.4
Gas Inventory	50.8	43.7	45.3
Unrecovered Purchase Costs	-	-	10.0
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	0.8	3.0	3.2
Total Current Assets	104.1	105.1	88.5
Price Risk Management Assets	-	-	-
NC Regulatory Assets	16.5	16.4	15.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.1	3.1	3.1
Total Other Assets	19.6	19.5	18.3
Total Assets	339.7	338.7	335.6
Capitalization & Liabilities			
Total Common Stock Equity	91.6	92.0	98.8
Long Term Debt , excluding amounts due within one year	67.3	67.3	101.1
Total Capitalization	159.0	159.4	199.8
Obligations Due in One Year	14.7	14.7	(12.0)
Accounts Payable	11.5	10.7	11.2
Customer Deposits and AR Credit Balance	16.8	17.7	17.7
Taxes Accrued	3.8	4.9	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	12.5	10.8	-
Price Risk Management Liabilities (Current)	0.8	0.8	0.8
Exchange Gas Payable	18.6	16.8	4.5
Current Regulatory Liabilities	4.5	4.4	4.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.3)	(0.3)	3.1
Total Current Liabilities	83.0	80.7	35.1
Price Risk Management Liabilities - NC	0.9	0.9	0.9
Deferred Income Taxes	50.6	51.7	53.2
Deferred Investment Tax Credits	0.4	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.8	24.8	25.1
Accrued Liab for Post Retirement Benefits - NC	9.9	9.7	9.9
Other Non-Current Liabilities	11.1	11.1	11.3
Other NC Liab & Deferred Credits	97.7	98.6	100.7
Total Capitalization & Liabilities	339.7	338.7	335.6

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	209.9	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.6	3.6	-
Accounts Receivable	32.6	39.2	31.4
Gas Inventory	50.4	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.7	2.7	2.7
Prepayments and Other Assets	0.7	2.9	3.1
Total Current Assets	90.1	93.6	82.6
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.5	17.4	18.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.2	19.1	18.4
Total Assets	319.6	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	94.0	94.4	95.9
Long Term Debt , excluding amounts due within one year	72.3	58.3	89.3
Total Capitalization	166.3	152.7	185.3
Obligations Due In One Year	14.7	28.7	-
Accounts Payable	10.5	11.1	11.4
Customer Deposits and AR Credit Balance	19.6	17.7	17.7
Taxes Accrued	2.3	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	4.8	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	4.7	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.8)	(0.8)	(0.7)
Total Current Liabilities	60.2	78.6	42.6
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	46.5	46.8	47.7
Deferred Investment Tax Credits	0.4	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.2	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.8	9.8	10.0
Other NC Liab & Deferred Credits	93.1	93.4	93.2
Total Capitalization & Liabilities	319.6	324.7	321.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	5.5	2.0	8.7
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.4	-	-
C) Restricted Cash	(1.6)	(0.1)	1.4
D) Accounts Receivable	15.5	13.7	(5.0)
E) Gas Inventory	0.2	(1.4)	0.6
F) Unrecovered Purchase Costs	-	-	9.5
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.0	0.0	0.0
Current Regulatory Assets	(0.7)	(0.7)	(0.7)
Prepayments and Other Assets	0.1	0.0	0.1
Total Current Assets	14.0	11.5	5.9
Price Risk Management Assets	-	-	-
K) NC Regulatory Assets	(1.0)	(1.0)	(1.6)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
L) Deferred Charges	1.5	1.5	1.5
Total Other Assets	0.4	0.4	(0.2)
Total Assets	20.0	14.0	14.5
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.3)	(2.4)	2.8
G) Long Term Debt, excluding amounts due within one year	(5.0)	9.0	11.7
Total Capitalization	(7.3)	6.6	14.8
G) Current Portion of Long Term Debt	-	(14.0)	(12.0)
D) Accounts Payable	1.0	(0.4)	(0.2)
D) Customer Deposits and AR Credit Balance	(2.8)	0.0	0.0
H) Taxes Accrued	1.5	(0.1)	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	7.7	2.9	-
I) Price Risk Management Liabilities (Current)	0.2	0.2	0.2
J) Exchange Gas Payable	13.9	12.1	(0.1)
K) Current Regulatory Liabilities	0.9	0.8	0.6
Accrued Liability for Post Retirement Benefits - Cur	0.0	0.0	0.0
Environmental	-	-	-
L) Other Accruals	0.4	0.5	3.7
Total Current Liabilities	22.8	2.1	(7.5)
Price Risk Management Liabilities - NC	(0.2)	(0.2)	(0.2)
H) Deferred Income Taxes	4.1	4.9	5.5
Deferred Investment Tax Credits	0.0	-	-
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	(0.4)	(0.4)	(0.4)
K) Accrued Liab for Post Retirement Benefits - NC	(0.2)	(0.3)	1.4
L) Other Non-Current Liabilities	1.3	1.3	1.3
Other NC Liab & Deferred Credits	4.8	5.2	7.5
Total Capitalization & Liabilities	20.0	14.0	14.5

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) Variance due to timing around 2012 In-Service and subsequent Depreciation.
- B) Increase in Money Pool funding.
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program. The 2012 variance includes MF Global bankruptcy of (\$483K).
- D) A/R: Month and YTD variances are primarily due to increased Money Pool funding of \$13.6M & \$18.6M respectively. This favorable funding was partially offset by a net decrease in Unaffiliated A/R of approximately (\$2.1M). Components of the A/R variance include unfavorable variances of (\$4.6M) related to Choice / GTS accounts, and (\$1.2M) for Off-Systems Sales, offset by increased Tariff receivables of \$4.8M. Additional month & YTD variance drivers include Tax Receivables of \$3.9M and \$2.4M respectively.
A/P: 2012 variance is due to decreased payables related to declining Gas Costs (\$980K).
Customer Deposits: The \$2.8M variance is due to adjustments to budget payment plans related to declining gas cost and usage; offset by declining A/R.
- E) Monthly variance due to Rate Differential and Usage variances of (\$193K) and \$430K respectively. 2012 annual variance due to Rate Differential and Usage variances of \$277K and (\$1.670M) respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$905K and (\$305K) respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to changes to the Federal tax payment and accrual calculation(s).
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding "Park" exchange obligations vs. the 0&12.
- K) Non-current Regulatory Asset variance due to an \$1.0M Corporate adjustment to Pension Benefit expense.
Current Reg Liab variance due to unfavorable changes to DSM, Uncollectibles, & Other Misc Adjustments of (\$190K), (\$328K), and (\$280) respectively. Non-current OPEB liability variance due to changes in actuarial assumption provided by Corporate at the 7&5.
- L) Other Accruals variance primarily due to approximately \$560K of reductions to misc. other taxes, and reclasses to other accounts of roughly \$1.7M.
Deferred Charges & Other Non-current liabilities variances are due to Customer Advances stemming from Capital projects.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
New Business	0.3	3.9	3.7	4.0
Betterment	0.0	0.3	0.3	0.1
Replacement	0.7	13.3	12.0	15.8
Support Services	(0.0)	1.3	1.4	2.0
Gross Capital	0.9	18.8	17.4	21.9
Contributions & Reimbursements	(0.1)	(0.4)	(0.7)	(0.6)
Total NGD	0.9	18.4	16.8	21.3
Infrastructure/AMR	0.5	11.3	9.6	12.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.2	1.4	1.7	1.7
Betterment	0.1	1.1	1.0	0.2
Replacement	0.9	9.9	11.4	11.7
Support Services	0.1	0.6	1.2	1.6
Gross Capital	1.3	13.0	15.3	15.1
Contributions & Reimbursements	(0.0)	(0.6)	(0.7)	(0.7)
Total NGD	1.3	12.4	14.7	14.5
Infrastructure/AMR	0.7	8.3	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.0	2.5	2.0	2.3
Betterment	(0.1)	(0.7)	(0.7)	(0.1)
Replacement	(0.2)	3.3	0.6	4.1
Support Services	(0.1)	0.7	0.2	0.5
Gross Capital	(0.4)	5.8	2.1	6.8
Contributions & Reimbursements	(0.0)	0.2	-	0.1
Total NGD	(0.4)	6.0	2.1	6.9
Infrastructure/AMR	(0.2)	3.0	0.5	4.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

Columbia Gas of Kentucky
Plan vs. Plan - December 2012
(\$ millions)

2013 0&12	2012	2013	2014
Net Revenues	58.5	60.1	60.7
O&M Expense	31.4	31.4	32.2
Depreciation	6.7	7.1	7.6
Other Taxes	2.7	3.1	3.4
Operating Earnings	17.7	18.5	17.5
Other Income	0.5	0.5	0.4
Interest Expense	4.7	5.0	5.2
Net Operating Income	13.5	13.9	12.7
Income Tax	5.6	5.3	6.6
Net Income	8.0	8.7	6.1

2012 7&5	2012	2013	2014
Net Revenues	60.5	60.4	60.9
O&M Expense	31.2	31.8	32.4
Depreciation	6.7	7.0	7.5
Other Taxes	2.7	3.2	3.5
Operating Earnings	19.9	18.4	17.6
Other Income	0.7	0.4	0.3
Interest Expense	4.8	5.1	5.1
Net Operating Income	15.8	13.7	12.7
Income Tax	6.0	5.3	7.2
Net Income	9.7	8.4	5.5

Variance	2012	2013	2014
Net Revenues	(2.1)	(0.3)	(0.2)
O&M Expense	0.2	(0.4)	(0.2)
Depreciation	0.0	0.1	0.1
Other Taxes	(0.1)	(0.1)	(0.1)
Operating Earnings	(2.2)	0.0	(0.1)
Other Income	(0.2)	0.1	0.2
Interest Expense	(0.1)	(0.1)	0.1
Net Operating Income	(2.2)	0.2	(0.0)
Income Tax	(0.4)	(0.1)	(0.6)
Net Income	(1.8)	0.3	0.6

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2013 0&12	2012	2013	2014
Base Margin (less LCR)	50.0	50.4	50.0
LCR	4.9	5.1	5.4
LCR (Prior Dec. True-Up)	(0.1)	-	-
Supply Optimization	1.6	2.1	2.1
Regulatory Outcome	-	0.7	1.4
Other OGDR	1.3	1.0	1.0
CKY Purchase Receivable	0.4	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.3	0.4
Uncollectibles - Tracked	0.2	0.2	0.2
Trackers	1.6	0.5	0.5
Total Revenue	60.3	60.8	61.4
Total Revenue w/o Trackers	58.5	60.1	60.7

2012 7&5	2012	2013	2014
Base Margin (less LCR)	51.3	50.2	49.8
LCR	4.9	5.1	5.4
LCR (Prior Dec. True-Up)	(0.1)	-	-
ESS	2.4	2.8	2.8
Regulatory Outcome	-	0.6	1.1
Other OGDR	1.3	1.0	1.0
CKY Purchase Receivable	0.4	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.4	0.4
Uncollectibles - Tracked	0.2	0.2	0.2
Trackers	0.8	0.5	0.4
Total Revenue	61.6	61.1	61.6
Total Revenue w/o Trackers	60.5	60.4	60.9

Variance	2012	2013	2014
A) Base Margin (less LCR)	(1.3)	0.2	0.2
LCR	(0.0)	-	-
LCR (Prior Dec. True-Up)	-	-	-
B) ESS	(0.8)	(0.7)	(0.7)
Regulatory Outcome	-	0.2	0.3
Other OGDR	0.0	(0.0)	(0.0)
CKY Purchase Receivable	0.0	0.0	0.0
Uncollectibles - Non Tracked	(0.0)	(0.0)	(0.0)
Uncollectibles - Tracked	-	-	-
Trackers	0.7	0.0	0.0
Total Variance	(1.3)	(0.3)	(0.2)
Total Variance w/o Trackers	(2.1)	(0.3)	(0.2)

- A) Variances driven by a slight increase to usage forecasts.
Variance due to downward revisions to Off-System sales forecasts due to declining gas prices
- B) and price volatility

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2013 O&12	2012	2013	2014
Labor	7.3	7.2	7.4
Benefits	2.5	1.9	1.9
Materials & Supplies	1.5	1.4	1.4
Outside Services	4.6	4.4	4.2
Management Fee	11.7	12.4	12.7
Uncollectibles	0.1	0.5	0.5
Other *	3.7	3.6	4.1
Trackers	1.6	0.7	0.7
Total O&M	33.0	32.1	32.9
Total O&M w/o Trackers	31.4	31.4	32.2

2012 7&5	2012	2013	2014
Labor	7.0	7.3	7.6
Benefits	2.1	1.9	1.9
Materials & Supplies	1.5	1.5	1.5
Outside Services	4.3	4.3	4.4
Management Fee	12.1	12.4	12.6
Uncollectibles	0.2	0.5	0.5
Other *	4.1	3.8	3.9
Trackers	0.8	0.7	0.7
Total O&M	32.1	32.5	33.1
Total O&M w/o Trackers	31.2	31.8	32.4

Variance	2012	2013	2014
A) Labor	0.3	(0.2)	(0.2)
B) Benefits	0.4	(0.0)	-
Materials & Supplies	0.1	(0.1)	(0.1)
A) Outside Services	0.2	0.2	(0.2)
C) Management Fee	(0.4)	0.0	0.1
Uncollectibles	(0.1)	-	-
D) Other *	(0.4)	(0.3)	0.2
E) Trackers	0.7	(0.1)	(0.1)
Total Change	0.9	(0.4)	(0.2)
Total Change w/o Trackers	0.2	(0.4)	(0.2)

- A) Primarily due to open headcount (LOGI & EGCO), and refinements to Operations workplan.
- B) 2012 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- C) 2012 – Primarily revised assumptions for Administrative Services (IT) and NGD EH&S Distribution partially offset by capital transfers.
- D) Variance due to revisions to Fleet forecast and Operations workplan.
- E) Offset in revenues.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2013 O&12	2012	2013	2014
Other			
Buildings and Land	0.1	0.1	0.1
Rents/Leases	0.2	0.2	0.2
Corporate Insurance	0.8	0.8	0.8
Employee Expenses	0.3	0.4	0.3
Company Memberships	0.1	0.1	0.1
Utilities	0.4	0.4	0.4
Misc Revenues	(0.2)	(0.1)	(0.1)
Misc & Other Expenses	0.2	0.3	0.3
Amortizations *	0.5	0.4	0.4
Deferred Credits	(0.2)	(0.7)	(0.1)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	0.1	0.1	0.1
Auto/Trucks Cleared	1.2	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Below the Line O&M			
	3.7	3.6	4.1

2012 7&5	2012	2013	2014
Other			
Buildings and Land	0.1	0.1	0.1
Rents/Leases	0.2	0.2	0.2
Corporate Insurance	0.8	0.8	0.8
Employee Expenses	0.3	0.4	0.3
Company Memberships	0.1	0.1	0.1
Utilities	0.4	0.4	0.4
Misc Revenues	(0.2)	(0.2)	(0.2)
Misc & Other Expenses	0.2	0.1	0.1
Amortizations *	0.5	0.4	0.4
Deferred Credits	(0.1)	(0.2)	(0.1)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	0.1	0.1	0.1
Auto/Trucks Cleared	1.3	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Below the Line O&M			
	4.1	3.8	3.9

Variance	2012	2013	2014
Other			
Buildings and Land	(0.0)	0.0	0.0
Rents/Leases	0.0	0.0	0.0
Corporate Insurance	(0.1)	0.0	0.0
Employee Expenses	(0.0)	0.0	0.0
Company Memberships	(0.0)	(0.0)	(0.0)
Utilities	(0.0)	0.0	0.0
Misc Revenues	(0.1)	0.1	0.1
Misc & Other Expenses	0.0	0.2	0.2
Amortizations *	0.0	-	-
A) Deferred Credits	(0.1)	(0.5)	(0.0)
I&D Accrual	(0.0)	(0.0)	(0.0)
Well/Lease Rent/Royalty	-	-	-
Advertising	0.0	-	-
Auto/Trucks Cleared	(0.1)	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)
Below the Line O&M			
	(0.4)	(0.3)	0.2

A) 2013 variance primarily due to revisions to Customer Program assumptions.

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2013 O&M	2012	2013	2014
Distribution Ops	11.4	10.9	11.2
Meter To Cash	0.6	0.6	0.6
Customer Call Center	0.0	0.0	0.0
Integration Center	0.5	0.5	0.5
Presidents	1.5	1.6	1.6
Other Departments	-	-	-
Management Fee	11.7	12.4	12.7
Benefits	2.5	1.9	1.9
Uncollectibles	0.1	0.5	0.5
Other Corporate*	3.2	2.9	3.1
Trackers	1.6	0.7	0.7
Total O&M	33.0	32.1	32.9
Total O&M w/o Trackers	31.4	31.4	32.2

2012 7&5	2012	2013	2014
Distribution Ops	11.1	11.2	11.4
Meter To Cash	0.6	0.6	0.6
Customer Call Center	0.0	0.0	0.0
Integration Center	0.6	0.7	0.7
Presidents	1.6	1.6	1.6
Other Departments	-	-	-
Management Fee	12.1	12.4	12.6
Benefits	2.1	1.9	1.9
Uncollectibles	0.2	0.5	0.5
Other Corporate*	3.0	2.9	3.0
Trackers	0.8	0.7	0.7
Total O&M	32.1	32.5	33.1
Total O&M w/o Trackers	31.2	31.8	32.4

Variance	2012	2013	2014
A) Distribution Ops	0.3	(0.2)	(0.1)
Meter To Cash	(0.0)	0.0	-
Customer Call Center	(0.0)	(0.0)	(0.0)
B) Integration Center	(0.0)	(0.1)	(0.2)
Presidents	(0.1)	(0.0)	(0.0)
Other Departments	-	-	-
C) Management Fee	(0.4)	0.0	0.1
D) Benefits	0.4	(0.0)	-
Uncollectibles	(0.1)	-	-
Other Corporate*	0.1	0.1	0.0
E) Trackers	0.7	(0.1)	(0.1)
Total Change	0.9	(0.4)	(0.2)
Total Change w/o Trackers	0.2	(0.4)	(0.2)

- A) 2012 - Primarily fleet adj., right of way (ROW) clearing and tools and uniforms. 2014-2017 - Primarily fleet adj.
- B) 2013-2018 - Primarily due to allocation percentage revisions.
- C) 2012 - Primarily revised assumptions for Administrative Services (IT) and NGD EH&S Distribution partially offset by capital transfers. 2013 - 2018 driven in large part by revisions to Corporate assumptions including CIP and Audit / IBM charges.
- D) 2012 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- E) Offset in revenues.

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2013 O&M	2012	2013	2014
Other Corporate			
Net Labor (CIP)	0.8	0.4	0.4
Materials/Supplies	0.0	0.0	0.0
Audit Fees	0.2	0.2	0.2
Consulting Fees	0.1	0.1	0.2
Legal Fees	-	-	-
Outside Services	0.2	0.2	0.2
Buildings and Land	-	-	-
Rents/Leases	0.2	0.2	0.2
Corporate Insurance	0.8	0.8	0.8
Employee Expenses	-	-	-
Company Memberships	0.1	0.1	0.1
Utilities	0.1	0.2	0.2
Misc Revenues	-	-	-
Misc & Other Expenses	0.2	0.2	0.2
Amortizations *	0.5	0.4	0.4
Deferred Credits	(0.1)	(0.1)	(0.1)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	-	-	-
Auto/Truck Cleared	(0.0)	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Stores Clearing	-	-	-
Below the line O&M	-	-	-
Total Other Corporate	3.2	2.9	3.1

2012 7&6	2012	2013	2014
Other Corporate			
Net Labor (CIP)	0.4	0.4	0.4
Materials/Supplies	0.0	0.0	0.0
Audit Fees	0.2	0.1	0.1
Consulting Fees	0.1	0.1	0.2
Legal Fees	-	-	-
Outside Services	0.2	0.2	0.2
Buildings and Land	-	-	-
Rents/Leases	0.2	0.2	0.2
Corporate Insurance	0.8	0.8	0.8
Employee Expenses	-	-	-
Company Memberships	0.1	0.1	0.1
Utilities	0.1	0.1	0.1
Misc Revenues	-	-	-
Misc & Other Expenses	0.2	0.2	0.2
Amortizations *	0.5	0.4	0.4
Deferred Credits	(0.1)	(0.1)	(0.1)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	-	-	-
Auto/Truck Cleared	-	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Stores Clearing	-	-	-
Below the line O&M	-	-	-
Total Other Corporate	3.0	2.8	3.0

Variance	2012	2013	2014
Other			
Net Labor (CIP)	0.2	0.0	0.0
Materials/Supplies	0.0	-	-
Audit Fees	0.0	0.0	0.0
Consulting Fees	(0.0)	-	-
Legal Fees	-	-	-
Outside Services	0.0	-	-
Buildings and Land	-	-	-
Rents/Leases	0.0	0.0	0.0
Corporate Insurance	(0.1)	0.0	0.0
Employee Expenses	-	-	-
Company Memberships	(0.0)	(0.0)	(0.0)
Utilities	(0.0)	0.0	0.0
Misc Revenues	-	-	-
Misc & Other Expenses	0.0	0.0	0.0
Amortizations *	0.0	-	-
Deferred Credits	(0.0)	-	-
I&D Accrual	(0.0)	(0.0)	(0.0)
Well/Lease Rent/Royalty	-	-	-
Advertising	-	-	-
Auto/Truck Cleared	(0.0)	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-
Below the line O&M	-	-	-
Total Other Corporate	0.1	0.1	0.0

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2013 0&12	2012	2013	2014
Depreciation	6.7	7.1	7.6
<u>Other Taxes</u>			
Gross Receipts	-	-	-
Property Tax	2.3	2.7	2.9
Payroll	0.6	0.5	0.5
Distribution	-	-	-
Other	0.0	-	-
Total Other Taxes	2.9	3.1	3.4
Total Other Taxes w/o Trackers	2.7	3.1	3.4

2012 7&5	2012	2013	2014
Depreciation	6.7	7.0	7.5
<u>Other Taxes</u>			
Gross Receipts	-	-	-
Property Tax	2.5	2.7	2.9
Payroll	0.5	0.5	0.5
Distribution	-	-	-
Other	0.0	-	-
Total Other Taxes	3.0	3.1	3.4
Total Other Taxes w/o Trackers	2.7	3.2	3.5

Variance	2012	2013	2014
A) Depreciation Change	0.0	0.1	0.1
<u>Other Taxes</u>			
Gross Receipts	-	-	-
Property Tax	(0.1)	-	0.0
Payroll	0.1	-	-
Distribution	-	-	-
Other	0.0	-	-
Total Other Taxes Change	(0.1)	-	0.0
Total Change w/o Trackers	(0.1)	(0.1)	(0.1)

A) Variance due to increased Capital spend

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2013 02 12	2012	2013	2014
Miscellaneous	-	-	-
AFUDC	0.1	0.2	0.2
Hedging Interest Income	0.0	0.1	0.0
UnderCollection Income	-	-	-
Sales Receivable	-	-	-
Customer Tax Contribution	-	-	-
Charitable Contributions	(0.1)	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.5	0.4	0.3
Total Other Income	0.5	0.5	0.4
Long-Term Interest Expense	4.7	5.0	5.2
Short-Term Interest Expense	-	0.0	0.0
Customer Deposits	0.1	0.1	0.1
Rate Refund Expense	-	-	-
OverCollection Interest Expense	0.0	-	-
Loss / Gain on Sales of Asset	-	-	-
Loss on Impairment of Asset	(0.0)	-	-
Other Interest Expense	-	-	-
Carrying Cost Interest Expense	-	-	-
Hedging Interest Expense	-	-	-
PISCC	-	-	-
AFUDC	(0.0)	(0.1)	(0.1)
Interest Expense	4.7	5.0	5.2
Income from Subsidiary	0.0	-	-

2012 7 5	2012	2013	2014
Miscellaneous	-	-	-
AFUDC	0.1	0.2	0.2
Hedging Interest Income	0.0	0.0	-
UnderCollection Income	-	-	-
Sales Receivable	-	-	-
Customer Tax Contribution	-	-	-
Charitable Contributions	(0.1)	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.6	0.3	0.2
Total Other Income	0.7	0.4	0.3
Long-Term Interest Expense	4.7	5.0	5.0
Short-Term Interest Expense	-	0.0	0.0
Customer Deposits	0.1	0.1	0.1
Rate Refund Expense	-	-	-
OverCollection Interest Expense	-	-	-
Loss / Gain on Sales of Asset	-	-	-
Loss on Impairment of Asset	-	-	-
Other Interest Expense	-	-	-
Carrying Cost Interest Expense	-	-	-
Hedging Interest Expense	-	-	-
PISCC	-	-	-
AFUDC	(0.1)	(0.1)	(0.1)
Interest Expense	4.8	5.1	5.1
Income from Subsidiary	0.0	-	-

Variance	2012	2013	2014
Miscellaneous	-	-	-
AFUDC	(0.0)	(0.0)	(0.0)
Hedging Interest Income	(0.0)	0.0	0.0
UnderCollection Income	-	-	-
Sales Receivable	-	-	-
Customer Tax Contribution	-	-	-
Charitable Contributions	(0.0)	-	-
A) Temp Cash Inv Int Inc	(0.1)	0.1	0.2
Total Other Income	(0.2)	0.1	0.2
A) Long-Term Interest Expense	(0.0)	0.0	0.2
A) Short-Term Interest Expense	-	(0.0)	(0.0)
Customer Deposits	(0.1)	(0.1)	(0.1)
Rate Refund Expense	-	-	-
OverCollection Interest Expense	0.0	-	-
Loss / Gain on Sales of Asset	-	-	-
Loss on Impairment of Asset	(0.0)	-	-
Other Interest Expense	-	-	-
Carrying Cost Interest Expense	-	-	-
Hedging Interest Expense	-	-	-
PISCC	-	-	-
AFUDC	0.0	0.0	0.0
Interest Expense	(0.1)	(0.1)	0.1
Income from Subsidiary	0.0	-	-

A) Variance due to changes in Capital structure to maintain appropriate debt / equity percentages

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2013 0&12	2012	2013	2014
Assets			
Net Property Plant and Equipment	215.6	231.1	251.0
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	1.8	-	-
Restricted Cash	1.9	2.6	0.8
Accounts Receivable	49.4	27.7	27.4
Gas Inventory	44.1	44.0	43.7
Unrecovered Purchase Costs	-	8.5	6.8
Material & Supplies	0.1	0.1	0.1
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	3.0	3.2	3.6
Total Current Assets	102.4	88.3	84.5
Price Risk Management Assets			
NC Regulatory Assets	19.7	18.5	17.4
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.1	3.1	3.1
Total Other Assets	22.8	21.6	20.5
Total Assets	341.3	341.4	356.5
Capitalization & Liabilities			
Total Common Stock Equity	91.9	98.5	103.1
Long Term Debt, excluding amounts due within c	53.3	86.3	97.3
Total Capitalization	145.2	184.9	200.4
Current Portion of Long Term Debt	28.7	3.3	-
Accounts Payable	12.0	11.4	10.4
Customer Deposits and AR Credit Balance	15.6	17.7	17.7
Taxes Accrued	8.0	5.0	5.6
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	9.6	-	-
Price Risk Management Liabilities (Current)	0.9	0.9	0.9
Exchange Gas Payable	17.1	4.7	4.7
Current Regulatory Liabilities	4.3	3.9	3.9
Accrued Liability for Post Retirement Benefits - C	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.4)	2.9	2.2
Total Current Liabilities	96.0	50.1	45.6
Price Risk Management Liabilities - NC	0.8	0.8	0.8
Deferred Income Taxes	50.0	55.2	59.6
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.7	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.2	13.3	12.5
Other Non-Current Liabilities	11.0	12.0	12.1
Other NC Liab & Deferred Credits	100.0	106.4	110.4
Total Capitalization & Liabilities	341.3	341.4	356.5

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2012 7&5	2012	2013	2014
Assets			
Net Property Plant and Equipment	212.7	227.5	247.5
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.2	-	-
Accounts Receivable	48.6	26.2	25.8
Gas Inventory	45.1	45.7	44.4
Unrecovered Purchase Costs	-	8.9	7.8
Material & Supplies	-	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.5	2.5	2.5
Prepayments and Other Assets	3.0	3.2	3.6
Total Current Assets	102.4	86.6	84.2
Price Risk Management Assets	-	-	-
NC Regulatory Assets	16.5	15.3	14.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.3	3.3	3.3
Total Other Assets	19.9	18.6	17.6
Total Assets	335.4	333.1	349.7
Capitalization & Liabilities			
Total Common Stock Equity	91.9	98.3	102.6
Long Term Debt, excluding amounts due within c	58.3	87.1	103.1
Total Capitalization	150.2	185.3	205.7
Current Portion of Long Term Debt	28.7	5.3	-
Accounts Payable	10.6	11.4	9.9
Customer Deposits and AR Credit Balance	17.7	17.7	17.7
Taxes Accrued	4.6	5.5	6.1
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	9.7	-	-
Price Risk Management Liabilities (Current)	0.8	0.8	0.8
Exchange Gas Payable	13.2	2.4	2.4
Current Regulatory Liabilities	4.1	3.8	3.8
Accrued Liability for Post Retirement Benefits - C	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.4)	1.9	1.8
Total Current Liabilities	88.2	49.0	42.6
Price Risk Management Liabilities - NC	1.0	1.0	1.0
Deferred Income Taxes	49.8	51.4	54.3
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.1	25.4	25.7
Accrued Liab for Post Retirement Benefits - NC	9.6	9.7	8.9
Other Non-Current Liabilities	11.0	11.1	11.3
Other NC Liab & Deferred Credits	96.9	98.9	101.4
Total Capitalization & Liabilities	335.4	333.1	349.7

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	2012	2013	2014
Assets			
Net Property Plant and Equipment	3.0	3.6	3.5
Total Investments	0.0	0.0	0.0
A) Cash and Cash Equivalents	1.8	-	-
B) Restricted Cash	(1.3)	2.6	0.8
C) Accounts Receivable	0.9	1.6	1.7
D) Gas Inventory	(1.0)	(1.7)	(0.7)
E) Unrecovered Purchase Costs	-	(0.4)	(1.0)
Material & Supplies	0.1	0.1	0.1
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.0	0.0	0.0
F) Current Regulatory Assets	(0.5)	(0.5)	(0.5)
Prepayments and Other Assets	(0.0)	(0.0)	(0.0)
Total Current Assets	(0.0)	1.7	0.3
Price Risk Management Assets	(0.8)	-	-
F) NC Regulatory Assets	3.2	3.2	3.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	(0.2)	(0.2)	(0.2)
Total Other Assets	2.9	2.9	2.9
Total Assets	5.9	8.3	6.8
Capitalization & Liabilities			
G) Total Common Stock Equity	0.0	0.3	0.4
G) Long Term Debt, excluding amounts due within c	(5.0)	(0.7)	(5.7)
Total Capitalization	(5.0)	(0.5)	(5.3)
G) Current Portion of Long Term Debt	-	(1.9)	-
C) Accounts Payable	1.4	0.0	0.5
H) Customer Deposits and AR Credit Balance	(2.1)	-	-
I) Taxes Accrued	3.4	(0.4)	(0.5)
Interest Accrued	(0.0)	(0.0)	(0.0)
E) Overrecovered Gas and Fuel Costs	(0.1)	-	-
Price Risk Management Liabilities (Current)	0.1	0.1	0.1
J) Exchange Gas Payable	3.8	2.3	2.3
Current Regulatory Liabilities	0.2	0.1	0.1
Accrued Liability for Post Retirement Benefits - C	0.0	0.0	0.0
Environmental	-	-	-
K) Other Accruals	1.1	1.0	0.4
Total Current Liabilities	7.8	1.2	3.0
Price Risk Management Liabilities - NC	(0.2)	(0.2)	(0.2)
I) Deferred Income Taxes	0.1	3.8	5.4
Deferred Investment Tax Credits	0.0	0.0	0.0
Deferred Credits	-	-	-
L) Noncurrent Regulatory Liabilities	(0.4)	(0.5)	(0.6)
M) Accrued Liab for Post Retirement Benefits - NC	3.6	3.6	3.6
N) Other Non-Current Liabilities	(0.0)	0.9	0.9
Other NC Liab & Deferred Credits	3.1	7.6	9.0
Total Capitalization & Liabilities	5.9	8.3	6.8

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) 2012 variance due to increased cash flow from the 7&5 forecast.
B) Variance due to changes to the required reserves related to the Hedging Program, and MF Global bankruptcy (\$1.8M).

- C) Annual A/R variance primarily due to changes to Money Pool assumptions:

2012	2013	2014	2015	2016
(1.60)	-	0.63	(0.84)	(0.91)

2012 variance due to increased Gas, Marketer, and Other Miscellaneous expenses of (\$525K),

D)

Year	Volume Variance (\$\$\$)	Rate Variance (\$\$\$)	Total Variance (\$\$\$)
2012	(0.2)	(0.7)	(0.9)
2013	(0.4)	(1.3)	(1.7)
2014	0.4	(1.1)	(0.7)
2015	0.0	(1.3)	(1.3)
2016	(0.4)	(1.2)	(1.6)
2017	(0.5)	(1.2)	(1.7)
2018	(0.1)	(1.1)	(1.2)

- E) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- F) Variances are due to changes to pension funding obligations.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to increases to Customer advances; specifically ColorPoint Greenhouse in Paris, KY.
- I) Variances primarily driven by Federal and State tax liabilities, and Net Operating Loss (NOL) impacts.
- J) Variance due to changes in the number of exchange obligations vs. the 0&12.
- K) Variances primarily driven by changes to CIP (\$499K), Deferred Taxes (\$245K), and Misc. / Other (\$499K).
- L) Variance primarily due to changes the adoption of SFAS 96 regarding the treatment of Deferred Taxes.
- M) Variance due to changes to Accrued Pension costs.
- N) Variance due to changes to adjustments to Customer Advances and OPEB Retirement obligations

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2013 0&12	2012	2013	2014
New Business	4.0	4.0	2.6
Betterment	0.4	0.1	0.1
Replacement	13.4	15.8	16.5
Support Services	1.6	2.0	8.5
Gross Capital	19.3	21.9	27.7
Contributions & Reimbursements	(0.4)	(0.6)	(0.6)
Total CKY *	18.9	21.3	27.1
Infrastructure/AMR	11.4	12.2	12.2

2012 7&5	2012	2013	2014
New Business	2.7	4.0	2.6
Betterment	0.3	0.1	0.1
Replacement	12.0	15.8	16.5
Support Services	1.4	2.0	8.5
Gross Capital	16.4	21.9	27.7
Contributions & Reimbursements	(0.7)	(0.6)	(0.6)
Total CKY	15.8	21.3	27.1
Infrastructure/AMR	9.6	12.2	12.2

Variance	2012	2013	2014
New Business	1.3	-	-
Betterment	0.1	-	-
Replacement	1.4	-	-
Support Services	0.2	-	-
Gross Capital	2.9	-	-
Contributions & Reimbursements	0.2	-	-
Total CKY	3.1	-	-
Infrastructure/AMR	1.7	-	-

NGD alloted additional capital after the 7&5R
Increase in growth activity, favorable weather, and contractor availability for both and
replacement.

* Note: Total does not include \$(0.1)M in unallocated overheads in 2012.

Columbia Gas of Kentucky
Plan vs. Plan - January 2013
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Net Revenues	8.4	8.4	60.0	65.1
O&M Expense	2.5	2.5	31.3	32.2
Depreciation	0.6	0.6	7.1	7.6
Other Taxes	0.3	0.3	3.1	3.4
Operating Earnings	5.1	5.1	18.6	21.9
Other Income	0.0	0.0	0.4	0.2
Interest Expense	0.4	0.4	4.1	3.9
Net Operating Income	4.7	4.7	14.9	18.1
Income Tax	2.0	2.0	5.8	5.5
Net Operating Income	2.8	2.8	9.0	12.6

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Net Revenues	8.5	8.5	60.1	60.7
O&M Expense	2.6	2.6	31.4	32.2
Depreciation	0.6	0.6	7.1	7.6
Other Taxes	0.3	0.3	3.1	3.4
Operating Earnings	5.1	5.1	18.5	17.5
Other Income	0.1	0.1	0.5	0.4
Interest Expense	0.4	0.4	5.0	5.2
Net Operating Income	4.7	4.7	13.9	12.7
Income Tax	1.8	1.8	5.3	6.0
Net Operating Income	2.9	2.9	8.7	6.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.1)	(0.1)	(0.0)	4.4
O&M Expense	(0.1)	(0.1)	(0.1)	(0.0)
Depreciation	0.0	0.0	0.0	-
Other Taxes	0.0	0.0	(0.0)	-
Operating Earnings	0.0	0.0	0.1	4.4
Other Income	(0.0)	(0.0)	(0.1)	(0.3)
Interest Expense	(0.0)	(0.0)	(0.9)	(1.2)
Net Operating Income	0.1	0.1	0.9	5.4
Income Tax	0.2	0.2	0.6	(0.5)
Net Operating Income	(0.1)	(0.1)	0.4	5.9

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Base Margin (less LCR)	7.4	7.4	50.2	49.9
LCR	0.6	0.6	5.2	5.5
LCR (Prior Dec. True-Up)	(0.0)	(0.0)	(0.0)	-
ESS	0.2	0.2	2.1	2.1
Regulatory Outcome	-	-	0.7	1.4
Other OGDR	0.1	0.1	1.0	1.0
CKY Purchase Receivable	0.1	0.1	0.4	0.4
Uncollectibles - NonTracked	0.1	0.1	0.4	0.4
Uncollectibles - Tracked	0.0	0.0	0.2	0.2
Trackers	0.1	0.1	0.5	0.5
Total Revenue	8.5	8.5	60.8	65.8
Total Revenue w/o Trackers	8.4	8.4	60.0	65.1

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Base Margin (less LCR)	7.4	7.4	50.4	49.9
LCR	0.6	0.6	5.1	5.5
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.1	0.1	2.1	2.1
Regulatory Outcome	-	-	0.7	1.4
Other OGDR	0.1	0.1	1.0	1.0
CKY Purchase Receivable	0.1	0.1	0.4	0.4
Uncollectibles - NonTracked	0.1	0.1	0.4	0.4
Uncollectibles - Tracked	0.0	0.0	0.2	0.2
Trackers	0.1	0.1	0.5	0.5
Total Revenue	8.6	8.6	60.8	61.4
Total Revenue w/o Trackers	8.5	8.5	60.1	60.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	(0.1)	(0.1)	(0.2)	0.0
LCR	(0.0)	(0.0)	0.1	-
LCR (Prior Dec. True-Up)	(0.0)	(0.0)	(0.0)	-
ESS	0.0	0.0	0.0	-
Regulatory Outcome	-	-	-	-
Other OGDR	0.0	0.0	0.0	(0.0)
CKY Purchase Receivable	(0.0)	(0.0)	(0.0)	(0.0)
Uncollectibles - NonTracked	(0.0)	(0.0)	0.0	(0.0)
Uncollectibles - Tracked	-	-	-	-
Trackers	0.0	0.0	0.1	-
Total Variance	(0.1)	(0.1)	0.0	4.4
Total Variance w/o Trackers	(0.1)	(0.1)	(0.0)	4.4

Variance Explanations:

- A) Variance due to weather adjustments of \$0.3M

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Penalty Charges	0.0	0.0	0.4	0.4
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.1	0.1	0.4	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	0.0	0.0	0.0	-
Total OGDR	0.1	0.1	1.0	1.0

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Penalty Charges	0.0	0.0	0.4	0.4
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.1	0.1	0.4	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	0.0	0.0	0.0	-
Total OGDR	0.1	0.1	1.0	1.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	0.0
Return Check	0.0	0.0	0.0	0.0
Other Fees	0.0	0.0	0.0	0.0
Other Revenue	-	-	-	-
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	0.0	0.0	(0.0)	(0.0)
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	0.0	0.0	0.0	-
Total OGDR	0.0	0.0	0.0	(0.0)

Variance Explanations:

Columbia Gas of Kentucky
2013 Customer & Usage Information - 1&11 vs. 0&12

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.010	0.010
Commercial	0.010	0.010
Total	0.010	0.010

Usage Change	Month	YTD
Residential	0.056	0.056
Commercial	0.037	0.037
Industrial (Non-LCR)	0.017	0.017
Total	0.110	0.110

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	15.3	15.3
Comm	99.8	99.8
Ind	9,226.5	9,226.5

Budget	Month	YTD
Residential	15.0	15.0
Commercial	95.4	95.4
Industrial	9,314.6	9,314.6

Variance	Month	Mo. %	YTD	YTD %
Residential	0.2	1.6%	0.2	1.6%
Commercial	4.3	4.5%	4.3	4.5%
Industrial	(88.1)	-0.9%	(88.1)	-0.9%

Customer Count

Actual	Month	YTD Avg
Residential	120,896	120,896
Commercial	14,073	14,073
Industrial	181	181
Total	135,150	135,150

Budget	Month	YTD Avg
Residential	120,613	120,613
Commercial	13,990	13,990
Industrial	178	178
Total	134,781	134,781

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	283	0.2%	283	0.2%
Commercial	83	0.6%	83	0.6%
Industrial	3	1.7%	3	1.7%
Total	369	0.3%	369	0.3%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Labor	0.7	0.7	7.2	7.4
Benefits	0.1	0.1	1.7	1.9
Materials & Supplies	0.1	0.1	1.5	1.4
Outside Services	0.3	0.3	4.4	4.2
Management Fee	0.9	0.9	12.5	12.7
Uncollectibles	0.0	0.0	0.5	0.5
Other *	0.3	0.3	3.6	4.1
Trackers	0.1	0.1	0.7	0.7
Total O&M	2.6	2.6	32.0	32.9
	0.0	0.0	0.0	(0.0)
Total O&M w/o Trackers	2.5	2.5	31.3	32.2

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Labor	0.6	0.6	7.2	7.4
Benefits	0.2	0.2	1.9	1.9
Materials & Supplies	0.1	0.1	1.4	1.4
Outside Services	0.4	0.4	4.4	4.2
Management Fee	1.0	1.0	12.4	12.7
Uncollectibles	0.1	0.1	0.5	0.5
Other *	0.3	0.3	3.6	4.1
Trackers	0.1	0.1	0.7	0.7
Total O&M	2.7	2.7	32.1	32.9
	-	-	0.0	0.0
Total O&M w/o Trackers	2.6	2.6	31.4	32.2

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
Labor	0.0	0.0	0.0	0.0
A) Benefits	(0.0)	(0.0)	(0.2)	-
Materials & Supplies	0.1	0.1	0.1	-
Outside Services	(0.1)	(0.1)	(0.0)	(0.0)
B) Management Fee	(0.1)	(0.1)	0.0	0.0
Uncollectibles	(0.0)	(0.0)	-	-
Other *	0.0	0.0	0.0	(0.0)
Trackers	0.0	0.0	0.0	-
Total Change	(0.1)	(0.1)	(0.1)	(0.0)
Total Change w/o Trackers	(0.1)	(0.1)	(0.1)	(0.0)

Variance Explanations:

- B) 2013 Yr Var - Primarily revised assumptions for Pension & OPEB.
- C) Mo & YTD Var - Primarily Administrative Services and NGD Operations.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.1	0.8	0.8
Employee Expenses	0.0	0.0	0.4	0.3
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.1	0.1	0.5	0.4
Misc Revenues	0.0	0.0	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.0	0.3	0.3
Amortizations *	0.0	0.0	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.7)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.1	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Below the Line O&M				
	0.3	0.3	3.6	4.1

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.1	0.8	0.8
Employee Expenses	0.0	0.0	0.4	0.3
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.0	0.4	0.4
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.0	0.3	0.3
Amortizations *	0.0	0.0	0.4	0.4
Deferred Credits	(0.1)	(0.1)	(0.7)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.1	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Below the Line O&M				
	0.3	0.3	3.6	4.1

Variance	Mo Var	YTD Var	2012 Yr Var	2014 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	-
Rents/Leases	0.0	0.0	0.0	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	(0.0)	(0.0)	(0.0)	-
Company Memberships	0.0	0.0	0.0	-
Utilities	0.0	0.0	0.0	-
Misc Revenues	0.0	0.0	0.0	-
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	-
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.0	0.0	-
I&D Accrual	0.0	0.0	0.0	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	-
Auto/Trucks Cleared	(0.0)	(0.0)	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M				
	0.0	0.0	0.0	(0.0)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Distribution Ops	0.9	0.9	11.1	11.2
Meter To Cash	0.1	0.1	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.0	0.5	0.5
Presidents	0.1	0.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	0.9	0.9	12.5	12.7
Benefits	0.1	0.1	1.7	1.9
Uncollectibles	0.0	0.0	0.5	0.5
Other Corporate *	0.2	0.2	2.9	3.1
Trackers	0.1	0.1	0.7	0.7
Total O&M	2.6	2.6	32.0	32.9
Total O&M w/o Trackers	2.5	2.5	31.3	32.2

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Distribution Ops	0.9	0.9	10.9	11.2
Meter To Cash	0.1	0.1	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.0	0.5	0.5
Presidents	0.1	0.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	1.0	12.4	12.7
Benefits	0.2	0.2	1.9	1.9
Uncollectibles	0.1	0.1	0.5	0.5
Other Corporate *	0.2	0.2	2.9	3.1
Trackers	0.1	0.1	0.7	0.7
Total O&M	2.7	2.7	32.1	32.9
Total O&M w/o Trackers	2.6	2.6	31.4	32.2

Variance	Mo Var	YTD Var	2012 Yr Var	2014 Yr Var
Distribution Ops	0.0	0.0	0.1	-
Meter To Cash	0.0	0.0	0.0	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	(0.0)	(0.0)	(0.0)	-
Presidents	0.0	0.0	0.0	-
Other Dept	-	-	-	-
A) Management Fee	(0.1)	(0.1)	0.0	0.0
B) Benefits	(0.0)	(0.0)	(0.2)	-
Uncollectibles	(0.0)	(0.0)	-	-
Other Corporate *	(0.0)	(0.0)	(0.0)	(0.0)
Trackers	0.0	0.0	0.0	-
Total Change	(0.1)	(0.1)	(0.1)	(0.0)
Total Change w/o Trackers	(0.1)	(0.1)	(0.1)	(0.0)

Variance Explanations:

- A) Mo & YTD Var - Primarily Administrative Services and NGD Operations.
- B) 2013 Yr Var - Primarily revised assumptions for Pension & OPEB.

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Other Corporate				
Net Labor	0.0	0.0	0.6	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.2	0.2
Consulting Fees	0.0	0.0	0.1	0.2
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.1	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	-	-	0.1	0.1
Utilities	0.0	0.0	0.2	0.2
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.0	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	0.2	2.9	3.1

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Other Corporate				
Net Labor	0.0	0.0	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.2	0.2
Consulting Fees	0.0	0.0	0.1	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.1	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	-	-	0.1	0.1
Utilities	0.0	0.0	0.2	0.2
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.0	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	0.2	2.9	3.1

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
Other				
Net Labor	0.0	0.0	0.0	-
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	0.0	0.0	0.0	-
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	-
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.0	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	-	-	-	-
Utilities	0.0	0.0	0.0	-
Misc Revenues	-	-	-	-
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	-
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	-
I&D Accrual	0.0	0.0	0.0	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	(0.0)	(0.0)	(0.0)	(0.0)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Depreciation	0.6	0.6	7.1	7.6
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.2	2.7	2.9
Payroll	0.0	0.0	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.3	0.3	3.2	3.4
Total Other Taxes w/o Trackers	0.3	0.3	3.1	3.4

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Depreciation	0.6	0.6	7.1	7.6
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.2	2.7	2.9
Payroll	0.0	0.0	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.3	0.3	3.1	3.4
Total Other Taxes w/o Trackers	0.3	0.3	3.1	3.4

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	0.0	-
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	-	-	-	-
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes Change	0.0	0.0	0.0	-
Total Change w/o Trackers	0.0	0.0	(0.0)	-

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.2	0.2
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.0	0.3	0.1
Total Other Income	0.0	0.0	0.4	0.2
Long-Term Interest Expense	0.4	0.4	4.0	3.8
Short-Term Interest Expense	-	-	0.1	0.1
Customer Deposits Interest Expense	-	-	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	0.4	4.1	3.9
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.2	0.2
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.1	0.4	0.3
Total Other Income	0.1	0.1	0.5	0.4
Long-Term Interest Expense	0.4	0.4	5.0	5.2
Short-Term Interest Expense	-	-	0.0	0.0
Customer Deposits Interest Expense	0.0	0.0	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	0.4	5.0	5.2
NET INCOME FROM SUBSIDIARIES	-	0.0	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	(0.0)	(0.0)	(0.0)	-
Hedging Interest Income	(0.0)	(0.0)	(0.0)	-
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.0)	(0.1)	(0.3)
Total Other Income	(0.0)	(0.0)	(0.1)	(0.3)
B) Long-Term Interest Expense	(0.0)	(0.0)	(1.0)	(1.4)
Short-Term Interest Expense	-	-	0.1	0.1
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	-
Interest Expense	(0.0)	(0.0)	(0.9)	(1.2)
NET INCOME FROM SUBSIDIARIES	0.0	-	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.
- B) Variance due to financing assumptions used to balance rate base

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2013 1&11	Mo	2013	2014
Assets			
Net Property Plant and Equipment	215.7	231.1	251.0
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	3.6	-	-
Restricted Cash	1.9	2.6	0.8
Accounts Receivable	61.4	29.0	26.5
Gas Inventory	20.2	31.6	31.3
Unrecovered Purchase Costs	-	4.9	4.9
Material & Supplies	0.1	11.9	11.9
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	1.8	4.2	4.2
Prepayments and Other Assets	14.5	15.1	15.5
Total Current Assets	103.5	99.4	95.1
Price Risk Management Assets	-	-	-
NC Regulatory Assets	19.4	18.2	17.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.8	3.8	3.8
Total Other Assets	23.1	22.0	20.9
Total Assets	342.8	352.9	367.5
Capitalization & Liabilities			
Total Common Stock Equity	94.8	99.0	104.2
Long Term Debt , excluding amounts due within one year	73.3	86.3	97.3
Total Capitalization	168.1	185.4	201.5
Obligations Due in One Year	14.0	17.2	12.2
Accounts Payable	13.2	10.9	9.8
Customer Deposits and AR Credit Balance	12.7	17.7	17.7
Taxes Accrued	8.3	5.1	5.6
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	5.9	-	-
Price Risk Management Liabilities (Current)	0.9	0.9	0.9
Exchange Gas Payable	13.9	3.6	3.6
Current Regulatory Liabilities	4.0	3.7	3.7
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	0.5	2.1	2.1
Total Current Liabilities	73.7	61.4	55.9
Price Risk Management Liabilities - NC	0.5	0.5	0.5
Deferred Income Taxes	51.2	55.1	59.6
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.7	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.1	13.2	12.5
Other Non-Current Liabilities	11.1	11.9	12.1
Other NC Liab & Deferred Credits	101.0	106.1	110.1
Total Capitalization & Liabilities	342.8	352.9	367.5

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2013 08/12	Mo	2013	2014
Assets			
Net Property Plant and Equipment	217.3	231.1	251.0
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	4.0	2.6	0.8
Accounts Receivable	61.6	27.7	27.4
Gas Inventory	33.7	44.0	43.7
Unrecovered Purchase Costs	-	8.5	6.8
Material & Supplies	0.1	0.1	0.1
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	2.8	3.2	3.6
Total Current Assets	104.3	88.3	84.5
Price Risk Management Assets	-	-	-
NC Regulatory Assets	19.6	18.5	17.4
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.1	3.1	3.1
Total Other Assets	22.7	21.6	20.5
Total Assets	344.7	341.4	356.5
Capitalization & Liabilities			
Total Common Stock Equity	94.7	98.5	103.1
Long Term Debt , excluding amounts due within one year	73.3	86.3	97.3
Total Capitalization	168.0	184.9	200.4
Obligations Due in One Year	14.0	3.3	-
Accounts Payable	12.4	11.4	10.4
Customer Deposits and AR Credit Balance	13.6	17.7	17.7
Taxes Accrued	9.0	5.0	5.6
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	6.3	-	-
Price Risk Management Liabilities (Current)	0.9	0.9	0.9
Exchange Gas Payable	14.9	4.7	4.7
Current Regulatory Liabilities	4.2	3.9	3.9
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.1)	2.9	2.2
Total Current Liabilities	75.4	50.1	45.6
Price Risk Management Liabilities - NC	0.8	0.8	0.8
Deferred Income Taxes	50.4	55.2	59.6
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.7	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.2	13.3	12.5
Other Non-Current Liabilities	11.8	12.0	12.1
Other NC Liab & Deferred Credits	101.3	106.4	110.4
Total Capitalization & Liabilities	344.7	341.4	356.5

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	Mo Var	2013 Var	2014 Var
Assets			
A) Net Property Plant and Equipment	(1.6)	0.0	0.0
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	3.6	-	-
C) Restricted Cash	(2.1)	0.0	0.0
D) Accounts Receivable	(0.2)	1.3	(0.9)
E) Gas Inventory	(13.6)	(12.4)	(12.4)
F) Unrecovered Purchase Costs	-	(3.7)	(1.9)
E) Material & Supplies	0.0	11.8	11.8
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	(0.2)	2.2	2.2
E) Prepayments and Other Assets	11.8	11.9	11.9
Total Current Assets	(0.8)	11.1	10.7
Price Risk Management Assets	-	-	-
NC Regulatory Assets	(0.2)	(0.2)	(0.2)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
K) Deferred Charges	0.7	0.7	0.7
Total Other Assets	0.4	0.4	0.4
Total Assets	(2.0)	11.5	11.1
Capitalization & Liabilities			
G) Total Common Stock Equity	0.0	0.5	1.1
G) Long Term Debt, excluding amounts due within one year	-	-	-
Total Capitalization	0.0	0.5	1.1
G) Current Portion of Long Term Debt	-	13.8	12.2
D) Accounts Payable	0.8	(0.5)	(0.6)
D) Customer Deposits and AR Credit Balance	(0.8)	-	-
H) Taxes Accrued	(0.7)	0.0	0.0
Interest Accrued	-	-	-
F) Overrecovered Gas and Fuel Costs	(0.4)	-	-
I) Price Risk Management Liabilities (Current)	0.0	0.0	0.0
J) Exchange Gas Payable	(1.0)	(1.0)	(1.0)
Current Regulatory Liabilities	(0.2)	(0.2)	(0.2)
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
K) Other Accruals	0.6	(0.8)	(0.1)
Total Current Liabilities	(1.7)	11.3	10.3
Price Risk Management Liabilities - NC	(0.2)	(0.2)	(0.2)
H) Deferred Income Taxes	0.8	(0.0)	(0.0)
Deferred Investment Tax Credits	(0.0)	0.0	0.0
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	(0.0)	0.0	0.0
Accrued Liab for Post Retirement Benefits - NC	(0.1)	(0.0)	(0.0)
K) Other Non-Current Liabilities	(0.7)	(0.0)	(0.0)
Other NC Liab & Deferred Credits	(0.3)	(0.3)	(0.3)
Total Capitalization & Liabilities	(2.0)	11.5	11.1

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) Variance due to timing around 2013 In-Service and subsequent Depreciation.
- B) Increase In Money Pool funding.
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program.
- D) A/R: 2013 variance is primarily due to Increase in off-system sales.
A/P: 2014 variance is due to decreased payables related to declining Gas Costs (\$520K).
- E) Monthly variance due to Usage variances of (\$1.8M) respectively. 2013 variance due to Rate differential of (\$507K) along with include reclassification entries between the Inventory and Material & Supply accounts and the prepayment accounts to accurately state the LIFO Inventory balance; which was \$11.8M as of January 30th
- F) 2013 & 2014 Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to changes to the Federal tax payment and accrual calculation(s) .
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding exchange obligations vs. the 0&12.
- K) Deferred Charges & Other Non-current liabilities variances are due to Customer Advances stemming from Capital projects.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
New Business	0.2	0.2	4.0	2.6
Betterment	0.1	0.1	0.1	0.1
Replacement	0.6	0.8	15.8	16.5
Support Services	0.1	0.1	2.0	8.5
Gross Capital	1.0	1.0	21.9	27.7
Contributions & Reimbursements	(0.6)	(0.6)	(0.6)	(0.6)
Total NGD	0.4	0.4	21.3	27.1
Infrastructure/AMR	0.5	0.5	12.2	12.2

2013 0&12	Mo Budget	YTD	2013 0&12	2014 0&12
New Business	0.4	0.4	4.0	2.6
Betterment	0.0	0.0	0.1	0.1
Replacement	1.0	1.0	15.8	16.5
Support Services	0.1	0.1	2.0	8.5
Gross Capital	1.5	1.5	21.9	27.7
Contributions & Reimbursements	(0.0)	(0.0)	(0.6)	(0.6)
Total NGD	1.5	1.5	21.3	27.1
Infrastructure/AMR	0.7	0.7	12.2	12.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	(0.2)	(0.2)	-	-
Betterment	0.1	0.1	-	-
Replacement	(0.3)	(0.3)	-	-
Support Services	(0.0)	(0.0)	-	-
Gross Capital	(0.5)	(0.5)	-	-
Contributions & Reimbursements	(0.6)	(0.6)	-	-
Total NGD	(1.1)	(1.1)	-	-
Infrastructure/AMR	(0.2)	(0.2)	-	-

Variance Explanations:

Primarily unfavorable weather.
Note: 2014 AMR program of \$7M shown in support services.

Columbia Gas of Kentucky
Plan vs. Plan - February 2013
(\$ millions)

2013 2&10	2013	2014
Net Revenues	60.8	61.0
O&M Expense	32.3	32.8
Depreciation	7.1	7.7
Other Taxes	3.1	3.4
Operating Earnings	18.2	17.0
Other Income	0.5	0.3
Interest Expense	5.2	5.3
Net Operating Income	13.5	12.0
Income Tax	5.4	6.7
Net Income	8.1	5.4

2013 O&12	2013	2014
Net Revenues	60.1	60.7
O&M Expense	31.4	32.2
Depreciation	7.1	7.6
Other Taxes	3.1	3.4
Operating Earnings	18.5	17.5
Other Income	0.5	0.4
Interest Expense	5.0	5.2
Net Operating Income	13.9	12.7
Income Tax	5.3	6.6
Net Income	8.7	6.1

Variance	2013	2014
Net Revenues	0.8	0.3
O&M Expense	1.0	0.6
Depreciation	0.0	0.1
Other Taxes	0.0	0.0
Operating Earnings	(0.2)	(0.4)
Other Income	(0.0)	(0.1)
Interest Expense	0.1	0.2
Net Operating Income	(0.4)	(0.7)
Income Tax	0.2	0.1
Net Income	(0.6)	(0.8)

... * net of trackers ...

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2013 2&10	2013	2014
Base Margin (less LCR)	50.9	50.2
LCR	5.2	5.5
LCR (Prior Dec. True-Up)	(0.0)	-
Supply Optimization	2.1	2.1
Regulatory Outcome	0.9	1.4
Other OGDR	1.0	1.0
CKY Purchase Receivable	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.6	0.5
Total Revenue	61.7	61.7
Total Revenue w/o Trackers	60.8	61.0

2013 0&12	2013	2014
Base Margin (less LCR)	50.4	50.0
LCR	5.1	5.4
LCR (Prior Dec. True-Up)	-	-
ESS	2.1	2.1
Regulatory Outcome	0.7	1.4
Other OGDR	1.0	1.0
CKY Purchase Receivable	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.5	0.5
Total Revenue	60.8	61.4
Total Revenue w/o Trackers	60.1	60.7

Variance	2013	2014
A) Base Margin (less LCR)	0.5	0.2
LCR	0.1	0.1
LCR (Prior Dec. True-Up)	(0.0)	-
ESS	0.0	-
Regulatory Outcome	0.1	-
Other OGDR	0.0	(0.0)
CKY Purchase Receivable	(0.0)	(0.0)
Uncollectibles - Non Tracked	(0.0)	(0.0)
Uncollectibles - Tracked	(0.0)	-
Trackers	0.2	-
Total Variance	0.9	0.3
Total Variance w/o Trackers	0.8	0.3

- A) 2013 Variance driven by a slight increase to usage forecasts and change in plan assumptions o
2014 Variance driven by a slight increase to usage forecasts and change in plan assumptions o

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2013 2&10	2013	2014
Labor	7.2	7.6
Benefits	2.7	2.1
Materials & Supplies	1.4	1.4
Outside Services	4.4	4.3
Management Fee	12.4	12.7
Uncollectibles	0.4	0.5
Other *	3.7	4.2
Trackers	0.8	0.7
Total O&M	33.2	33.5
Total O&M w/o Trackers	32.3	32.8

2013 0&12	2013	2014
Labor	7.2	7.4
Benefits	1.9	1.9
Materials & Supplies	1.4	1.4
Outside Services	4.4	4.2
Management Fee	12.4	12.7
Uncollectibles	0.5	0.5
Other *	3.6	4.1
Trackers	0.7	0.7
Total O&M	32.1	32.9
Total O&M w/o Trackers	31.4	32.2

Variance	2013	2014
A) Labor	0.1	0.2
B) Benefits	0.8	0.2
Materials & Supplies	(0.0)	-
Outside Services	(0.1)	0.1
Management Fee	0.0	0.0
Uncollectibles	(0.0)	-
C) Other *	0.2	0.2
D) Trackers	0.1	-
Total Change	1.1	0.6
Total Change w/o Trackers	1.0	0.6

- A) 2013 & 2014 Primarily due to additional headcount due to incremental DIMP spend.
- B) 2013 & 2014 - Primarily revised assumptions for pension, OPEB, and capital transfer percentages.
- C) 2013 & 2014 - Primarily \$0.2M increase in public awareness advertising.
- D) Offset in revenues.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2013 2&10	2013	2014
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	0.4	0.3
Company Memberships	0.1	0.1
Utilities	0.5	0.4
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	0.3	0.3
Amortizations *	0.4	0.4
Deferred Credits	(0.6)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.3	0.3
Auto/Trucks Cleared	1.2	1.3
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	3.7	4.2

2013 0&12	2013	2014
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	0.4	0.3
Company Memberships	0.1	0.1
Utilities	0.4	0.4
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	0.3	0.3
Amortizations *	0.4	0.4
Deferred Credits	(0.7)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	3.6	4.1

Variance	2013	2014
Other		
Buildings and Land	(0.0)	-
Rents/Leases	0.0	-
Corporate Insurance	(0.0)	-
Employee Expenses	(0.0)	0.0
Company Memberships	0.0	-
Utilities	0.0	-
Misc Revenues	(0.0)	-
Misc & Other Expenses	(0.0)	-
Amortizations *	-	-
A) Deferred Credits	0.1	0.0
I&D Accrual	0.0	-
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.2
Auto/Trucks Cleared	0.0	0.0
O&M Reclass - Regulatory to GAAP	-	-
Below the Line O&M		
	0.2	0.2

A) 2013 variance primarily due to revisions to Customer Program assumptions.

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2013 2&10	2013	2014
Distribution Ops	11.2	11.7
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.5	0.5
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	12.4	12.7
Benefits	2.7	2.1
Uncollectibles	0.4	0.5
Other Corporate*	2.9	3.1
Trackers	0.8	0.7
Total O&M	33.2	33.5
Total O&M w/o Trackers	32.3	32.8

2013 0&12	2013	2014
Distribution Ops	10.9	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.5	0.5
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	12.4	12.7
Benefits	1.9	1.9
Uncollectibles	0.5	0.5
Other Corporate*	2.9	3.1
Trackers	0.7	0.7
Total O&M	32.1	32.9
Total O&M w/o Trackers	31.4	32.2

Variance	2013	2014
A) Distribution Ops	0.2	0.4
Meter To Cash	(0.0)	-
Customer Call Center	(0.0)	-
Integration Center	(0.0)	-
Presidents	0.0	(0.0)
Other Departments	-	-
Management Fee	0.0	0.0
B) Benefits	0.8	0.2
Uncollectibles	(0.0)	-
Other Corporate*	(0.0)	0.0
C) Trackers	0.1	-
Total Change	1.1	0.6
Total Change w/o Trackers	1.0	0.6

- A) 2013 & 2014 - Primarily incremental DIMP spend for right of way (ROW) and Regulator Station clearing
- B) 2013 & 2014 - Primarily revised assumptions for pension, OPEB, and capital transfer percentages.
- C) Offset in revenues.

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2013 2&10	2013	2014
Other Corporate		
Net Labor (CIP)	0.5	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.2	0.2
Consulting Fees	0.1	0.2
Legal Fees	-	-
Outside Services	0.1	0.2
Buildings and Land	-	-
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	-	-
Company Memberships	0.0	0.1
Utilities	0.2	0.2
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.4	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.1

2013 0&12	2013	2014
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.2	0.2
Consulting Fees	0.1	0.2
Legal Fees	-	-
Outside Services	0.2	0.2
Buildings and Land	-	-
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.2	0.2
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.4	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.1

Variance	2013	2014
Other		
Net Labor (CIP)	0.0	0.0
Materials/Supplies	0.0	-
Audit Fees	0.0	-
Consulting Fees	0.0	-
Legal Fees	-	-
Outside Services	(0.0)	-
Buildings and Land	-	-
Rents/Leases	0.0	-
Corporate Insurance	(0.0)	-
Employee Expenses	-	-
Company Memberships	(0.0)	-
Utilities	0.0	-
Misc Revenues	-	-
Misc & Other Expenses	(0.0)	-
Amortizations *	-	-
Deferred Credits	(0.0)	-
I&D Accrual	0.0	-
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	-	-
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	(0.0)	0.0

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2013 2&10	2013	2014
Depreciation	7.1	7.7
Other Taxes		
Gross Receipts	-	-
Property Tax	2.7	3.0
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	3.2	3.5
Total Other Taxes w/o Trackers	3.1	3.4

2013 0&12	2013	2014
Depreciation	7.1	7.6
Other Taxes		
Gross Receipts	-	-
Property Tax	2.7	2.9
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	3.1	3.4
Total Other Taxes w/o Trackers	3.1	3.4

Variance	2013	2014
A) Depreciation Change	0.0	0.1
Other Taxes		
Gross Receipts	-	-
Property Tax	-	0.0
Payroll	0.0	-
Distribution	-	-
Other	-	-
Total Other Taxes Change	0.0	0.0
Total Change w/o Trackers	0.0	0.0

A) Variance due to increased Capital spend

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2013 2&10	2013	2014
Miscellaneous	-	-
AFUDC	0.2	0.2
Hedging Interest Income	0.1	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.3	0.2
Total Other Income	0.452	0.340
Long-Term Interest Expense	5.2	5.4
Short-Term Interest Expense	0.0	0.0
Customer Deposits	0.1	0.1
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Loss / Gain on Sales of Asset	-	-
Loss on Impairment of Asset	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
PISCC	-	-
AFUDC	(0.1)	(0.1)
Interest Expense	6.2	5.3
Income from Subsidiary	-	-

2013 0&12	2013	2014
Miscellaneous	-	-
AFUDC	0.2	0.2
Hedging Interest Income	0.1	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.4	0.3
Total Other Income	0.6	0.4
Long-Term Interest Expense	5.0	5.2
Short-Term Interest Expense	0.0	0.0
Customer Deposits	0.1	0.1
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Loss / Gain on Sales of Asset	-	-
Loss on Impairment of Asset	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
PISCC	-	-
AFUDC	(0.1)	(0.1)
Interest Expense	5.0	5.2
Income from Subsidiary	-	-

Variance	2013	2014
Miscellaneous	-	-
AFUDC	0.0	(0.0)
Hedging Interest Income	(0.0)	-
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.0)	-
A) Temp Cash Inv Int Inc	(0.1)	(0.1)
Total Other Income	(0.0)	(0.1)
A) Long-Term Interest Expense	0.1	0.2
A) Short-Term Interest Expense	0.0	0.0
Customer Deposits	(0.0)	(0.0)
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Loss / Gain on Sales of Asset	-	-
Loss on Impairment of Asset	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
PISCC	-	-
AFUDC	(0.0)	0.0
Interest Expense	0.1	0.2
Income from Subsidiary	-	-

A) Variance due to changes in Capital structure to maintain appropriate debt / equity percentages

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2013 2&10	2013	2014
Assets		
Net Property Plant and Equipment	233.5	253.3
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	2.6	0.8
Accounts Receivable	28.1	25.7
Gas Inventory	26.6	26.3
Unrecovered Purchase Costs	3.5	3.6
Material & Supplies	-	-
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	-	-
Current Regulatory Assets	3.7	3.7
Prepayments and Other Assets	21.1	21.4
Total Current Assets	85.647	81.542
Price Risk Management Assets	-	-
NC Regulatory Assets	16.9	15.7
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	3.8	3.8
Total Other Assets	20.661	19.422
Total Assets	340.266	354.673
Capitalization & Liabilities		
Total Common Stock Equity	98.2	105.8
Long Term Debt , excluding amounts due within c	93.3	93.3
Total Capitalization	191.5	199.2
Current Portion of Long Term Debt	3.1	5.5
Accounts Payable	11.0	9.9
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	5.1	5.7
Interest Accrued	0.1	0.1
Overrecovered Gas and Fuel Costs	-	-
Price Risk Management Liabilities (Current)	0.9	0.9
Exchange Gas Payable	1.8	1.8
Current Regulatory Liabilities	3.2	3.2
Accrued Liability for Post Retirement Benefits - Ci	0.1	0.1
Environmental	-	-
Other Accruals	1.2	1.3
Total Current Liabilities	44.132	46.094
Price Risk Management Liabilities - NC	0.3	0.3
Deferred Income Taxes	54.7	59.4
Deferred Investment Tax Credits	0.4	0.3
Deferred Credits	-	-
Noncurrent Regulatory Liabilities	24.5	24.3
Accrued Liab for Post Retirement Benefits - NC	13.3	13.1
Other Non-Current Liabilities	11.5	12.0
Other NC Liab & Deferred Credits	104.636	109.396
Total Capitalization & Liabilities	340.266	354.673

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2013 0&12	2013	2014
Assets		
Net Property Plant and Equipment	231.1	251.0
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	2.6	0.8
Accounts Receivable	27.7	27.4
Gas Inventory	44.0	43.7
Unrecovered Purchase Costs	8.5	6.8
Material & Supplies	0.1	0.1
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.0	2.0
Prepayments and Other Assets	3.2	3.6
Total Current Assets	88.3	84.5
Price Risk Management Assets	-	-
NC Regulatory Assets	18.5	17.4
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	3.1	3.1
Total Other Assets	21.6	20.5
Total Assets	341.4	356.5
Capitalization & Liabilities		
Total Common Stock Equity	98.5	103.1
Long Term Debt, excluding amounts due within c	86.3	97.3
Total Capitalization	184.9	200.4
Current Portion of Long Term Debt	3.3	-
Accounts Payable	11.4	10.4
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	5.0	5.6
Interest Accrued	0.1	0.1
Overrecovered Gas and Fuel Costs	-	-
Price Risk Management Liabilities (Current)	0.9	0.9
Exchange Gas Payable	4.7	4.7
Current Regulatory Liabilities	3.9	3.9
Accrued Liability for Post Retirement Benefits - C	0.1	0.1
Environmental	-	-
Other Accruals	2.9	2.2
Total Current Liabilities	50.1	45.6
Price Risk Management Liabilities - NC	0.8	0.8
Deferred Income Taxes	55.2	59.6
Deferred Investment Tax Credits	0.4	0.3
Deferred Credits	-	-
Noncurrent Regulatory Liabilities	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.3	12.5
Other Non-Current Liabilities	12.0	12.1
Other NC Liab & Deferred Credits	106.4	110.4
Total Capitalization & Liabilities	341.4	356.5

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	2013	2014
Assets		
A) Net Property Plant and Equipment	2.4	2.2
Total Investments	0.0	0.0
Cash and Cash Equivalents	-	-
Restricted Cash	0.0	0.0
B) Accounts Receivable	0.4	(1.7)
C) Gas Inventory	(17.4)	(17.4)
D) Unrecovered Purchase Costs	(5.1)	(3.2)
C) Material & Supplies	(0.1)	(0.1)
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	(0.1)	(0.1)
E) Current Regulatory Assets	1.8	1.8
C) Prepayments and Other Assets	17.8	17.8
Total Current Assets	(2.6)	(2.9)
Price Risk Management Assets	-	-
E) NC Regulatory Assets	(1.6)	(1.8)
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	0.7	0.7
Total Other Assets	(0.9)	(1.1)
Total Assets	(1.1)	(1.8)
Capitalization & Liabilities		
F) Total Common Stock Equity	(0.4)	2.8
F) Long Term Debt , excluding amounts due within c	7.0	(4.0)
Total Capitalization	6.6	(1.2)
F) Current Portion of Long Term Debt	(0.2)	5.5
B) Accounts Payable	(0.4)	(0.5)
B) Customer Deposits and AR Credit Balance	-	-
G) Taxes Accrued	0.0	0.1
Interest Accrued	-	-
D) Overrecovered Gas and Fuel Costs	-	-
Price Risk Management Liabilities (Current)	(0.0)	(0.0)
H) Exchange Gas Payable	(2.9)	(2.9)
Current Regulatory Liabilities	(0.8)	(0.8)
Accrued Liability for Post Retirement Benefits - C	-	-
Environmental	-	-
I) Other Accruals	(1.7)	(1.0)
Total Current Liabilities	(6.0)	0.5
Price Risk Management Liabilities - NC	(0.4)	(0.4)
J) Deferred Income Taxes	(0.5)	(0.2)
Deferred Investment Tax Credits	0.0	0.0
Deferred Credits	-	-
L) Noncurrent Regulatory Liabilities	(0.4)	(0.8)
K) Accrued Liab for Post Retirement Benefits - NC	0.0	0.6
Other Non-Current Liabilities	(0.5)	(0.2)
Other NC Liab & Deferred Credits	(1.8)	(1.0)
Total Capitalization & Liabilities	(1.1)	(1.8)

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) Variance due to increase in capital spend.
- B) A/R: 2013-2014 variance is primarily due to increase in off-system sales.
A/P: 2014 - variance is due to decreased payables related to declining Gas Costs (\$520K).
- C) 2013-2014 variance due to Rate differential of (\$350K) along with include reclassification entries between the Inventory and Material & Supply accounts and the prepayment accounts to accurately state the LIFO inventory balance; which was \$17.2M as of February 28th.
- D) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- E) Variances are due to changes to pension funding obligations.
- F) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- G) Variances primarily driven by Federal and State tax liabilities, and Net Operating Loss (NOL) impacts.
- H) Variance due to changes in the number of exchange obligations vs. the 0&12.
- I) Deferred Charges & Other Non-current liabilities variances are due to Customer Advances stemming from Capital projects.
- J) Variance primarily due to changes the adoption of SFAS 96 regarding the treatment of Deferred Taxes.
- K) Variance due to changes to Accrued Pension and OPEB costs.

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2013 2&10	2013	2014
New Business	5.3	2.6
Betterment	0.1	0.1
Replacement	17.8	16.5
Support Services	2.0	8.5
Gross Capital	25.2	27.7
Contributions & Reimbursements	(0.6)	(0.6)
Total CKY *	24.6	27.1
Infrastructure/AMR	14.2	12.2

2013 0&12	2013	2014
New Business	4.0	2.6
Betterment	0.1	0.1
Replacement	15.8	16.5
Support Services	2.0	8.5
Gross Capital	21.9	27.7
Contributions & Reimbursements	(0.6)	(0.6)
Total CKY	21.3	27.1
Infrastructure/AMR	12.2	12.2

Variance	2013	2014
New Business	1.3	-
Betterment	-	-
Replacement	2.0	-
Support Services	(0.0)	-
Gross Capital	3.3	-
Contributions & Reimbursements	-	-
Total CKY	3.3	-
Infrastructure/AMR	2.0	-

NGD alloted additional capital after the 7&5R

Increase in growth activity, favorable weather, and contractor availability for both and replacement.

* Note: Total does not include \$(0.1)M in unallocated overheads in 2012.

2013 2&10 - Additional \$100M NGD incremental - CKY portion is \$1.3M Growth and \$2.0M IRP

Columbia Gas of Kentucky
Plan vs. Plan - March 2013
(\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Net Revenues	6.2	22.5	61.309	61.0
O&M Expense	4.1	9.1	32.321	32.8
Depreciation	0.6	1.7	7.126	7.7
Other Taxes	0.3	0.8	3.101	3.4
Operating Earnings	1.3	10.8	18.761	17.1
Other Income	0.0	0.1	0.4	0.3
Interest Expense	0.4	1.2	5.2	5.4
Net Operating Income	0.9	9.7	14.0	12.0
Income Tax	0.4	3.7	5.3	6.7
Net Operating Income	0.6	6.0	8.7	5.4

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Net Revenues	6.1	21.9	60.1	60.7
O&M Expense	2.6	7.8	31.4	32.2
Depreciation	0.6	1.7	7.1	7.6
Other Taxes	0.3	0.8	3.1	3.4
Operating Earnings	2.6	11.6	18.5	17.5
Other Income	0.1	0.2	0.5	0.4
Interest Expense	0.4	1.3	5.0	5.2
Net Operating Income	2.2	10.5	13.9	12.7
Income Tax	0.8	4.0	5.3	6.6
Net Operating Income	1.4	6.4	8.7	6.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.2	0.6	1.2	0.3
O&M Expense	1.4	1.4	0.9	0.6
Depreciation	0.0	0.0	0.0	0.1
Other Taxes	0.0	0.0	(0.0)	0.0
Operating Earnings	(1.3)	(0.8)	0.3	(0.3)
Other Income	(0.0)	(0.1)	(0.1)	(0.1)
Interest Expense	(0.0)	(0.0)	0.1	0.2
Net Operating Income	(1.3)	(0.8)	0.1	(0.7)
Income Tax	(0.5)	(0.3)	0.0	0.1
Net Operating Income	(0.8)	(0.5)	0.0	(0.8)

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Base Margin (less LCR)	5.4	19.6	51.2	50.1
LCR	0.5	1.5	5.3	5.5
LCR (Prior Dec. True-Up)	-	(0.0)	(0.0)	-
ESS	0.1	0.4	2.1	2.1
Regulatory Outcome	-	-	0.9	1.4
Other OGDR	0.1	0.5	1.1	1.0
CKY Purchase Receivable	0.1	0.3	0.5	0.5
Uncollectibles - NonTracked	0.1	0.2	0.4	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.2	0.6	0.8	0.5
Total Revenue	6.452	23.092	62.326	61.7
Total Revenue w/o Trackers	6.2	22.5	61.309	61.0

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Base Margin (less LCR)	5.2	19.0	50.4	49.9
LCR	0.5	1.6	5.1	5.5
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.1	0.4	2.1	2.1
Regulatory Outcome	-	-	0.7	1.4
Other OGDR	0.1	0.4	1.0	1.0
CKY Purchase Receivable	0.1	0.3	0.4	0.4
Uncollectibles - NonTracked	0.0	0.2	0.4	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.1	0.2	0.5	0.5
Total Revenue	6.1	22.2	60.8	61.4
Total Revenue w/o Trackers	6.1	21.9	60.1	60.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.1	0.6	0.9	0.3
LCR	(0.0)	(0.0)	0.2	-
LCR (Prior Dec. True-Up)	-	(0.0)	(0.0)	-
ESS	(0.0)	(0.0)	0.0	-
B) Regulatory Outcome	-	-	0.1	-
Other OGDR	0.0	0.1	0.1	0.0
CKY Purchase Receivable	0.0	0.0	0.0	0.0
Uncollectibles - NonTracked	0.0	0.0	0.0	0.0
Uncollectibles - Tracked	-	-	-	-
Trackers	0.2	0.3	0.3	-
Total Variance	0.3	0.9	1.6	0.3
Total Variance w/o Trackers	0.2	0.6	1.2	0.3

Variance Explanations:

- A) 2013 YTD & Yr Var driven by slight increase to usage forecasts and change in plan assumptions of \$291K.
2014 Variance driven by a slight increase to usage forecasts and change in plan assumptions of \$471K.

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Penalty Charges	0.0	0.2	0.4	0.4
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.0	0.2	0.4	0.4
Other Revenue	0.0	0.0	0.1	0.1
Pub Util-Flex	0.0	0.0	0.1	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	0.5	1.1	1.0

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Penalty Charges	0.1	0.2	0.4	0.4
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.0	0.2	0.4	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.131	0.4	1.0	1.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	(0.0)	0.0	0.0	0.0
Return Check	0.0	0.0	0.0	0.0
Other Fees	(0.0)	(0.0)	(0.0)	(0.0)
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	-	0.0	(0.0)	-
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.0	0.1	0.1	0.0

Columbia Gas of Kentucky
2013 Customer & Usage Information - 3&9 vs. 0&12

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.016	0.034
Commercial	0.003	0.019
Total	0.019	0.053

Usage Change	Month	YTD
Residential	0.130	0.326
Commercial	0.083	0.284
Industrial (Non-LCR)	0.013	0.033
Total	0.225	0.643

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	9.3	37.1
Comm	62.5	249.5
Ind	8,039.2	25,395.6

Budget	Month	YTD
Residential	8.7	35.7
Commercial	59.4	232.0
Industrial	8,038.9	25,796.7

Variance	Month	Mo. %	YTD	YTD %
Residential	0.6	6.5%	1.4	3.9%
Commercial	3.1	5.2%	17.5	7.5%
Industrial	0.3	0.0%	(401.1)	-1.6%

Customer Count

Actual	Month	YTD Avg
Residential	121,084	121,019
Commercial	14,070	14,080
Industrial	181	180
Total	135,335	135,279

Budget	Month	YTD Avg
Residential	120,554	120,656
Commercial	14,005	14,005
Industrial	180	178
Total	134,739	134,839

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	530	0.4%	363	0.3%
Commercial	65	0.5%	75	0.5%
Industrial	1	0.6%	2	1.1%
Total	596	0.4%	440	0.3%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Labor	0.6	1.9	7.2	7.6
Benefits	1.3	1.6	2.7	2.1
Materials & Supplies	0.2	0.4	1.4	1.4
Outside Services	0.4	1.1	4.4	4.3
Management Fee	1.2	3.1	12.4	12.7
Uncollectibles	0.0	0.1	0.4	0.5
Other *	0.3	0.9	3.7	4.2
Trackers	0.2	0.6	1.0	0.7
Total O&M	4.291	9.766	33.278	33.483
Total O&M w/o Trackers	4.1	9.1	32.3	32.8

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Labor	0.6	1.8	7.2	7.4
Benefits	0.2	0.5	1.9	1.9
Materials & Supplies	0.1	0.3	1.4	1.4
Outside Services	0.4	1.0	4.4	4.2
Management Fee	1.0	3.1	12.4	12.7
Uncollectibles	0.0	0.2	0.5	0.5
Other *	0.3	0.9	3.6	4.1
Trackers	0.1	0.3	0.7	0.7
Total O&M	2.7	8.1	32.1	32.9
Total O&M w/o Trackers	2.6	7.8	31.4	32.2

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
Labor	0.1	0.1	(0.0)	0.2
A) Benefits	1.1	1.1	0.8	0.2
Materials & Supplies	0.0	0.1	0.0	-
Outside Services	0.1	0.0	(0.0)	0.1
Management Fee	0.1	0.0	0.0	0.0
Uncollectibles	(0.0)	(0.1)	(0.0)	-
Other *	0.0	0.0	0.2	0.2
B) Trackers	0.2	0.3	0.3	-
Total Change	1.6	1.6	1.2	0.6
Total Change w/o Trackers	1.4	1.4	0.9	0.6

Variance Explanations:

- A) 2013 Mo & YTD Var - Primarily \$1.1M pension settlement entry in March business
2013 Yr Var - Change in Pension and OPEB assumptions.
- B) Offset in Revenue

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.2	0.8	0.8
Employee Expenses	0.1	0.1	0.4	0.3
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.5	0.4
Misc Revenues	0.0	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	0.0	0.2	0.3
Amortizations *	0.0	0.1	0.4	0.4
Deferred Credits	(0.0)	(0.1)	(0.6)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.2	0.3
Auto/Trucks Cleared	0.1	0.3	1.2	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M				
	0.3	0.9	3.7	4.2

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.2	0.8	0.8
Employee Expenses	0.0	0.1	0.4	0.3
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.4	0.4
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.1	0.3	0.3
Amortizations *	0.0	0.1	0.4	0.4
Deferred Credits	(0.1)	(0.2)	(0.7)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	0.3	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M				
	0.3	0.9	3.6	4.1

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	-
Rents/Leases	(0.0)	0.0	(0.0)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	0.0	0.0	0.0	0.0
Company Memberships	0.0	0.0	0.0	-
Utilities	0.0	0.0	0.0	-
Misc Revenues	0.0	(0.0)	(0.0)	-
Misc & Other Expenses	(0.0)	(0.0)	(0.1)	-
Amortizations *	-	-	-	-
Deferred Credits	0.1	0.1	0.1	0.0
I&D Accrual	0.0	0.0	0.0	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	0.1	0.2
Auto/Trucks Cleared	(0.0)	(0.0)	0.0	0.0
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M				
	0.0	0.0	0.2	0.2

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Distribution Ops	1.2	3.0	11.1	11.7
Meter To Cash	0.1	0.2	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.1	0.5	0.5
Presidents	0.1	0.4	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.2	3.1	12.4	12.7
Benefits	1.3	1.6	2.7	2.1
Uncollectibles	0.0	0.1	0.4	0.5
Other Corporate *	0.3	0.750	2.9	3.1
Trackers	0.2	0.6	1.0	0.7
Total O&M	4.291	9.766	33.278	33.483
Total O&M w/o Trackers	4.1	9.1	32.3	32.8

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Distribution Ops	0.9	2.7	10.9	11.2
Meter To Cash	0.1	0.2	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.1	0.5	0.5
Presidents	0.1	0.4	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	3.1	12.4	12.7
Benefits	0.2	0.5	1.9	1.9
Uncollectibles	0.0	0.2	0.5	0.5
Other Corporate *	0.2	0.7	2.9	3.1
Trackers	0.1	0.3	0.7	0.7
Total O&M	2.7	8.1	32.1	32.9
Total O&M w/o Trackers	2.6	7.8	31.4	32.2

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
A) Distribution Ops	0.2	0.3	0.2	0.4
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	0.0	(0.0)	(0.0)	-
Integration Center	(0.0)	(0.0)	(0.0)	-
Presidents	(0.0)	(0.0)	(0.0)	(0.0)
Other Dept	-	-	-	-
Management Fee	0.1	0.0	0.0	0.0
B) Benefits	1.1	1.1	0.8	0.2
Uncollectibles	(0.0)	(0.1)	(0.0)	-
Other Corporate *	0.0	0.0	0.0	0.0
C) Trackers	0.2	0.3	0.3	-
Total Change	1.8	1.6	1.2	0.8
Total Change w/o Trackers	1.4	1.4	0.9	0.8

Variance Explanations:

- A) 2013 Mo & YTD Var - Primarily new employee training and increased meter service.
2013 Yr Var - Primarily incremental DIMP expense along with right of way (ROW) and regulator station clearing.
2014 - incremental DIMP expense.
- B) 2013 Mo & YTD Var - Primarily \$1.1M pension settlement entry in March business
2013 Yr Var - Change in Pension and OPEB assumptions.
- C) Offset in Revenue

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2013 3Q	Mo Actual	YTD Actual	2013 3Q	2014 3Q
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.2
Consulting Fees	0.0	0.1	0.1	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.2	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.1
Utilities	0.0	0.1	0.2	0.2
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.1	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	0.7	2.8	3.1

2013 0612	Mo Budget	YTD Budget	2013 0612	2014 0612
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.2	0.2
Consulting Fees	0.0	0.0	0.1	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.2	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.2	0.2
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.1	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	0.7	2.9	3.1

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
Other				
Net Labor	(0.0)	0.0	0.0	0.0
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	0.0	0.0	0.0	-
Legal Fees	-	-	-	-
Outside Services	0.0	(0.0)	(0.0)	-
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.0	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	0.0	(0.0)	(0.0)	-
Utilities	0.0	0.0	0.0	-
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	(0.0)	(0.0)	-
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	-
I&D Accrual	0.0	0.0	0.0	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.0	0.0	0.0

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Depreciation	0.6	1.7	7.1	7.7
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.7	2.6	3.0
Payroll	0.0	0.1	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.283	0.802	3.161	3.484
Total Other Taxes w/o Trackers	0.265	0.813	3.101	3.428

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Depreciation	0.6	1.7	7.1	7.6
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.7	2.7	2.9
Payroll	0.0	0.1	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.3	0.8	3.1	3.4
Total Other Taxes w/o Trackers	0.3	0.8	3.1	3.4

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	0.0	0.1
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	-	-	(0.0)	0.0
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes Change	0.0	0.0	0.0	0.0
Total Change w/o Trackers	0.0	0.0	(0.0)	0.0

Variance Explanations:

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.2	0.2
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.1	0.3	0.3
Total Other Income	0.044	0.1	0.4	0.2
Long-Term Interest Expense	0.4	1.2	5.2	5.4
Short-Term Interest Expense	-	-	0.1	0.1
Customer Deposits Interest Expense	-	-	0.0	0.0
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	1.2	5.2	5.4
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.2	0.2
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.2	0.4	0.3
Total Other Income	0.1	0.2	0.5	0.4
Long-Term Interest Expense	0.4	1.2	5.0	5.2
Short-Term Interest Expense	-	-	0.0	0.0
Customer Deposits Interest Expense	0.0	0.0	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	1.2	5.0	5.2
NET INCOME FROM SUBSIDIARIES	-	0.0	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	(0.0)	(0.0)	0.0	(0.0)
Hedging Interest Income	(0.0)	(0.0)	(0.0)	-
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.1)	(0.1)	(0.1)
Total Other Income	(0.0)	(0.1)	(0.1)	(0.1)
B) Long-Term Interest Expense	0.0	(0.0)	0.1	0.2
Short-Term Interest Expense	-	-	0.0	0.0
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	0.0	(0.0)	0.0
Interest Expense	(0.0)	(0.0)	0.1	0.2
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.
- B) Variance due to financing assumptions used to balance rate base

	Mo	2013	2014
Assets			
Net Property Plant and Equipment	218.9	233.5	253.3
Total Investments	0.5	0.5	0.5
Cash and Cash Equivalents	2.8	-	-
Restricted Cash	0.9	2.7	0.8
Accounts Receivable	67.1	27.0	24.7
Gas Inventory	1.4	32.0	32.1
Unrecovered Purchase Costs	-	5.0	4.0
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	1.0	0.8	0.8
Current Regulatory Assets	1.2	2.8	2.8
Prepayments and Other Assets	16.8	17.8	18.2
Total Current Assets	91.3	88.2	83.4
Price Risk Management Assets	0.0	0.0	0.0
NC Regulatory Assets	17.1	15.8	14.5
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.8	3.8	3.8
Total Other Assets	20.9	19.6	18.4
Total Assets	331.6	341.7	355.5
Capitalization & Liabilities			
Total Common Stock Equity	96.6	98.2	105.9
Long Term Debt , excluding amounts due within one year	73.3	93.3	93.3
Total Capitalization	169.9	191.5	199.2
Obligations Due in One Year	14.0	7.1	9.1
Accounts Payable	14.2	10.7	9.9
Customer Deposits and AR Credit Balance	8.7	17.7	17.7
Taxes Accrued	7.6	5.0	5.6
Interest Accrued	(0.0)	(0.0)	(0.0)
Overrecovered Gas and Fuel Costs	3.6	-	-
Price Risk Management Liabilities (Current)	0.7	0.7	0.7
Exchange Gas Payable	7.7	1.0	1.0
Current Regulatory Liabilities	3.0	2.6	2.6
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.3)	1.3	0.9
Total Current Liabilities	59.3	46.3	47.6
Price Risk Management Liabilities - NC	0.0	0.0	0.0
Deferred Income Taxes	52.5	55.0	59.8
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.5	24.5	24.3
Accrued Liab for Post Retirement Benefits - NC	12.6	12.4	12.2
Other Non-Current Liabilities	11.2	11.6	12.1
Other NC Liab & Deferred Credits	102.4	103.9	108.7
Total Capitalization & Liabilities	331.6	341.7	355.5

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

	Mo	2013	2014
Assets			
Net Property Plant and Equipment	219.4	231.1	251.0
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.6	2.6	0.8
Accounts Receivable	65.0	27.7	27.4
Gas Inventory	18.2	44.0	43.7
Unrecovered Purchase Costs	1.4	8.5	6.8
Material & Supplies	0.1	0.1	0.1
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	2.3	3.2	3.6
Total Current Assets	92.6	88.3	84.5
Price Risk Management Assets	-	-	-
NC Regulatory Assets	19.4	18.5	17.4
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.1	3.1	3.1
Total Other Assets	22.5	21.6	20.5
Total Assets	334.9	341.4	356.5
Capitalization & Liabilities			
Total Common Stock Equity	97.8	98.5	103.1
Long Term Debt , excluding amounts due within one year	73.3	86.3	97.3
Total Capitalization	171.1	184.9	200.4
Obligations Due In One Year	14.0	3.3	-
Accounts Payable	10.3	11.4	10.4
Customer Deposits and AR Credit Balance	10.6	17.7	17.7
Taxes Accrued	9.7	5.0	5.6
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	-	-	-
Price Risk Management Liabilities (Current)	0.9	0.9	0.9
Exchange Gas Payable	11.4	4.7	4.7
Current Regulatory Liabilities	4.0	3.9	3.9
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	0.5	2.9	2.2
Total Current Liabilities	61.6	50.1	45.6
Price Risk Management Liabilities - NC	0.8	0.8	0.8
Deferred Income Taxes	51.3	55.2	59.6
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.7	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.2	13.3	12.5
Other Non-Current Liabilities	11.8	12.0	12.1
Other NC Liab & Deferred Credits	102.2	106.4	110.4
Total Capitalization & Liabilities	334.9	341.4	356.5

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance	Mo Var	2013 Var	2014 Var
Assets			
A) Net Property Plant and Equipment	(0.5)	2.4	2.2
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	2.8	-	-
C) Restricted Cash	(2.6)	0.1	0.0
D) Accounts Receivable	2.1	(0.8)	(2.7)
E) Gas Inventory	(16.7)	(12.0)	(11.6)
F) Unrecovered Purchase Costs	(1.4)	(3.6)	(2.8)
E) Material & Supplies	0.0	(0.1)	(0.1)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.8	0.7	0.7
Current Regulatory Assets	(0.8)	0.9	0.9
E) Prepayments and Other Assets	14.4	14.6	14.6
Total Current Assets	(1.3)	(0.1)	(1.0)
Price Risk Management Assets	0.0	0.0	0.0
NC Regulatory Assets	(2.3)	(2.7)	(2.9)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
K) Deferred Charges	0.7	0.7	0.7
Total Other Assets	(1.6)	(2.0)	(2.2)
Total Assets	(3.3)	0.4	(0.9)
Capitalization & Liabilities			
G) Total Common Stock Equity	(1.2)	(0.3)	2.8
G) Long Term Debt , excluding amounts due within one year	-	7.0	(4.0)
Total Capitalization	(1.2)	6.7	(1.2)
G) Current Portion of Long Term Debt	-	3.8	9.1
D) Accounts Payable	3.9	(0.7)	(0.5)
D) Customer Deposits and AR Credit Balance	(1.9)	-	-
H) Taxes Accrued	(2.1)	(0.0)	(0.0)
Interest Accrued	(0.1)	(0.1)	(0.1)
F) Overrecovered Gas and Fuel Costs	3.6	-	-
I) Price Risk Management Liabilities (Current)	(0.2)	(0.2)	(0.2)
J) Exchange Gas Payable	(3.7)	(3.7)	(3.7)
Current Regulatory Liabilities	(1.1)	(1.4)	(1.4)
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
K) Other Accruals	(0.7)	(1.6)	(1.3)
Total Current Liabilities	(2.3)	(3.8)	2.0
Price Risk Management Liabilities - NC	(0.7)	(0.7)	(0.7)
H) Deferred Income Taxes	1.3	(0.1)	0.2
Deferred Investment Tax Credits	(0.0)	0.0	0.0
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	0.8	(0.4)	(0.8)
Accrued Liab for Post Retirement Benefits - NC	(0.6)	(0.9)	(0.3)
K) Other Non-Current Liabilities	(0.8)	(0.4)	(0.1)
Other NC Liab & Deferred Credits	0.2	(2.5)	(1.7)
Total Capitalization & Liabilities	(3.3)	0.4	(0.9)

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

Variance Explanations:

- A) Variance due to timing around 2013 In-Service and subsequent Depreciation.
- B) Increase in Money Pool funding.
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program.
- D) AR: March variance is primarily due to increase in money pool funding of \$2.4M offset by decrease in off system sales.
AP: March variance is due to increased payables related to increased Gas Costs (\$2M).
- E) Monthly variance due to Usage variances of (\$2.0M) respectively. 2013 variance due to Rate differential of \$700K along with include reclassification entries between the Inventory and Material & Supply accounts and the prepayment accounts to accurately state the LIFO Inventory balance; which was \$14.5M as of March 31st.
- F) 2013 Mo & Yr Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to changes to the Federal tax payment and accrual calculation(s).
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding exchange obligations vs. the 0&12.
- K) Deferred Charges & Other Non-current liabilities variances are due to Customer Advances stemming from Capital projects..

Columbia Gas of Kentucky
Capital Expenditures - Plan-vs.-Plan
(\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
New Business	0.3	0.8	5.3	2.6
Betterment	0.0	0.1	0.1	0.1
Replacement	1.4	2.7	17.8	16.5
Support Services	0.3	0.5	2.0	8.5
Gross Capital	2.0	4.2	25.2	27.7
Contributions & Reimbursements	(0.0)	(0.6)	(0.6)	(0.6)
Total NGD	2.0	3.5	24.6	27.1
Infrastructure/AMR	1.1	2.2	14.2	12.2

2013 0&12	Mo Budget	YTD	2013 0&12	2014 0&12
New Business	0.3	1.0	4.0	2.6
Betterment	0.0	0.0	0.1	0.1
Replacement	1.3	3.4	15.8	16.5
Support Services	0.1	0.3	2.0	8.5
Gross Capital	1.8	4.9	21.9	27.7
Contributions & Reimbursements	(0.1)	(0.2)	(0.6)	(0.6)
Total NGD	1.6	4.6	21.3	27.1
Infrastructure/AMR	0.7	2.0	12.2	12.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	(0.0)	(0.3)	1.3	-
Betterment	(0.0)	0.1	-	-
Replacement	0.1	(0.7)	2.0	-
Support Services	0.2	0.2	-	-
Gross Capital	0.3	(0.7)	3.3	-
Contributions & Reimbursements	0.1	(0.4)	-	-
Total NGD	0.4	(1.1)	3.3	
Infrastructure/AMR	0.4	0.2	2.0	

Variance Explanations:

Actuals variance primarily unfavorable weather.
Plan variance due to incremental capital for increased growth forecast and IRP request.
Note: 2014 AMR program of \$7M shown in support services.

Columbia Gas of Kentucky, Inc.
CASE NO. 2013-00167
Forecasted Test Period Filing Requirements
Filing Requirement 12-o

Description of Filing Requirement:

Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available;

Response:

Please refer to the attached.

Responsible Witness:

S. Mark Katko

**Columbia Gas of Kentucky
Plan vs. Plan - September 2011
(\$ millions)**

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
Net Revenues	3.3	42.9	59.9	59.8
O&M Expense	1.4	21.7	29.7	31.0
Depreciation	0.5	4.6	6.2	6.7
Other Taxes	1.3	2.2	2.9	3.0
*Operating Earnings	0.1	14.5	21.1	19.1
Other Income	0.1	0.7	0.8	0.7
Interest Expense	0.4	3.6	4.8	4.8
*Net Operating Income	(0.2)	11.6	17.1	15.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Net Revenues	3.4	43.4	61.0	59.8
O&M Expense	2.6	23.5	31.5	32.0
Depreciation	0.5	4.7	6.3	6.6
Other Taxes	0.2	2.1	2.8	3.0
*Operating Earnings	0.0	13.1	20.3	18.2
Other Income	0.0	0.5	0.5	0.2
Interest Expense	0.4	3.6	4.8	4.8
*Net Operating Income	(0.4)	10.0	16.0	13.6

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.1)	(0.5)	(1.0)	(0.0)
O&M Expense	(1.2)	(1.8)	(1.8)	(1.0)
Depreciation	(0.0)	(0.1)	(0.1)	0.1
Other Taxes	1.0	0.1	0.1	(0.0)
*Operating Earnings	0.1	1.4	0.8	0.9
Other Income	0.1	0.2	0.3	0.5
Interest Expense	(0.0)	0.0	(0.0)	(0.0)
*Net Operating Income	0.2	1.5	1.1	1.4

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
Base Margin (less LCR)	2.7	36.0	50.7	51.1
LCR	0.4	3.7	5.0	4.8
LCR (Prior Dec. True-Up)	-	0.1	0.1	-
ESS	0.2	1.5	2.1	2.4
Regulatory Outcome	-	-	-	-
Other OGDR	0.1	1.3	1.5	1.0
CKY Purchase Receivable	(0.0)	0.4	0.6	0.6
Trackers	0.1	1.5	1.9	1.2
Total Revenue	3.4	44.4	61.8	61.0
Total Revenue w/o Trackers	3.3	42.9	59.9	59.8

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Base Margin (less LCR)	2.6	35.5	50.0	49.5
LCR	0.4	3.6	5.0	4.8
LCR (Prior Dec. True-Up)	-	0.1	0.1	-
ESS	0.3	1.9	2.8	2.8
Regulatory Outcome	0.0	-	-	-
Other OGDR	0.0	1.1	1.4	1.1
CKY Purchase Receivable	0.0	0.4	0.5	0.5
Trackers	0.0	0.8	1.2	1.1
Total Revenue	3.4	43.4	61.0	59.8
Total Revenue w/o Trackers	3.3	42.6	59.7	58.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.1	0.5	0.7	1.6
LCR	0.0	0.1	0.0	0.0
LCR (Prior Dec. True-Up)	-	-	-	-
B) ESS	(0.1)	(0.4)	(0.7)	(0.4)
Regulatory Outcome	(0.0)	-	-	-
Other OGDR	0.0	0.2	0.2	(0.1)
CKY Purchase Receivable	(0.0)	0.0	0.0	0.0
C) Trackers	0.0	0.7	0.6	0.1
Total Variance	0.0	1.0	0.8	1.2
Total Variance w/o Trackers	(0.0)	0.4	0.2	1.1

Variance Explanations:

- A) Variance primarily due to changes in Customer Base, Usage and Rates.
- B) Variance represents downward revision to Off-System sales assumptions due to lack of price volatility.
- C) Variance due to additional DSM revenue of approximately \$456K; offset in O&M tracker.

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
Penalty Charges	0.1	0.5	0.6	0.9
Return Check	0.0	0.1	0.1	0.0
Other Fees	0.0	0.5	0.6	0.1
Pub Util-Flex	0.0	0.1	0.1	-
Company Use	0.0	0.1	0.1	0.0
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	-
Misc Merchant Revenue	0.0	0.0	0.0	-
Other	-	-	-	-
Total OGDR	0.1	1.3	1.5	1.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Penalty Charges	0.0	0.4	0.4	-
Return Check	0.0	0.3	0.4	-
Other Fees	0.0	0.3	0.4	0.9
Pub Util-Flex	-	0.1	0.1	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	0.0	-	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Other	-	0.0	0.0	-
Total OGDR	0.1	1.1	1.3	1.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Penalty Charges	0.0	0.2	0.2	0.9
Return Check	0.0	(0.2)	(0.2)	0.0
A) Other Fees	0.0	0.2	0.2	(0.8)
Pub Util-Flex	0.0	0.1	0.1	(0.0)
Company Use	(0.0)	0.0	(0.0)	(0.1)
Balancing Services	-	-	-	-
Other Misc Income	(0.0)	-	(0.0)	(0.0)
Misc Merchant Revenue	0.0	0.0	0.0	-
Other	-	(0.0)	(0.0)	-
Total OGDR	0.0	0.2	0.2	(0.1)

Variance Explanations:

- A) 2012 variance due to classification changes between plan versions.

Columbia Gas of Kentucky
2011 Customer & Usage Information - 2&10 vs. 9&3

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.0	0.1
Commercial	0.0	0.2
Total	0.0	0.3

Usage Change	Month	YTD
Residential	0.0	0.5
Commercial	(0.0)	0.1
Industrial (Non-LCR)	(0.0)	(0.0)
Total	(0.0)	0.6

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	0.15100	6.0 Update for UPC, not volumes
Comm	0.28100	5.3 Update for UPC, not volumes
Ind	1.24300	11.5 Update for UPC, not volumes

Budget	Month	YTD
Residential	0.150	6.0 Update for UPC, not volumes
Commercial	0.277	5.3 Update for UPC, not volumes
Industrial	1.244	11.5 Update for UPC, not volumes

Variance	Month	Mo. %	YTD	YTD %
Residential	0.0	0.0	0.0	0.1%
Commercial	0.0	0.0	(0.0)	-0.8%
Industrial	(0.0)	(0.0)	(0.0)	0.0%

Customer Count

Actual	Month	YTD Avg
Residential	118,029	120,238
Commercial	13,785	14,049
Industrial	178	180
Total	131,992	134,467

Budget	Month	YTD Avg
Residential	117,533	119,827
Commercial	13,619	13,915
Industrial	176	177
Total	131,328	133,918

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	496	0.0	411	0.3%
Commercial	166	0.0	134	1.0%
Industrial	2	0.0	3	1.8%
Total	664	0.0	548	0.4%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
Labor	0.5	5.0	6.8	7.1
Benefits	0.2	1.4	1.9	2.0
Materials & Supplies	0.1	1.1	1.5	1.5
Outside Services	0.3	3.3	4.3	4.1
Management Fee	1.0	8.6	11.7	11.6
Uncollectibles	(1.0)	(0.7)	(0.5)	0.5
Other *	0.3	2.9	4.0	4.0
Trackers	1.1	1.6	2.0	1.2
Total O&M	2.5	23.3	31.7	32.2
Total O&M w/o Trackers	1.4	21.7	29.7	31.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Labor	0.6	5.3	7.1	7.4
Benefits	0.2	1.6	2.2	2.2
Materials & Supplies	0.1	1.1	1.4	1.5
Outside Services	0.3	3.0	3.9	3.9
Management Fee	1.0	8.2	11.0	11.3
Uncollectibles	0.0	0.4	0.6	0.6
Other *	0.3	3.0	3.9	4.0
Trackers	0.0	0.9	1.4	1.2
Total O&M	2.6	23.5	31.5	32.0
Total O&M w/o Trackers	2.6	22.5	30.1	30.9

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Labor	(0.1)	(0.3)	(0.3)	(0.2)
B) Benefits	(0.0)	(0.2)	(0.2)	(0.1)
Materials & Supplies	0.0	0.0	0.1	(0.0)
C) Outside Services	0.0	0.3	0.4	0.2
D) Management Fee	(0.0)	0.4	0.8	0.3
E) Uncollectibles	(1.1)	(1.2)	(1.1)	(0.1)
Other *	(0.0)	(0.0)	0.0	0.1
F) Trackers	1.1	0.7	0.7	0.1
Total Change	(0.1)	(0.2)	0.2	0.2
Total Change w/o Trackers	(1.2)	(0.9)	(0.4)	0.1

- A) YTD and 2011 Yr Var - Primarily underruns in leak repair and meter services partially offset by plant and service training. 2012 - Primarily transfer of Training from Dist. Ops to CO12.
- B) YTD and 2011 Yr Var - Primarily revised annual assumptions for active medical and OPEB medical.
- C) YTD Var - Primarily Polypipe identification costs and plant and service training partially offset by leak repairs. 2011 Yr Var - Primarily Polypipe identification costs, facility protection and leak repair.
- D) YTD Var - Primarily administrative services (IT overruns), EDE Finance and Accounting, NGD Sales and Marketing and Legal. 2011 Yr Var - Primarily administrative services (IT overruns), EDE Finance and Accounting; NGD-Multiple reorganizations including transfers from opcos to CO12, additional staffing for increased safety, training and compliance services. 2012 Yr Var - Primarily Legal and NGD-Multiple reorganizations including transfers from opcos to CO12 and additional staffing for increased safety, training and compliance services partially offset by Administrative Services - Facilities and Real Estate.
- E) Mo, YTD & 2011 Yr Var - Primarily change in accounting method for uncollectibles reserve estimate (reclassified from tracker to non-tracked uncollectible expenses).
- F) Offset in revenue.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.6	0.8	0.9
Employee Expenses	0.0	0.2	0.3	0.3
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.2)	(0.1)
Misc & Other Expenses	0.0	0.4	0.4	0.3
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.2)	(0.2)	(0.1)
I&D Accrual	(0.0)	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	1.0	1.2	1.1
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	2.9	4.0	4.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.7	0.9	0.9
Employee Expenses	0.0	0.2	0.3	0.3
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.3	0.3	0.3
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	0.0
Auto/Trucks Cleared	0.1	0.9	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	3.0	3.9	4.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	0.0
Rents/Leases	0.0	0.0	0.0	0.1
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.1)
Employee Expenses	(0.0)	(0.0)	0.0	0.0
Company Memberships	(0.0)	(0.0)	(0.0)	0.0
Utilities	(0.0)	(0.0)	(0.0)	0.0
Misc Revenues	(0.0)	(0.0)	(0.0)	-
Misc & Other Expenses	(0.0)	0.1	0.1	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	0.0	(0.1)	(0.1)	(0.1)
I&D Accrual	(0.0)	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.0	0.1	0.1	(0.0)
O&M Reclass - Regulatory to GAAP	(0.0)	0.0	0.0	0.0
Below the Line O&M	-	-	-	-
	(0.0)	(0.0)	0.0	0.1

*Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
Distribution Ops	0.9	8.4	11.1	11.3
Meter To Cash	0.0	0.4	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.2	0.3	0.3
Presidents	0.1	1.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	8.6	11.7	11.6
Benefits	0.2	1.4	1.9	2.0
Uncollectibles	(1.0)	(0.7)	(0.5)	0.5
Other Corporate *	0.2	2.2	2.9	2.9
Trackers	1.1	1.6	2.0	1.2
Total O&M	2.5	23.3	31.7	32.2
Total O&M w/o Trackers	1.4	21.7	29.7	31.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Distribution Ops	0.9	8.3	11.1	11.3
Meter To Cash	0.0	0.5	0.6	0.7
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.4	0.4
Presidents	0.1	1.1	1.5	1.5
Other Dept	-	-	-	-
Management Fee	1.0	8.2	11.0	11.3
Benefits	0.2	1.6	2.2	2.2
Uncollectibles	0.0	0.4	0.6	0.6
Other Corporate *	0.2	2.1	2.8	2.9
Trackers	0.0	0.9	1.4	1.2
Total O&M	2.6	23.5	31.5	32.0
Total O&M w/o Trackers	2.6	22.5	30.1	30.9

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Distribution Ops	(0.0)	0.0	0.0	0.0
Meter To Cash	(0.0)	(0.0)	(0.0)	(0.0)
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	(0.0)	(0.0)	(0.0)	(0.1)
Presidents	0.0	(0.0)	0.1	0.1
Other Dept	-	-	-	-
A) Management Fee	(0.0)	0.4	0.8	0.3
B) Benefits	(0.0)	(0.2)	(0.2)	(0.1)
C) Uncollectibles	(1.1)	(1.2)	(1.1)	(0.1)
Other Corporate *	(0.0)	0.1	0.1	0.0
D) Trackers	1.1	0.7	0.7	0.1
Total Change	(0.1)	(0.2)	0.2	0.2
Total Change w/o Trackers	(1.2)	(0.9)	(0.4)	0.1

- A) YTD Var - Primarily administrative services (IT overruns), EDE Finance and Accounting, NGD Sales and Marketing and Legal.
2011 Yr Var - Primarily administrative services (IT overruns), EDE Finance and Accounting; NGD-Multiple reorganizations including transfers from opcos to CO12, additional staffing for increased safety, training and compliance services.
2012 Yr Var - Primarily Legal and NGD-Multiple reorganizations including transfers from opcos to CO12 and additional staffing for increased safety, training and compliance services partially offset by Administrative Services - Facilities and Real Estate.
- B) YTD and 2011 Yr Var - Primarily revised annual assumptions for active medical and OPEB medical.
- C) Mo, YTD & 2011 Yr Var - Primarily change in accounting method for uncollectibles reserve estimate (reclassified from tracker to non-tracked uncollectible expenses).
- D) Offset in revenue.

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
Other Corporate				
Net Labor	0.0	0.4	0.5	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	-	-	-	-
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.6	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.3	0.4	0.2
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	(0.0)	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.2	2.9	2.9

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Other Corporate				
Net Labor	0.0	0.3	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	-	-	-	-
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.1	0.1
Corporate Insurance	0.1	0.7	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.3	0.2
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.1	2.8	2.9

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Other				
Net Labor	(0.0)	0.0	0.0	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	-	0.0	0.0	(0.0)
Consulting Fees	-	-	-	-
Legal Fees	-	-	-	-
Outside Services	(0.0)	0.0	0.0	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	0.0	0.0	0.1
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.1)
Employee Expenses	-	-	-	-
Company Memberships	-	(0.0)	(0.0)	-
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	(0.0)	0.1	0.1	-
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.0	0.0	-
I&D Accrual	(0.0)	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	0.0	0.0	0.0
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	(0.0)	0.1	0.1	0.0

*Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
Depreciation	0.5	4.6	6.2	6.7
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.7	2.3	2.4
Payroll	0.0	0.4	0.5	0.6
Distribution	-	0.0	0.0	-
Other	-	-	-	-
Total Other Taxes	0.2	2.1	2.7	3.0
Total Other Taxes w/o Trackers	1.264	2.2	2.9	3.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Depreciation	0.5	4.7	6.3	6.6
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.7	2.2	2.4
Payroll	0.0	0.4	0.5	0.6
Distribution	-	0.0	0.0	-
Other	-	-	-	-
Total Other Taxes	0.2	2.1	2.8	3.0
Total Other Taxes w/o Trackers	0.2	2.2	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	(0.0)	(0.1)	(0.1)	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	(0.0)	0.0	0.0	(0.0)
Payroll	(0.0)	(0.1)	(0.1)	-
Distribution	-	0.0	0.0	-
Other	-	-	-	-
Total Other Taxes Change	(0.0)	(0.1)	(0.1)	(0.0)
Total Change w/o Trackers	1.0	(0.0)	(0.0)	(0.0)

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Sales Rec Exp	-	-	-	-
Temp Cash Inv Int Inc	0.1	0.7	0.9	0.8
Hedging Interest Income	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	-
Total Other Income	0.1	0.7	0.8	0.7
LTD Int Exp	0.4	3.5	4.6	4.7
STD Int Exp	-	-	-	-
Cust Dep	0.0	0.1	0.2	0.2
AFUDC	(0.0)	(0.0)	(0.0)	(0.0)
Amort. Of Disc./Fees	-	-	-	-
Hedging Interest Expense	-	-	-	-
Other	-	-	-	-
Interest Expense	0.4	3.6	4.8	4.8

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Sales Rec Exp	-	-	-	-
Temp Cash Inv Int Inc	0.0	0.5	0.5	0.4
Hedging Interest Income	0.0	0.1	0.1	0.0
Other	-	-	-	-
Total Other Income	0.0	0.5	0.5	0.2
LTD Int Exp	0.4	3.5	4.6	4.6
STD Int Exp	0.0	0.0	0.1	0.1
Cust Dep	0.0	0.1	0.2	0.2
AFUDC	(0.0)	(0.0)	(0.0)	(0.1)
Amort. Of Disc./Fees	-	-	-	-
Hedging Interest Expense	-	-	-	-
Other	-	-	-	-
Interest Expense	0.4	3.6	4.8	4.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Charitable Contributions	0.0	0.0	(0.0)	-
Sales Rec Exp	-	-	-	-
A) Temp Cash Inv Int Inc	0.1	0.2	0.4	0.4
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.0
Other	0.0	0.0	0.0	-
Total Other Income	0.1	0.2	0.3	0.5
LTD Int Exp	0.0	0.0	0.0	0.0
STD Int Exp	(0.0)	(0.0)	(0.1)	(0.1)
Cust Dep	-	(0.0)	(0.0)	(0.0)
AFUDC	0.0	0.0	0.0	0.0
Amort. Of Disc./Fees	-	-	-	-
Hedging Interest Expense	-	-	-	-
Other	-	-	-	-
Interest Expense	(0.0)	0.0	(0.0)	(0.0)

Explanations:

A) Variance represents interest earned on operating cash sent to Corp. Money Pool.

Columbia Gas of Kentucky
Balance Sheet - Plan-to-Plan
(\$ millions)

2011 9&3	Mo	2011	2012
Assets			
Net Plant	200.5	203.6	211.2
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	0.3	-	-
Restricted Cash	3.0	2.9	1.7
Customer Accounts Receivables	7.5	17.2	19.2
Unbilled Revenue	1.2	1.2	1.2
Other Receivables	39.4	35.3	15.9
Gas Inventory	54.2	42.3	44.1
Unrecovered Purchase Costs	-	-	-
Material & Supplies	0.1	0.0	0.0
Exchange Gas Receivables & Reserve	0.3	0.1	0.1
Current Regulatory Assets	3.3	3.2	3.2
Prepayments and Other Assets	1.3	2.8	3.0
Total Current Assets	110.5	105.0	88.3
NC Regulatory Assets	14.8	14.6	13.6
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	0.3	0.3	0.3
Deferred Charges	1.8	1.8	1.8
Other receivables - affiliated	-	-	-
Total Other Assets	17.0	16.7	15.7
Total Assets	328.3	325.7	315.6
Capitalization & Liabilities			
Common Stock Equity	89.6	90.1	93.6
Long Term Debt	82.1	82.1	56.3
Total Capitalization	171.7	172.1	149.9
Obligations due in one year	-	-	28.7
Accounts Payable	7.7	11.9	12.7
Customer Deposits & A/R Credit Balances	16.5	12.8	12.8
Taxes Accrued	4.8	4.2	5.1
Interest Accrued	0.1	0.1	0.1
Over recovered Gas & Fuel Costs	12.6	9.9	7.6
Current Price Risk Mgmt Liab	2.0	2.0	2.0
Exchange Gas Payable	23.1	20.4	3.0
Current Deferred Income Taxes	(3.6)	(3.5)	(3.8)
Current Regulatory Liabilities	2.0	1.9	1.7
Current Postretirement Benefits	0.1	0.1	0.1
Other Accruals	2.3	2.6	2.6
Total Current Liabilities	67.7	62.6	72.8
Price Risk Management liab - NC	0.7	0.7	0.7
NC Deferred Income Tax Liab	40.2	42.0	45.3
NC Deferred Investment Tax Credit	0.5	0.5	0.4
Customer Advances	1.5	1.5	1.5
Non-Current Postretirement Benefits	11.2	11.2	9.2
NC Reg Liabilities	26.8	26.9	27.4
Other Non-Current Liabilities	8.1	8.2	8.4
Other NC Liab & Deferred Credits	89.0	91.0	92.9
Total Capitalization & Liabilities	328.3	325.7	315.6

2011 2&10	Mo	2011	2012
Assets			
Net Plant	199.7	201.6	209.8
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	-	-	-
Restricted Cash	3.5	2.0	-
Customer Accounts Receivables	14.2	33.6	29.1
Unbilled Revenue	1.5	1.5	1.5
Other Receivables	0.5	0.3	0.3
Gas Inventory	40.4	30.5	30.0
Unrecovered Purchase Costs	12.7	8.6	8.8
Material & Supplies	13.3	13.3	13.3
Exchange Gas Receivables & Reserve	0.3	0.3	0.3
Current Regulatory Assets	2.1	2.0	1.7
Prepayments and Other Assets	1.2	2.8	3.0
Total Current Assets	89.8	95.0	88.1
NC Regulatory Assets	14.1	13.8	13.0
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	0.3	0.3	0.3
Deferred Charges	1.9	1.9	1.9
Other receivables - affiliated	-	-	-
Total Other Assets	16.3	16.1	15.3
Total Assets	306.2	313.1	313.5
Capitalization & Liabilities			
Common Stock Equity	89.7	91.4	91.7
Long Term Debt	82.1	82.1	67.3
Total Capitalization	171.7	173.5	159.1
Obligations due in one year	3.1	7.5	24.2
Accounts Payable	14.9	12.2	10.3
Customer Deposits & A/R Credit Balances	11.3	13.0	13.0
Taxes Accrued	3.5	4.4	5.2
Interest Accrued	0.0	0.0	0.0
Over recovered Gas & Fuel Costs	-	-	-
Current Price Risk Mgmt Liab	1.0	1.0	1.0
Exchange Gas Payable	5.6	4.4	1.8
Current Deferred Income Taxes	(1.3)	(0.6)	(0.5)
Current Regulatory Liabilities	3.5	3.4	3.2
Current Postretirement Benefits	(0.1)	(0.1)	(0.1)
Other Accruals	4.3	4.3	4.3
Total Current Liabilities	45.8	49.6	62.4
Price Risk Management liab - NC	0.4	0.4	0.4
NC Deferred Income Tax Liab	40.5	41.8	45.0
NC Deferred Investment Tax Credit	0.5	0.5	0.4
Customer Advances	1.6	1.6	1.6
Non-Current Postretirement Benefits	11.2	11.1	9.1
NC Reg Liabilities	26.4	26.5	27.0
Other Non-Current Liabilities	8.1	8.1	8.4
Other NC Liab & Deferred Credits	88.7	90.0	92.0
Total Capitalization & Liabilities	306.2	313.1	313.5

Variance	Mo Var	2011 Var	2012 Var
Assets			
Net Plant	0.8	2.0	1.4
Investments and other assets	0.0	0.0	0.0
Cash & Temporary Cash Investments	0.3	-	-
A) Restricted Cash	(0.5)	0.9	1.7
B) Customer Accounts Receivables	(6.7)	(16.4)	(9.9)
Unbilled Revenue	(0.3)	(0.3)	(0.3)
C) Other Receivables	38.9	35.0	15.6
D) Gas Inventory	13.8	11.8	14.1
E) Unrecovered Purchase Costs	(12.7)	(8.6)	(8.8)
D) Material & Supplies	(13.3)	(13.3)	(13.3)
F) Exchange Gas Receivables & Reserve	(0.0)	(0.2)	(0.2)
Current Regulatory Assets	1.2	1.2	1.4
Prepayments and Other Assets	0.1	0.0	(0.0)
Total Current Assets	20.7	10.0	0.2
NC Regulatory Assets	0.8	0.8	0.6
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	-	-	-
Deferred Charges	(0.1)	(0.2)	(0.2)
Other receivables - affiliated	-	-	-
Total Other Assets	0.6	0.6	0.4
Total Assets	22.1	12.6	2.1
Capitalization & Liabilities			
Common Stock Equity	(0.0)	(1.3)	1.9
G) Long Term Debt	-	-	(11.0)
Total Capitalization	(0.0)	(1.3)	(9.1)
G) Obligations due in one year	(3.1)	(7.5)	4.5
B) Accounts Payable	(7.2)	(0.3)	2.5
H) Customer Deposits & A/R Credit Balances	5.2	(0.2)	(0.2)
Taxes Accrued	1.3	(0.1)	(0.0)
Interest Accrued	0.0	0.0	0.0
E) Over recovered Gas & Fuel Costs	12.6	9.9	7.6
Current Price Risk Mgmt Liab	1.0	1.0	1.0
F) Exchange Gas Payable	17.5	16.1	1.1
I) Current Deferred Income Taxes	(2.3)	(2.9)	(3.3)
Current Regulatory Liabilities	(1.5)	(1.5)	(1.5)
Current Postretirement Benefits	0.3	0.3	0.3
Other Accruals	(1.9)	(1.6)	(1.6)
Total Current Liabilities	21.9	13.0	10.3
Price Risk Management liab - NC	0.3	0.3	0.3
NC Deferred Income Tax Liab	(0.3)	0.3	0.3
NC Deferred Investment Tax Credit	0.0	0.0	0.0
Customer Advances	(0.1)	(0.1)	(0.1)
Non-Current Postretirement Benefits	0.0	0.1	0.1
NC Reg Liabilities	0.4	0.4	0.4
Other Non-Current Liabilities	0.0	0.0	0.0
Other NC Liab & Deferred Credits	0.3	0.9	0.9
Total Capitalization & Liabilities	22.1	12.6	2.1

Variance Explanations:

- A) Variance due to changes to the required reserves related to the Hedging Programs.
- B) 2011 variance due to unrealized Off-System Sales activity (\$5.2M), increased Tariff receivables of \$4.6M, and decreases to Choice & Transportation receivables of (\$4.6M) & (\$1.0M). 2012 variance driven by decreases of (\$5.2M) to Off-System Sales activity and (\$1.1M) to Transportation receivables. 2011 A/P variance is due to decreased Gas Cost of (\$6.7M), while the 2012 A/P variance is due to an increase in Gas Cost of (\$2.4M).
- C) Increase in Money Pool funding.
- D) Sept11 variance due to Rate Differential and Usage variances of \$12.7M and \$1.0M respectively. 2011 annual variance due to Rate Differential and Usage variances of \$13.5M and (\$1.6M) respectively. 2012 annual variance is due to Rate Differential and Usage variances of \$12.7M and \$1.2M respectively. In addition to Rate and Usage variances there are reclassification entries between the Inventory and Material & Supply accounts to accurately state the LIFO inventory balance. As of July11, the entire \$13.3M Lifo layer has been consumed as detailed by the variance in Material & Supply.
- E) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- F) Variance due to an increase in the number of exchange obligations vs. the 2&10.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to a \$5.5M increase to A/P Factoring related to budget payment plans.
- I) Variance due to adjustments to Tax and Bonus Depreciation expense based on new Capital estimates.

2011 9&3	Mo Actual	YTD Actual	2011 9&3	2012 9&3
New Business	0.1	1.2	2.2	1.7
Betterment	0.0	(0.0)	0.1	1.0
Replacement	1.1	8.4	13.1	10.4
Support Services	0.1	0.6	1.3	1.0
Gross Capital	1.3	10.1	16.7	14.1
Contributions & Reimbursements	(0.0)	(0.2)	(1.3)	(0.6)
Total NGD	1.3	9.9	15.4	13.5
Infrastructure/AMR	0.8	6.5	9.9	8.1

2011 2&10	Mo Budget	YTD	2011 2&10	2012 2&10
New Business	0.1	1.1	1.6	1.7
Betterment	0.0	0.2	0.3	0.2
Replacement	0.8	8.6	11.4	11.6
Support Services	0.1	0.4	1.1	1.1
Gross Capital	1.1	10.3	14.3	14.6
Contributions & Reimbursements	(0.2)	(0.6)	(0.8)	(0.7)
Total NGD	1.0	9.7	13.5	14.0
Infrastructure/AMR	0.7	6.3	8.4	8.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.0	0.0	0.6	(0.0)
Betterment	(0.0)	(0.2)	(0.2)	0.8
A) Replacement	0.3	(0.2)	1.8	(1.2)
Support Services	(0.1)	0.2	0.2	(0.1)
Gross Capital	0.2	(0.3)	2.4	(0.5)
Contributions & Reimbursements	0.1	0.4	(0.5)	0.0
Total NGD	0.3	0.1	1.9	(0.5)
Infrastructure/AMR	0.2	0.2	1.5	-

A) Variance represents adjustments related to Capital spend - specifically AMR.

Replacement plan increase due to additional allocation of \$10M to NGD or which CKY's portion was \$1.5

**Columbia Gas of Kentucky
Plan vs. Plan - October 2011
(\$ millions)**

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
Net Revenues	3.9	47.4	60.8	59.9
O&M Expense	2.5	24.2	29.4	31.0
Depreciation	0.5	5.1	6.2	6.7
Other Taxes	0.2	2.4	2.9	3.0
*Operating Earnings	0.7	15.6	22.3	19.2
Other Income	0.1	0.7	0.8	1.4
Interest Expense	0.4	4.0	4.8	4.8
*Net Operating Income	0.3	12.4	18.3	15.8

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Net Revenues	4.0	47.9	61.0	59.8
O&M Expense	2.7	26.1	31.5	32.0
Depreciation	0.5	5.2	6.3	6.6
Other Taxes	0.2	2.3	2.8	3.0
*Operating Earnings	0.6	14.2	20.3	18.2
Other Income	(0.0)	0.5	0.5	0.2
Interest Expense	0.4	4.0	4.8	4.8
*Net Operating Income	0.1	10.7	16.0	13.6

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.1)	(0.6)	(0.2)	0.1
O&M Expense	(0.1)	(2.0)	(2.1)	(1.0)
Depreciation	(0.0)	(0.1)	(0.1)	0.1
Other Taxes	(0.0)	0.1	0.1	(0.0)
*Operating Earnings	0.1	1.5	1.9	1.0
Other Income	0.1	0.2	0.3	1.1
Interest Expense	(0.0)	0.0	(0.0)	(0.0)
*Net Operating Income	0.2	1.7	2.3	2.2

* net of trackers

Columbia Gas of Kentucky
Revenue - Plan-vs.-Plan
(\$ millions)

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
Base Margin (less LCR)	3.5	39.9	51.6	51.1
LCR	0.4	4.1	5.1	4.9
LCR (Prior Dec. True-Up)	-	0.1	0.1	-
ESS	0.2	1.7	2.1	2.4
Regulatory Outcome	-	-	-	-
Other OGDR	0.0	1.2	1.4	1.0
CKY Purchase Receivable	0.0	0.4	0.6	0.6
Trackers	0.1	1.6	1.9	1.2
Total Revenue	4.0	49.0	62.7	61.1
Total Revenue w/o Trackers	3.9	47.4	60.8	59.9

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Base Margin (less LCR)	3.2	39.2	50.0	49.5
LCR	0.4	4.0	5.0	4.8
LCR (Prior Dec. True-Up)	-	0.1	0.1	-
ESS	0.3	2.2	2.8	2.8
Regulatory Outcome	-	-	-	-
Other OGDR	0.1	1.2	1.4	1.1
CKY Purchase Receivable	0.0	0.4	0.5	0.5
Trackers	0.1	0.9	1.2	1.1
Total Revenue	4.0	47.9	61.0	59.8
Total Revenue w/o Trackers	3.9	47.0	59.7	58.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.3	0.7	1.6	1.6
LCR	0.0	0.1	0.1	0.1
LCR (Prior Dec. True-Up)	-	-	-	-
B) ESS	(0.1)	(0.5)	(0.7)	(0.4)
Regulatory Outcome	-	-	-	-
Other OGDR	(0.0)	0.0	0.0	(0.1)
CKY Purchase Receivable	0.0	0.0	0.0	0.0
C) Trackers	0.1	0.7	0.7	0.1
Total Variance	0.0	1.1	1.7	1.2
Total Variance w/o Trackers	(0.0)	0.3	1.0	1.2

Variance Explanations:

- A) Variance primarily due to changes in Customer Base and Usage; 2011 Customer Base increased \$357K, with Usage up \$304K. 2012 Customer Base and Usage increases are \$465K & \$688K respectively.
- B) Variance represents downward revision to Off-System sales assumptions due to lack of price volatility.
- C) Variance due to additional DSM revenue of approximately \$456K; offset in O&M tracker.

Columbia Gas of Kentucky
Other Gas Department Revenues - Plan-vs.-Plan
(\$ millions)

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
Penalty Charges	(0.0)	0.5	0.5	0.9
Return Check	0.0	0.1	0.1	0.0
Other Fees	0.0	0.5	0.6	0.1
Pub Util-Flex	0.0	0.1	0.1	-
Company Use	0.0	0.1	0.1	0.0
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	-
Misc Merchant Revenue	(0.0)	(0.1)	(0.1)	-
Other	-	-	-	-
Total OGD	0.0	1.2	1.4	1.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Penalty Charges	0.0	0.4	0.4	-
Return Check	0.0	0.4	0.4	-
Other Fees	0.0	0.3	0.4	0.9
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	0.0	0.0	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Other	-	0.0	0.0	-
Total OGD	0.1	1.2	1.3	1.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Penalty Charges	(0.0)	0.1	0.1	0.9
Return Check	(0.0)	(0.2)	(0.2)	0.0
A) Other Fees	(0.0)	0.2	0.2	(0.8)
Pub Util-Flex	0.0	0.1	0.1	(0.0)
Company Use	(0.0)	(0.0)	(0.0)	(0.1)
Balancing Services	-	-	-	-
Other Misc Income	(0.0)	(0.0)	(0.0)	(0.0)
Misc Merchant Revenue	(0.0)	(0.1)	(0.1)	-
Other	-	(0.0)	(0.0)	-
Total OGD	(0.0)	0.0	0.0	(0.1)

Variance Explanations:

- A) 2012 variance due to classification changes between plan versions

Columbia Gas of Kentucky
2011 Customer & Usage Information - 2&10 vs. 10&2

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.0	0.1
Commercial	0.0	0.2
Total	0.0	0.3

Usage Change	Month	YTD
Residential	(0.0)	0.5
Commercial	(0.0)	0.1
Industrial (Non-LCR)	0.0	0.5
Total	(0.0)	1.1

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	3.3	52.7
Comm	31.0	404.5
Ind	6,983.1	71,145.2

Budget	Month	YTD
Residential	3.4	50.4
Commercial	32.8	399.2
Industrial	7,284.1	72,159.9

Variance	Month	Mo. %	YTD	YTD %
Residential	(0.1)	(0.0)	2.2	4.5%
Commercial	(1.8)	(0.1)	5.3	1.3%
Industrial	(300.9)	(0.0)	(1,014.8)	-1.4%

Customer Count

Actual	Month	YTD Avg
Residential	118,575	120,072
Commercial	13,793	13,997
Industrial	178	180
Total	132,546	134,248

Budget	Month	YTD Avg
Residential	118,052	119,650
Commercial	13,636	13,887
Industrial	176	177
Total	131,864	133,713

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	523	0.0	422	0.4%
Commercial	157	0.0	110	0.8%
Industrial	2	0.0	3	1.5%

Columbia Gas of Kentucky
O&M - Cost Element View - Plan-vs.-Plan
(\$ millions)

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
Labor	0.6	5.6	6.7	7.1
Benefits	0.2	1.6	2.0	2.0
Materials & Supplies	0.1	1.2	1.4	1.5
Outside Services	0.3	3.6	4.3	4.1
Management Fee	1.0	9.6	11.7	11.6
Uncollectibles	0.1	-0.6	-0.6	0.5
Other *	0.3	3.3	4.0	4.0
Trackers	0.1	1.7	2.1	1.2
Total O&M	2.6	25.9	31.5	32.2
Total O&M w/o Trackers	2.5	24.2	29.4	31.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Labor	0.6	6.0	7.1	7.4
Benefits	0.2	1.8	2.2	2.2
Materials & Supplies	0.1	1.2	1.4	1.5
Outside Services	0.4	3.3	3.9	3.9
Management Fee	0.9	9.1	11.0	11.3
Uncollectibles	0.0	0.5	0.6	0.6
Other *	0.3	3.3	3.9	4.0
Trackers	0.1	1.0	1.4	1.2
Total O&M	2.7	26.1	31.5	32.0
Total O&M w/o Trackers	2.6	25.1	30.1	30.9

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Labor	(0.1)	(0.4)	(0.4)	(0.2)
B) Benefits	(0.0)	(0.2)	(0.2)	(0.1)
Materials & Supplies	(0.0)	(0.0)	0.0	(0.0)
C) Outside Services	(0.1)	0.2	0.3	0.2
D) Management Fee	0.0	0.5	0.7	0.3
E) Uncollectibles	0.1	(1.1)	(1.2)	(0.1)
Other *	0.0	(0.0)	0.0	0.1
F) Trackers	0.1	0.7	0.7	0.0
Total Change	0.0	-0.2	0.0	0.1
Total Change w/o Trackers	-0.1	-1.0	-0.7	0.1

- A) YTD and 2011 Yr Var - Primarily underruns in leak repair and meter services partially offset by plant and service training.
2012 - Primarily transfer of Training from Dist. Ops to CO12.
- B) YTD and 2011 Yr Var - Primarily active medical, group life and OPEB medical.
- C) YTD Var - Primarily Polypipe identification costs and plant leak inspections partially offset by leak repairs.
2011 Yr Var - Primarily Polypipe identification costs, facility protection and leak repair.
- D) YTD Var - Primarily administrative services (IT overruns partially offset by Facilities and Real Estate), EDE Finance and Accounting and NGD (Sales and Marketing partially offset by IBM Call Center).
2011 Yr Var - Primarily administrative services (IT overruns), EDE Finance and Accounting; NGD-Multiple reorganizations including transfers from opcos to CO12, additional staffing for increased safety, training and compliance services.
2012 Yr Var - Primarily Legal and NGD-Multiple reorganizations including transfers from opcos to CO12 and additional staffing for increased safety, training and compliance services partially offset by Administrative Services - Facilities and Real Estate.
- E) YTD & 2011 Yr Var - Primarily change in accounting method for uncollectibles reserve estimate (reclassified from tracker to non-tracked uncollectible expenses).
- F) Offset in revenue.

Columbia Gas of Kentucky
O&M - Other Cost Element View - Plan-vs.-Plan
(\$ millions)

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.3
Corporate Insurance	0.1	0.7	0.8	0.9
Employee Expenses	0.0	0.2	0.3	0.3
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.2)	(0.2)	(0.1)
Misc & Other Expenses	0.0	0.4	0.4	0.3
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.2)	(0.2)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.2	0.2	0.1
Auto/Trucks Cleared	0.1	1.1	1.3	1.1
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	3.3	4.0	4.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.8	0.9	0.9
Employee Expenses	0.0	0.2	0.3	0.3
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.3	0.3	0.3
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	0.0
Auto/Trucks Cleared	0.1	1.0	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	3.3	3.9	4.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	0.0
Rents/Leases	(0.0)	(0.0)	0.0	0.1
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.1)
Employee Expenses	(0.0)	(0.0)	0.0	0.0
Company Memberships	0.0	(0.0)	(0.0)	0.0
Utilities	(0.0)	(0.0)	(0.0)	0.0
Misc Revenues	(0.0)	(0.1)	(0.1)	-
Misc & Other Expenses	0.0	0.1	0.1	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.0	0.1	0.1	(0.0)
O&M Reclass - Regulatory to GAAP	-	0.0	0.0	0.0
Below the Line O&M	-	-	-	-
	0.0	(0.0)	0.0	0.1

*Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
O&M - Sponsor View - Plan-vs.-Plan
(\$ millions)

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
Distribution Ops	0.8	9.2	10.9	11.3
Meter To Cash	0.0	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.3	0.3
Presidents	0.1	1.2	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	9.6	11.7	11.6
Benefits	0.2	1.6	2.0	2.0
Uncollectibles	0.1	(0.6)	(0.6)	0.5
Other Corporate *	0.3	2.5	2.9	2.9
Trackers	0.1	1.7	2.1	1.2
Total O&M	2.6	25.9	31.5	32.2
Total O&M w/o Trackers	2.5	24.2	29.4	31.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Distribution Ops	1.0	9.4	11.1	11.3
Meter To Cash	0.0	0.5	0.6	0.7
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.4	0.4
Presidents	0.1	1.3	1.5	1.5
Other Dept	-	-	-	-
Management Fee	0.9	9.1	11.0	11.3
Benefits	0.2	1.8	2.2	2.2
Uncollectibles	0.0	0.5	0.6	0.6
Other Corporate *	0.2	2.4	2.8	2.9
Trackers	0.1	1.0	1.4	1.2
Total O&M	2.7	26.1	31.5	32.0
Total O&M w/o Trackers	2.6	25.1	30.1	30.9

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Distribution Ops	(0.2)	(0.2)	(0.1)	0.0
Meter To Cash	(0.0)	(0.0)	(0.0)	(0.0)
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	(0.0)	(0.0)	(0.0)	(0.1)
Presidents	0.0	(0.0)	0.1	0.1
Other Dept	-	-	-	-
A) Management Fee	0.0	0.5	0.7	0.3
B) Benefits	(0.0)	(0.2)	(0.2)	(0.1)
C) Uncollectibles	0.1	(1.1)	(1.2)	(0.1)
Other Corporate *	0.0	0.1	0.1	0.0
D) Trackers	0.1	0.7	0.7	0.0
Total Change	(0.0)	(0.2)	(0.0)	0.1
Total Change w/o Trackers	(0.1)	(1.0)	(0.7)	0.1

- A) YTD Var - Primarily administrative services (IT overruns partially offset by Facilities and Real Estate), EDE Finance and Accounting and NGD (Sales and Marketing partially offset by IBM Call Center).
2011 Yr Var - Primarily administrative services (IT overruns), EDE Finance and Accounting; NGD-Multiple reorganizations including transfers from opcos to CO12, additional staffing for increased safety, training and compliance services.
2012 Yr Var - Primarily Legal and NGD-Multiple reorganizations including transfers from opcos to CO12 and additional staffing for increased safety, training and compliance services partially offset by Administrative Services - Facilities and Real Estate.
- B) YTD and 2011 Yr Var - Primarily active medical, group life and OPEB medical.
- C) YTD & 2011 Yr Var - Primarily change in accounting method for uncollectibles reserve estimate (reclassified from tracker to non-tracked uncollectible expenses).
- D) Offset in revenue.

* See O&M Other Corp Tab

Columbia Gas of Kentucky
O&M - Other Corporate View - Plan-vs.-Plan
(\$ millions)

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
Other Corporate				
Net Labor	0.0	0.4	0.5	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	-	-	-	-
Legal Fees	-	-	-	-
Outside Services	0.0	0.2	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.7	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.4	0.4	0.2
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	2.5	2.9	2.9

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Other Corporate				
Net Labor	0.0	0.4	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	-	-	-	-
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.1	0.1
Corporate Insurance	0.1	0.8	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.3	0.2
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.4	2.8	2.9

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Other				
Net Labor	0.0	0.0	0.0	(0.0)
Materials/Supplies	(0.0)	0.0	0.0	-
Audit Fees	-	0.0	0.0	(0.0)
Consulting Fees	-	-	-	-
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.0	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.0	0.1
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.1)
Employee Expenses	-	-	-	-
Company Memberships	0.0	(0.0)	(0.0)	-
Utilities	(0.0)	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	(0.0)	0.1	0.1	-
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	-
I&D Accrual	0.0	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	-	0.0	0.0	0.0
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.1	0.1	0.0

*Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

Columbia Gas of Kentucky
Depreciation & Other Taxes - Plan-vs.-Plan
(\$ millions)

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
Depreciation	0.5	5.1	6.2	6.7
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.9	2.3	2.4
Payroll	0.0	0.4	0.5	0.6
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes	0.2	2.3	2.7	3.0
Total Other Taxes w/o Trackers	0.2	2.4	2.9	3.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Depreciation	0.5	5.2	6.3	6.6
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.9	2.2	2.4
Payroll	0.0	0.5	0.5	0.6
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes	0.2	2.3	2.8	3.0
Total Other Taxes w/o Trackers	0.2	2.5	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	(0.0)	(0.1)	(0.1)	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.0	(0.0)
Payroll	(0.0)	(0.1)	(0.1)	-
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes Change	0.0	(0.1)	(0.1)	(0.0)
Total Change w/o Trackers	(0.0)	(0.0)	(0.1)	(0.0)

Columbia Gas of Kentucky
Other Income and Interest - Plan-vs.-Plan
(\$ millions)

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Sales Rec Exp	-	-	-	-
Temp Cash Inv Int Inc	0.1	0.7	0.9	1.4
Hedging Interest Income	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Total Other Income	0.1	0.7	0.8	1.4
LTD Int Exp	0.4	3.9	4.6	4.7
STD Int Exp	-	-	-	-
Cust Dep	0.0	0.1	0.2	0.2
AFUDC	(0.0)	(0.0)	(0.0)	(0.0)
Amort. Of Disc./Fees	-	-	-	-
Hedging Interest Expense	-	-	-	-
Other	-	-	-	-
Interest Expense	0.4	4.0	4.8	4.8

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Sales Rec Exp	-	-	-	-
Temp Cash Inv Int Inc	-	0.5	0.5	0.4
Hedging Interest Income	0.0	0.1	0.1	0.0
Other	-	-	-	-
Total Other Income	(0.0)	0.5	0.5	0.2
LTD Int Exp	0.4	3.9	4.6	4.6
STD Int Exp	0.0	0.0	0.1	0.1
Cust Dep	0.0	0.1	0.2	0.2
AFUDC	(0.0)	(0.0)	(0.0)	(0.1)
Amort. Of Disc./Fees	-	-	-	-
Hedging Interest Expense	-	-	-	-
Other	-	-	-	-
Interest Expense	0.4	4.0	4.8	4.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Charitable Contributions	0.0	0.0	(0.0)	-
Sales Rec Exp	-	-	-	-
A) Temp Cash Inv Int Inc	0.1	0.2	0.4	1.1
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.0
Other	0.0	0.0	0.0	0.0
Total Other Income	0.1	0.2	0.3	1.1
LTD Int Exp	0.0	0.0	0.0	0.0
STD Int Exp	(0.0)	(0.0)	(0.1)	(0.1)
Cust Dep	-	(0.0)	(0.0)	(0.0)
AFUDC	0.0	0.0	0.0	0.0
Amort. Of Disc./Fees	-	-	-	-
Hedging Interest Expense	-	-	-	-
Other	-	-	-	-
Interest Expense	(0.0)	0.0	(0.0)	(0.0)

Explanations:

A) Variance represents interest earned on operating cash sent to Corp. Money Pool.

2011 10&2	Mo	2011	2012
Assets			
Net Plant	201.6	203.5	211.1
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	0.6	-	-
Restricted Cash	2.9	2.9	1.7
Customer Accounts Receivables	9.5	16.2	17.5
Unbilled Revenue	1.1	1.1	1.1
Other Receivables	41.5	36.0	36.3
Gas Inventory	55.7	44.5	44.5
Unrecovered Purchase Costs	-	-	-
Material & Supplies	0.1	0.0	0.0
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.7	2.6	2.6
Prepayments and Other Assets	1.0	2.8	3.0
Total Current Assets	115.1	106.3	106.8
NC Regulatory Assets	14.8	14.7	13.7
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	0.3	0.3	0.3
Deferred Charges	1.6	1.7	1.7
Other receivables - affiliated	-	-	-
Total Other Assets	16.7	16.7	15.7
Total Assets	333.9	326.9	334.0
Capitalization & Liabilities			
Common Stock Equity	90.0	90.5	94.1
Long Term Debt	82.1	82.1	56.3
Total Capitalization	172.0	172.5	150.5
Obligations due in one year	-	-	28.7
Accounts Payable	10.0	12.2	12.3
Customer Deposits & A/R Credit Balances	19.4	12.8	12.8
Taxes Accrued	4.8	4.4	5.1
Interest Accrued	0.1	0.1	0.1
Over recovered Gas & Fuel Costs	10.6	8.4	24.7
Current Price Risk Mgmt Liab	1.6	1.6	1.6
Exchange Gas Payable	25.5	22.9	4.4
Current Deferred Income Taxes	(3.5)	(3.3)	(3.3)
Current Regulatory Liabilities	2.1	2.1	1.8
Current Postretirement Benefits	0.1	0.1	0.1
Other Accruals	2.5	2.6	2.6
Total Current Liabilities	73.1	63.8	91.0
Price Risk Management liab - NC	0.8	0.8	0.8
NC Deferred Income Tax Liab	40.3	42.1	45.3
NC Deferred Investment Tax Credit	0.5	0.5	0.4
Customer Advances	1.3	1.3	1.3
Non-Current Postretirement Benefits	11.2	11.2	9.2
NC Reg Liabilities	26.5	26.6	27.1
Other Non-Current Liabilities	8.1	8.1	8.4
Other NC Liab & Deferred Credits	88.8	90.6	92.5
Total Capitalization & Liabilities	333.9	326.9	334.0

2011 2&10	Mo	2011	2012
Assets			
Net Plant	200.3	201.6	209.8
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	-	-	-
Restricted Cash	2.7	2.0	-
Customer Accounts Receivables	16.7	33.6	29.1
Unbilled Revenue	1.5	1.5	1.5
Other Receivables	0.4	0.3	0.3
Gas Inventory	42.3	30.5	30.0
Unrecovered Purchase Costs	14.6	8.6	8.8
Material & Supplies	13.3	13.3	13.3
Exchange Gas Receivables & Reserve	0.3	0.3	0.3
Current Regulatory Assets	2.1	2.0	1.7
Prepayments and Other Assets	1.0	2.8	3.0
Total Current Assets	95.0	95.0	88.1
NC Regulatory Assets	14.0	13.8	13.0
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	0.3	0.3	0.3
Deferred Charges	1.9	1.9	1.9
Other receivables - affiliated	-	-	-
Total Other Assets	16.2	16.1	15.3
Total Assets	311.9	313.1	313.5
Capitalization & Liabilities			
Common Stock Equity	89.8	91.4	91.7
Long Term Debt	82.1	82.1	67.3
Total Capitalization	171.8	173.5	159.1
Obligations due in one year	7.1	7.5	24.2
Accounts Payable	13.8	12.2	10.3
Customer Deposits & A/R Credit Balances	15.1	13.0	13.0
Taxes Accrued	3.2	4.4	5.2
Interest Accrued	0.0	0.0	0.0
Over recovered Gas & Fuel Costs	-	-	-
Current Price Risk Mgmt Liab	1.0	1.0	1.0
Exchange Gas Payable	4.4	4.4	1.8
Current Deferred Income Taxes	(1.1)	(0.6)	(0.5)
Current Regulatory Liabilities	3.4	3.4	3.2
Current Postretirement Benefits	(0.1)	(0.1)	(0.1)
Other Accruals	4.3	4.3	4.3
Total Current Liabilities	51.0	49.6	62.4
Price Risk Management liab - NC	0.4	0.4	0.4
NC Deferred Income Tax Liab	40.8	41.8	45.0
NC Deferred Investment Tax Credit	0.5	0.5	0.4
Customer Advances	1.6	1.6	1.6
Non-Current Postretirement Benefits	11.1	11.1	9.1
NC Reg Liabilities	26.4	26.5	27.0
Other Non-Current Liabilities	8.1	8.1	8.4
Other NC Liab & Deferred Credits	89.0	90.0	92.0
Total Capitalization & Liabilities	311.9	313.1	313.5

Variance	Mo Var	2011 Var	2012 Var
Assets			
Net Plant	1.4	1.9	1.3
Investments and other assets	0.0	0.0	0.0
Cash & Temporary Cash Investments	0.6	-	-
A) Restricted Cash	0.2	1.0	1.7
B) Customer Accounts Receivables	(7.1)	(17.4)	(11.6)
Unbilled Revenue	(0.4)	(0.4)	(0.4)
C) Other Receivables	41.1	35.7	36.0
D) Gas Inventory	13.3	14.0	14.5
E) Unrecovered Purchase Costs	(14.6)	(8.6)	(8.8)
D) Material & Supplies	(13.3)	(13.3)	(13.3)
F) Exchange Gas Receivables & Reserve	(0.2)	(0.2)	(0.2)
Current Regulatory Assets	0.6	0.6	0.8
Prepayments and Other Assets	0.0	0.0	(0.0)
Total Current Assets	20.2	11.3	18.7
NC Regulatory Assets	0.8	0.8	0.7
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	-	-	-
Deferred Charges	(0.4)	(0.2)	(0.2)
Other receivables - affiliated	-	-	-
Total Other Assets	0.5	0.6	0.5
Total Assets	22.0	13.9	20.5
Capitalization & Liabilities			
Common Stock Equity	0.2	(0.9)	2.4
G) Long Term Debt	-	-	(11.0)
Total Capitalization	0.2	(0.9)	(8.6)
G) Obligations due in one year	(7.1)	(7.5)	4.5
B) Accounts Payable	(3.8)	(0.1)	2.1
H) Customer Deposits & A/R Credit Balances	4.2	(0.2)	(0.2)
Taxes Accrued	1.6	0.0	(0.0)
Interest Accrued	0.0	0.0	0.0
E) Over recovered Gas & Fuel Costs	10.6	8.4	24.7
Current Price Risk Mgmt Liab	0.6	0.6	0.6
F) Exchange Gas Payable	21.1	18.5	2.5
I) Current Deferred Income Taxes	(2.4)	(2.7)	(2.9)
Current Regulatory Liabilities	(1.3)	(1.4)	(1.4)
Current Postretirement Benefits	0.3	0.3	0.3
Other Accruals	(1.8)	(1.6)	(1.6)
Total Current Liabilities	22.1	14.2	28.6
Price Risk Management liab - NC	0.4	0.4	0.4
NC Deferred Income Tax Liab	(0.4)	0.3	0.3
NC Deferred Investment Tax Credit	0.0	0.0	0.0
Customer Advances	(0.3)	(0.3)	(0.3)
Non-Current Postretirement Benefits	0.0	0.1	0.1
NC Reg Liabilities	0.1	0.1	0.1
Other Non-Current Liabilities	0.0	0.0	0.0
Other NC Liab & Deferred Credits	(0.2)	0.5	0.5
Total Capitalization & Liabilities	22.0	13.9	20.5

Variance Explanations:

- A) Variance due to changes to the required reserves related to the Hedging Programs.
- B) 2011 variance due to unrealized Off-System Sales activity (\$6.1M), decrease in Tariff receivables of (\$5.8M), and decreases to Choice, Transportation and Unbilled receivables of (\$1.3M), (\$0.5M) & (\$3.7M). 2012 variance driven by decreases of (\$6.1M) to Off-System Sales activity, (\$3.8M) to Tariff receivables, (\$0.7M) to Choice receivables and (\$0.5M) to Transportation receivables. October 2011 A/P variance is due to decreased Gas Cost of (\$3.4M), while the 2012 A/P variance is due to a decrease in Gas Cost of (\$1.7M).
- C) Increase in Money Pool funding.
- D) Oct11 variance due to Rate Differential and Usage variances of \$12.2M and \$1.1M respectively. 2011 annual variance due to Rate Differential and Usage variances of \$13.1M and \$932K respectively. 2012 annual variance is due to Rate Differential and Usage variances of \$13.3M and \$1.2M respectively. In addition to Rate and Usage variances the annual variances include reclassification entries between the Inventory and Material & Supply accounts to accurately state the LIFO inventory balance. As of July11, the entire \$13.3M Lifo layer had been consumed as detailed by the variance in Material & Supply.
- E) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- F) Variance due to an increase in the number of exchange obligations vs. the 2&10.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to a \$5.5M increase to A/P Factoring related to budget payment plans.
- I) Variance due to adjustments to Tax and Bonus Depreciation expense based on new Capital estimates.

2011 10&2	Mo Actual	YTD Actual	2011 10&2	2012 10&2
New Business	0.2	1.4	2.2	1.7
Betterment	-	(0.0)	0.1	1.0
Replacement	1.4	9.8	13.1	10.4
Support Services	0.2	0.8	1.3	1.0
Gross Capital	1.8	11.9	16.7	14.1
Contributions & Reimbursements	(0.0)	(0.3)	(1.3)	(0.6)
Total NGD	1.8	11.6	15.4	13.5
Infrastructure/AMR	1.3	7.8	9.9	8.1

2011 2&10	Mo Budget	YTD	2011 2&10	2012 2&10
New Business	0.1	1.3	1.6	1.7
Betterment	0.0	0.2	0.3	0.2
Replacement	0.8	9.4	11.4	11.6
Support Services	0.1	0.5	1.1	1.1
Gross Capital	1.1	11.4	14.3	14.6
Contributions & Reimbursements	(0.1)	(0.7)	(0.8)	(0.7)
Total NGD	1.0	10.7	13.5	14.0
Infrastructure/AMR	0.6	6.9	8.4	8.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.1	0.1	0.6	(0.0)
Betterment	(0.0)	(0.3)	(0.2)	0.8
A) Replacement	0.6	0.4	1.8	(1.2)
Support Services	0.1	0.3	0.2	(0.1)
Gross Capital	0.7	0.5	2.4	(0.5)
Contributions & Reimbursements	0.0	0.4	(0.5)	0.0
Total NGD	0.8	0.9	1.9	(0.5)
Infrastructure/AMR	0.7	0.9	1.5	-

A) Variance represents adjustments related to Capital spend - specifically AMR.

Replacement plan increase due to additional allocation of \$10M to NGD or which CKY's portion was \$1.5

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
Net Revenues	5.5	52.6	60.3	59.9
O&M Expense	2.3	26.5	29.2	31.0
Depreciation	0.5	5.6	6.2	6.7
Other Taxes	0.2	2.6	2.9	3.0
*Operating Earnings	2.4	17.8	22.1	19.2
Other Income	0.0	0.7	0.8	0.6
Interest Expense	0.4	4.4	4.8	4.8
*Net Operating Income	2.0	14.1	18.1	15.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Net Revenues	5.5	52.9	61.0	59.8
O&M Expense	2.6	28.7	31.5	32.0
Depreciation	0.6	5.8	6.3	6.6
Other Taxes	0.2	2.6	2.8	3.0
*Operating Earnings	2.2	15.8	20.3	18.2
Other Income	(0.0)	0.5	0.5	0.2
Interest Expense	0.4	4.4	4.8	4.8
*Net Operating Income	1.7	11.9	16.0	13.6

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.0)	(0.4)	(0.7)	0.1
O&M Expense	(0.2)	(2.2)	(2.3)	(1.0)
Depreciation	(0.0)	(0.1)	(0.2)	0.1
Other Taxes	0.0	0.1	0.1	0.0
*Operating Earnings	0.3	1.9	1.7	1.0
Other Income	0.0	0.3	0.3	0.4
Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
*Net Operating Income	0.3	2.2	2.1	1.4

* net of trackers

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
Base Margin (less LCR)	4.8	44.4	51.1	51.1
LCR	0.4	4.5	5.1	4.9
LCR (Prior Dec. True-Up)	-	0.1	0.1	-
ESS	0.1	1.8	2.1	2.4
Regulatory Outcome	-	-	-	-
Other OGDR	0.1	1.3	1.4	1.0
CKY Purchase Receivable	0.1	0.5	0.6	0.6
Trackers	0.2	1.8	2.0	1.2
Total Revenue	5.7	54.3	62.3	61.1
Total Revenue w/o Trackers	5.5	52.6	60.3	59.9

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Base Margin (less LCR)	4.6	43.2	50.0	49.5
LCR	0.4	4.4	5.0	4.8
LCR (Prior Dec. True-Up)	-	0.1	0.1	-
ESS	0.3	2.5	2.8	2.8
Regulatory Outcome	-	-	-	-
Other OGDR	0.1	1.2	1.4	1.1
CKY Purchase Receivable	0.0	0.4	0.5	0.5
Trackers	0.1	1.0	1.2	1.1
Total Revenue	5.513	52.908	60.961	59.8
Total Revenue w/o Trackers	5.400	51.906	59.718	58.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.3	1.2	1.1	1.6
LCR	(0.0)	0.1	0.1	0.1
LCR (Prior Dec. True-Up)	-	-	-	-
B) ESS	(0.2)	(0.7)	(0.7)	(0.4)
Regulatory Outcome	-	-	-	-
Other OGDR	0.0	0.0	0.0	(0.1)
CKY Purchase Receivable	0.0	0.0	0.0	0.0
C) Trackers	0.0	0.8	0.7	0.0
Total Variance	0.2	1.4	1.3	1.2
Total Variance w/o Trackers	0.1	0.7	0.6	1.2

Variance Explanations:

- A) Variance primarily due to changes in Customer Base and Usage; 2011 Customer Base increased \$358K, with Usage up \$491K. 2012 Customer Base and Usage increases are \$584K & \$1.0M respectively.
- B) Variance represents downward revision to Off-System sales assumptions due to lack of price volatility.
- C) Variance due to additional DSM revenue of approximately \$456K; offset in O&M tracker.

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
Penalty Charges	0.0	0.5	0.6	0.9
Return Check	0.0	0.1	0.1	0.0
Other Fees	0.0	0.5	0.6	0.1
Pub Util-Flex	0.0	0.1	0.1	-
Company Use	0.0	0.1	0.1	0.0
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	-
Misc Merchant Revenue	(0.0)	(0.1)	(0.1)	-
Other	-	-	-	-
Total OGDR	0.1	1.3	1.4	1.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Penalty Charges	0.0	0.4	0.4	-
Return Check	0.0	0.4	0.4	-
Other Fees	0.0	0.3	0.4	0.9
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	0.0	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Other	-	0.0	0.0	-
Total OGDR	0.1	1.2	1.3	1.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Penalty Charges	0.0	0.2	0.2	0.9
Return Check	0.0	(0.2)	(0.2)	0.0
A) Other Fees	0.0	0.2	0.2	(0.8)
Pub Util-Flex	0.0	0.1	0.1	(0.0)
Company Use	(0.0)	(0.0)	(0.0)	(0.1)
Balancing Services	-	-	-	-
Other Misc Income	-	(0.0)	(0.0)	(0.0)
Misc Merchant Revenue	(0.0)	(0.1)	(0.1)	-
Other	-	(0.0)	(0.0)	-
Total OGDR	0.0	0.0	0.0	(0.1)

Variance Explanations:

- A) 2012 variance due to classification changes between plan versions

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.0	0.1
Commercial	0.0	0.3
Total	0.0	0.4

Usage Change	Month	YTD
Residential	0.1	0.6
Commercial	0.1	0.2
Industrial (Non-LCR)	0.0	(0.0)
Total	0.2	0.8

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	7.7	60.4
Comm	55.6	460.2
Ind	7,752.8	78,898.0

Budget	Month	YTD
Residential	7.3	57.7
Commercial	51.1	450.3
Industrial	7,755.7	79,915.6

Variance	Month	Mo. %	YTD	YTD %
Residential	0.4	5.7%	2.7	4.6%
Commercial	4.5	8.9%	9.8	2.2%
Industrial	(2.9)	0.0%	(1,017.6)	-1.3%

Customer Count

Actual	Month	YTD Avg
Residential	119,770	120,044
Commercial	13,912	13,989
Industrial	178	179
Total	133,860	134,213

Budget	Month	YTD Avg
Residential	119,437	119,630
Commercial	13,795	13,878
Industrial	176	176
Total	133,408	133,685

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	333.000	0.3%	414.182	0.003462
Commercial	117.000	0.8%	110.636	0.8%
Industrial	2.000	1.1%	3.000	1.7%
Total	452.000	0.3%	527.818	0.4%

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
Labor	0.6	6.2	6.7	7.1
Benefits	(0.0)	1.6	1.8	2.0
Materials & Supplies	0.1	1.3	1.4	1.5
Outside Services	0.4	3.9	4.2	4.1
Management Fee	1.1	10.6	11.6	11.6
Uncollectibles	(0.1)	(0.7)	-0.6	0.5
Other *	0.3	3.6	4.0	4.1
Trackers	0.2	1.9	2.1	1.2
Total O&M	2.5	28.4	31.3	32.2
Total O&M w/o Trackers	2.3	26.5	29.2	31.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Labor	0.6	6.5	7.1	7.4
Benefits	0.2	2.0	2.2	2.2
Materials & Supplies	0.1	1.3	1.4	1.5
Outside Services	0.3	3.6	3.9	3.9
Management Fee	0.9	10.0	11.0	11.3
Uncollectibles	0.1	0.6	0.6	0.6
Other *	0.3	3.6	3.9	4.0
Trackers	0.1	1.1	1.4	1.2
Total O&M	2.6	28.7	31.5	32.0
Total O&M w/o Trackers	2.4	27.6	30.1	30.9

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Labor	(0.0)	(0.4)	(0.4)	(0.2)
B) Benefits	(0.2)	(0.4)	(0.4)	(0.1)
Materials & Supplies	0.0	0.0	0.0	(0.0)
C) Outside Services	0.0	0.3	0.3	0.2
D) Management Fee	0.1	0.6	0.7	0.3
E) Uncollectibles	(0.1)	(1.2)	(1.2)	(0.1)
Other *	(0.0)	(0.0)	0.0	0.1
F) Trackers	0.0	0.8	0.7	0.0
Total Change	(0.1)	(0.3)	(0.2)	0.2
Total Change w/o Trackers	(0.1)	(1.1)	(1.0)	0.1

- A) YTD and 2011 Yr Var - Primarily underruns in leak repair and meter services.
2012 Yr Var - Primarily transfer of Training from Dist. Ops to CO12.
- B) Mo Var - Primarily SFAS 112 accrual. YTD and 2011 Yr Var - Primarily SFAS 112 accrual, active medical and OPEB medical.
- C) YTD Var - Primarily facility protection, Polypipe identification costs and plant leak inspections partially offset by leak repairs.
2011 Yr Var - Primarily Polypipe identification costs, facility protection and leak repair.
- D) YTD Var - Primarily administrative services (IT overruns partially offset by Facilities and Real Estate), EDE Finance and Accounting and NGD (Operations partially offset by IBM Call Center).
2011 Yr Var - Primarily administrative services (IT overruns), EDE Finance and Accounting; NGD-Multiple reorganizations including transfers from opcos to CO12, additional staffing for increased safety, training and compliance services.
2012 Yr Var - Primarily Legal and NGD-Multiple reorganizations including transfers from opcos to CO12 and additional staffing for increased safety, training and compliance services partially offset by Administrative Services - Facilities and Real Estate.
- E) YTD & 2011 Yr Var - Primarily change in accounting method for uncollectibles reserve estimate (reclassified from tracker to non-tracked uncollectible expenses).
- F) Offset in revenue.

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.3
Corporate Insurance	0.1	0.7	0.8	0.9
Employee Expenses	0.0	0.2	0.2	0.3
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.3	0.3	0.3
Misc Revenues	(0.0)	-0.2	(0.2)	(0.1)
Misc & Other Expenses	0.0	0.4	0.4	0.3
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	-0.2	(0.2)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	0.0	-	-
Advertising	0.0	0.2	0.2	0.1
Auto/Trucks Cleared	0.1	1.2	1.3	1.1
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	3.6	4.0	4.1

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.8	0.9	0.9
Employee Expenses	0.0	0.3	0.3	0.3
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.3	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.3	0.3	0.3
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	0.0
Auto/Trucks Cleared	0.1	1.1	1.2	1.2
O&M Reclass - Regulatory to GAAP	(0.0)	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	3.6	3.9	4.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	0.0
Rents/Leases	(0.0)	(0.0)	0.0	0.1
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.1)
Employee Expenses	(0.0)	(0.0)	(0.0)	0.0
Company Memberships	(0.0)	(0.0)	(0.0)	0.0
Utilities	0.0	(0.0)	(0.0)	0.0
Misc Revenues	(0.0)	(0.1)	(0.1)	-
Misc & Other Expenses	(0.0)	0.1	0.1	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	(0.0)	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.0	0.1	0.1	(0.0)
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.0	0.1
Below the Line O&M	-	-	-	-
	(0.0)	(0.0)	0.0	0.1

*Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
Distribution Ops	0.9	10.0	11.0	11.3
Meter To Cash	0.0	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.3	0.3
Presidents	0.1	1.4	1.5	1.6
Other Dept	-	-	-	-
Management Fee	1.1	10.6	11.6	11.6
Benefits	(0.0)	1.6	1.8	2.0
Uncollectibles	(0.1)	(0.7)	(0.6)	0.5
Other Corporate *	0.3	2.7	3.0	3.0
Trackers	0.2	1.9	2.1	1.2
Total O&M	2.5	28.4	31.3	32.2
Total O&M w/o Trackers	2.3	26.5	29.2	31.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Distribution Ops	0.9	10.2	11.1	11.3
Meter To Cash	0.0	0.6	0.6	0.7
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.4	0.4
Presidents	0.1	1.4	1.5	1.5
Other Dept	-	-	-	-
Management Fee	0.9	10.0	11.0	11.3
Benefits	0.2	2.0	2.2	2.2
Uncollectibles	0.1	0.6	0.6	0.6
Other Corporate *	0.2	2.6	2.8	2.9
Trackers	0.1	1.1	1.4	1.2
Total O&M	2.6	28.7	31.5	32.0
Total O&M w/o Trackers	2.4	27.6	30.1	30.9

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Distribution Ops	(0.0)	(0.2)	(0.1)	0.0
Meter To Cash	(0.0)	(0.0)	(0.0)	(0.0)
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	(0.0)	(0.0)	(0.0)	(0.1)
Presidents	0.0	(0.0)	(0.0)	0.1
Other Dept	-	-	-	-
A) Management Fee	0.1	0.6	0.7	0.3
B) Benefits	(0.2)	(0.4)	(0.4)	(0.1)
C) Uncollectibles	(0.1)	(1.2)	(1.2)	(0.1)
Other Corporate *	0.1	0.2	0.2	0.1
D) Trackers	0.0	0.8	0.7	0.0
Total Change	(0.1)	(0.3)	(0.2)	0.2
Total Change w/o Trackers	(0.1)	(1.1)	(1.0)	0.1

- A) YTD Var - Primarily administrative services (IT overruns partially offset by Facilities and Real Estate), EDE Finance and Accounting and NGD (Operations partially offset by IBM Call Center).
2011 Yr Var - Primarily administrative services (IT overruns), EDE Finance and Accounting; NGD-Multiple reorganizations including transfers from opcos to CO12, additional staffing for increased safety, training and compliance services.
2012 Yr Var - Primarily Legal and NGD-Multiple reorganizations including transfers from opcos to CO12 and additional staffing for increased safety, training and compliance services partially offset by Administrative Services - Facilities and Real Estate.
- B) Mo Var - Primarily SFAS 112 accrual. YTD and 2011 Yr Var - Primarily SFAS 112 accrual, active medical and OPEB medical.
- C) YTD & 2011 Yr Var - Primarily change in accounting method for uncollectibles reserve estimate (reclassified from tracker to non-tracked uncollectible expenses).
- D) Offset in revenue.

* See O&M Other Corp Tab

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
Other Corporate				
Net Labor	0.1	0.5	0.5	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	-
Legal Fees	-	-	-	-
Outside Services	0.0	0.2	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.7	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.4	0.4	0.2
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	2.7	3.0	3.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Other Corporate				
Net Labor	0.0	0.4	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	-	-	-	-
Legal Fees	-	-	-	-
Outside Services	0.0	0.2	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.1	0.1
Corporate Insurance	0.1	0.8	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.3	0.3	0.2
Amortizations *	0.0	0.4	0.5	0.5
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.2
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.8	2.8	2.9

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Other				
Net Labor	0.0	0.1	0.1	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	-	0.0	0.0	(0.0)
Consulting Fees	0.0	0.0	0.0	-
Legal Fees	-	-	-	-
Outside Services	(0.0)	0.0	0.0	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.0	0.1
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.1)
Employee Expenses	-	-	-	-
Company Memberships	-	(0.0)	(0.0)	-
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	(0.0)	0.1	0.1	-
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.0	0.0	-
I&D Accrual	(0.0)	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.0	0.1
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.1	0.2	0.2	0.1

*Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
Depreciation	0.5	5.6	6.2	6.7
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	2.1	2.3	2.4
Payroll	0.0	0.4	0.5	0.6
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes	0.2	2.5	2.7	3.0
Total Other Taxes w/o Trackers	0.2	2.6	2.9	3.0

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Depreciation	0.55	5.79	6.3	6.6
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.19	2.06	2.2	2.4
Payroll	0.04	0.51	0.5	0.6
Distribution	-	-	-	-
Other	-	0.01	0.0	-
Total Other Taxes	0.23	2.58	2.8	3.0
Total Other Taxes w/o Trackers	0.23	2.69	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	(0.0)	(0.1)	(0.2)	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	(0.0)	0.0	0.0	(0.0)
Payroll	(0.0)	(0.1)	(0.1)	-
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes Change	-	(0.1)	(0.1)	(0.0)
Total Change w/o Trackers	0.0	(0.0)	(0.0)	(0.0)

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Sales Rec Exp	-	-	-	-
Temp Cash Inv Int Inc	0.1	0.8	0.9	0.7
Hedging Interest Income	0.0	0.0	0.0	0.1
Other	(0.0)	-	-	-
Total Other Income	0.0	0.7	0.8	0.6
LTD Int Exp	0.4	4.3	4.6	4.7
STD Int Exp	-	-	-	-
Cust Dep	0.0	0.1	0.2	0.2
AFUDC	0.0	(0.0)	(0.0)	(0.0)
Amort. Of Disc./Fees	-	-	-	-
Hedging Interest Expense	-	-	-	-
Other	-	-	-	-
Interest Expense	0.4	4.4	4.8	4.8

2011 2&10	Mo Budget	YTD Budget	2011 2&10	2012 2&10
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Sales Rec Exp	-	-	-	-
Temp Cash Inv Int Inc	-	0.5	0.5	0.4
Hedging Interest Income	0.0	0.1	0.1	0.0
Other	-	-	-	-
Total Other Income	(0.0)	0.5	0.5	0.2
LTD Int Exp	0.4	4.3	4.6	4.6
STD Int Exp	0.0	0.0	0.1	0.1
Cust Dep	0.0	0.1	0.2	0.2
AFUDC	(0.0)	(0.0)	(0.0)	(0.1)
Amort. Of Disc./Fees	-	-	-	-
Hedging Interest Expense	-	-	-	-
Other	-	-	-	-
Interest Expense	0.4	4.4	4.8	4.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Charitable Contributions	(0.0)	0.0	(0.0)	-
Sales Rec Exp	-	-	-	-
A) Temp Cash Inv Int Inc	0.1	0.3	0.3	0.3
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.1
Other	(0.0)	-	-	-
Total Other Income	0.0	0.3	0.3	0.4
LTD Int Exp	0.0	0.0	0.0	0.0
STD Int Exp	(0.0)	(0.0)	(0.1)	(0.1)
Cust Dep	(0.0)	(0.0)	(0.0)	(0.0)
AFUDC	0.0	0.0	0.0	0.0
Amort. Of Disc./Fees	-	-	-	-
Hedging Interest Expense	-	-	-	-
Other	-	-	-	-
Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)

Explanations:

A) Variance represents interest earned on operating cash sent to Corp. Money Pool.

2011 11&1	Mo	2011	2012
Assets			
Net Plant	202.8	203.5	211.1
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	1.0	-	-
Restricted Cash	1.0	4.3	3.5
Customer Accounts Receivables	13.4	16.3	18.8
Unbilled Revenue	1.1	1.1	1.1
Other Receivables	41.6	30.8	13.0
Gas Inventory	53.7	44.9	44.4
Unrecovered Purchase Costs	-	-	-
Material & Supplies	0.1	0.0	0.0
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.9	2.9	2.6
Prepayments and Other Assets	1.0	2.8	3.0
Total Current Assets	115.8	103.2	86.6
NC Regulatory Assets	14.9	14.8	13.8
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	0.3	0.3	0.3
Deferred Charges	1.6	1.8	1.8
Other receivables - affiliated	0.0	0.0	0.0
Total Other Assets	16.8	16.9	15.9
Total Assets	335.8	324.0	314.0
Capitalization & Liabilities			
Common Stock Equity	88.7	88.1	91.6
Long Term Debt	82.1	82.1	56.3
Total Capitalization	170.8	170.2	147.9
Obligations due in one year	-	-	28.7
Accounts Payable	11.7	12.0	12.2
Customer Deposits & A/R Credit Balances	20.4	12.8	12.8
Taxes Accrued	2.8	4.4	5.1
Interest Accrued	0.0	0.0	0.0
Over recovered Gas & Fuel Costs	8.3	7.5	6.9
Current Price Risk Mgmt Liab	0.2	0.2	0.2
Exchange Gas Payable	26.7	24.0	5.5
Current Deferred Income Taxes	(3.1)	(3.0)	(3.1)
Current Regulatory Liabilities	2.2	2.2	2.0
Current Postretirement Benefits	0.1	0.1	0.1
Other Accruals	6.0	2.6	2.6
Total Current Liabilities	75.3	62.9	73.2
Price Risk Management liab - NC	0.4	0.4	0.4
NC Deferred Income Tax Liab	41.9	43.0	46.2
NC Deferred Investment Tax Credit	0.5	0.5	0.4
Customer Advances	1.3	1.3	1.3
Non-Current Postretirement Benefits	10.9	11.0	9.0
NC Reg Liabilities	26.5	26.5	27.1
Other Non-Current Liabilities	8.1	8.1	8.4
Other NC Liab & Deferred Credits	89.7	90.9	92.8
Total Capitalization & Liabilities	335.8	324.0	314.0

2011 2&10	Mo	2011	2012
Assets			
Net Plant	201.0	201.6	209.8
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	-	-	-
Restricted Cash	2.3	2.0	-
Customer Accounts Receivables	22.3	33.6	29.1
Unbilled Revenue	1.5	1.5	1.5
Other Receivables	0.3	0.3	0.3
Gas Inventory	37.3	30.5	30.0
Unrecovered Purchase Costs	14.3	8.6	8.8
Material & Supplies	13.3	13.3	13.3
Exchange Gas Receivables & Reserve	0.3	0.3	0.3
Current Regulatory Assets	2.1	2.0	1.7
Prepayments and Other Assets	0.8	2.8	3.0
Total Current Assets	94.6	95.0	88.1
NC Regulatory Assets	13.9	13.8	13.0
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	0.3	0.3	0.3
Deferred Charges	1.9	1.9	1.9
Other receivables - affiliated	-	-	-
Total Other Assets	16.2	16.1	15.3
Total Assets	312.1	313.1	313.5
Capitalization & Liabilities			
Common Stock Equity	90.9	91.4	91.7
Long Term Debt	82.1	82.1	67.3
Total Capitalization	172.9	173.5	159.1
Obligations due in one year	9.6	7.5	24.2
Accounts Payable	10.7	12.2	10.3
Customer Deposits & A/R Credit Balances	16.1	13.0	13.0
Taxes Accrued	1.3	4.4	5.2
Interest Accrued	0.0	0.0	0.0
Over recovered Gas & Fuel Costs	-	-	-
Current Price Risk Mgmt Liab	1.0	1.0	1.0
Exchange Gas Payable	4.4	4.4	1.8
Current Deferred Income Taxes	(0.9)	(0.6)	(0.5)
Current Regulatory Liabilities	3.5	3.4	3.2
Current Postretirement Benefits	(0.1)	(0.1)	(0.1)
Other Accruals	4.3	4.3	4.3
Total Current Liabilities	49.7	49.6	62.4
Price Risk Management liab - NC	0.4	0.4	0.4
NC Deferred Income Tax Liab	41.2	41.8	45.0
NC Deferred Investment Tax Credit	0.5	0.5	0.4
Customer Advances	1.6	1.6	1.6
Non-Current Postretirement Benefits	11.1	11.1	9.1
NC Reg Liabilities	26.5	26.5	27.0
Other Non-Current Liabilities	8.1	8.1	8.4
Other NC Liab & Deferred Credits	89.4	90.0	92.0
Total Capitalization & Liabilities	312.1	313.1	313.5

Variance	Mo Var	2011 Var	2012 Var
Assets			
Net Plant	1.8	1.8	1.3
Investments and other assets	0.0	0.0	0.0
Cash & Temporary Cash Investments	1.0	-	-
A) Restricted Cash	(1.3)	2.4	3.5
B) Customer Accounts Receivables	(8.9)	(17.3)	(10.3)
Unbilled Revenue	(0.5)	(0.5)	(0.5)
C) Other Receivables	41.3	30.6	12.8
D) Gas Inventory	16.4	14.4	14.4
E) Unrecovered Purchase Costs	(14.3)	(8.6)	(8.8)
D) Material & Supplies	(13.3)	(13.3)	(13.3)
F) Exchange Gas Receivables & Reserve	(0.2)	(0.2)	(0.2)
Current Regulatory Assets	0.9	0.9	0.9
Prepayments and Other Assets	0.2	0.0	(0.0)
Total Current Assets	21.2	8.2	(1.5)
NC Regulatory Assets	1.0	1.0	0.8
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	-	-	-
Deferred Charges	(0.3)	(0.2)	(0.2)
Other receivables - affiliated	0.0	0.0	0.0
Total Other Assets	0.7	0.8	0.7
Total Assets	23.7	10.9	0.5
Capitalization & Liabilities			
Common Stock Equity	(2.1)	(3.3)	(0.1)
G) Long Term Debt	-	-	(11.0)
Total Capitalization	(2.1)	(3.3)	(11.1)
G) Obligations due in one year	(9.6)	(7.5)	4.5
B) Accounts Payable	1.0	(0.3)	2.0
H) Customer Deposits & A/R Credit Balances	4.3	(0.2)	(0.2)
Taxes Accrued	1.5	0.1	(0.0)
Interest Accrued	(0.0)	(0.0)	(0.0)
E) Over recovered Gas & Fuel Costs	8.3	7.5	6.9
Current Price Risk Mgmt Liab	(0.8)	(0.8)	(0.8)
F) Exchange Gas Payable	22.3	19.6	3.7
I) Current Deferred Income Taxes	(2.2)	(2.5)	(2.6)
A) Current Regulatory Liabilities	(1.2)	(1.2)	(1.2)
Current Postretirement Benefits	0.3	0.3	0.3
Other Accruals	1.7	(1.6)	(1.6)
Total Current Liabilities	25.6	13.4	10.8
Price Risk Management liab - NC	0.0	0.0	0.0
NC Deferred Income Tax Liab	0.7	1.3	1.2
NC Deferred Investment Tax Credit	0.0	0.0	0.0
Customer Advances	(0.3)	(0.3)	(0.3)
Non-Current Postretirement Benefits	(0.2)	(0.1)	(0.1)
NC Reg Liabilities	0.1	0.0	0.0
Other Non-Current Liabilities	0.0	(0.0)	(0.0)
Other NC Liab & Deferred Credits	0.3	0.9	0.8
Total Capitalization & Liabilities	23.7	10.9	0.5

Variance Explanations:

- A) Variance due to changes to the required reserves related to the Hedging Program, and MF Global bankruptcy (\$1.8M).
- B) 2011 variance due to unrealized Off-System Sales activity (\$6.1M), decreases to Tariff receivables of (\$5.8M), Choice receivables (\$1.3M), and Unbilled receivables of (\$3.7M). 2012 variance driven by decreases of (\$6.1M) to Off-System Sales activity, (\$3.8M) to Tariff receivables, (\$0.7M) to Choice receivables and (\$0.5M) to Transportation receivables. November 2011 A/P variance is due to increased Gas Cost of (\$1.3M), while the 2012 A/P variance is due to a increase in Gas Cost of (\$1.94M).
- C) Increase in Money Pool funding.
- D) Nov11 variance due to Rate Differential and Usage variances of \$12.2M and \$4.2M respectively. 2011 annual variance due to Rate Differential and Usage variances of \$13.0M and \$1.5M respectively. 2012 annual variance is due to Rate Differential and Usage variances of \$13.4M and \$1.0M respectively. In addition to Rate and Usage variances the annual variances include reclassification entries between the Inventory and Material & Supply accounts to accurately state the LIFO inventory balance. As of July11, the entire \$13.3M Lifo layer had been consumed as detailed by the variance in Material & Supply.
- E) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- F) Variance due to an increase in the number of exchange obligations vs. the 2&10.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to a \$4.7M increase to A/P Factoring related to budget payment plans.
- I) Variance due to adjustments to Tax and Bonus Depreciation expense based on new Capital estimates.

2011 11&1	Mo Actual	YTD Actual	2011 11&1	2012 11&1
New Business	0.29	1.67	2.20	1.70
Betterment	0.02	(0.01)	0.11	1.00
Replacement	1.33	11.09	13.13	10.40
Support Services	0.07	0.83	1.30	1.05
Gross Capital	1.71	13.59	16.74	14.15
Contributions & Reimbursements	(0.04)	(0.30)	(1.32)	(0.65)
Total NGD	1.66	13.29	15.42	13.50
Infrastructure/AMR	1.08	8.88	9.85	8.12

2011 2&10	Mo Budget	YTD	2011 2&10	2012 2&10
New Business	0.14	1.42	1.62	1.70
Betterment	0.02	0.25	0.29	0.20
Replacement	0.88	10.27	11.36	11.60
Support Services	0.23	0.73	1.08	1.14
Gross Capital	1.26	12.67	14.34	14.63
Contributions & Reimbursements	(0.07)	(0.77)	(0.85)	(0.65)
Total NGD	1.19	11.90	13.49	13.98
Infrastructure/AMR	0.57	7.51	8.35	8.12

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.2	0.2	0.6	-
Betterment	0.0	(0.3)	(0.2)	0.8
A) Replacement	0.4	0.8	1.8	(1.2)
Support Services	(0.2)	0.1	0.2	(0.1)
Gross Capital	0.4	0.9	2.4	(0.5)
Contributions & Reimbursements	0.0	0.5	(0.5)	-
Total NGD	0.5	1.4	1.9	(0.5)
Infrastructure/AMR	0.5	1.4	1.5	-

A) Variance represents adjustments related to Capital spend - specifically AMR.

Replacement plan increase due to additional allocation of \$10M to NGD or which CKY's portion was \$1.5

2012 0&12	2011	2012	2013
Net Revenues	60.6	60.9	61.4
O&M Expense	29.4	30.9	31.1
Depreciation	6.2	6.6	6.9
Other Taxes	2.9	2.9	3.1
Operating Earnings	22.0	20.5	20.4
Other Income	0.7	0.7	0.5
Interest Expense	4.8	4.8	5.3
Net Operating Income	18.0	16.4	15.6

2011 7&5	2011	2012	2013
Net Revenues	60.5	59.9	59.7
O&M Expense	30.9	31.0	30.8
Depreciation	6.2	6.7	7.0
Other Taxes	2.8	2.8	3.0
Operating Earnings	20.5	19.4	18.9
Other Income	0.7	0.5	0.4
Interest Expense	4.8	4.8	5.1
Net Operating Income	16.5	15.1	14.1

Variance	2011	2012	2013
Net Revenues	0.1	1.0	1.7
O&M Expense	(1.5)	(0.1)	0.2
Depreciation	(0.1)	(0.1)	(0.1)
Other Taxes	0.1	0.1	0.1
Operating Earnings	1.5	1.1	1.5
Other Income	(0.0)	0.2	0.1
Interest Expense	0.0	0.0	0.2
Net Operating Income	1.5	1.3	1.5

* net of trackers

2012 0&12	2011	2012	2013
Base Margin (less LCR)	51.6	51.1	50.4
LCR	5.0	5.1	4.9
LCR (Prior Dec. True-Up)	0.1	-	-
Supply Optimization	1.9	2.4	2.8
Regulatory Outcome	0.0	0.3	1.1
Other OGDR	1.4	1.2	1.2
CKY Purchase Receivable	0.5	0.5	0.5
Uncollectibles - Non Tracked	-	0.3	0.4
Uncollectibles - Tracked	-	0.2	0.2
Trackers	2.0	0.5	0.5
Total Revenue	62.6	61.6	62.2
Total Revenue w/o Trackers	60.6	60.9	61.4

2011 7&5	2011	2012	2013
Base Margin (less LCR)	51.3	51.1	50.4
LCR	5.0	4.8	4.9
LCR (Prior Dec. True-Up)	0.1	-	-
ESS	2.1	2.4	2.8
Regulatory Outcome	-	-	-
Other OGDR	1.5	1.0	1.0
CKY Purchase Receivable	0.6	0.6	0.6
Uncollectibles - Non Tracked	-	-	-
Uncollectibles - Tracked	-	-	-
Trackers	1.8	1.2	1.3
Total Revenue	62.3	61.1	60.9
Total Revenue w/o Trackers	60.5	59.9	59.7

Variance	2011	2012	2013
Base Margin (less LCR)	0.3	0.0	(0.0)
LCR	0.0	0.2	0.1
LCR (Prior Dec. True-Up)	0.0	-	-
ESS	(0.2)	-	-
Regulatory Outcome	0.0	0.3	1.1
Other OGDR	(0.1)	0.2	0.2
CKY Purchase Receivable	(0.1)	(0.1)	(0.1)
A) Uncollectibles - Non Tracked	-	0.3	0.4
A) Uncollectibles - Tracked	-	0.2	0.2
A) Trackers	0.2	(0.7)	(0.8)
Total Variance	0.3	0.5	1.2
Total Variance w/o Trackers	0.1	1.0	1.7

A) Variance due to a change in the Uncollectible revenue calculation methodology.

2012 O&I2	2011	2012	2013
Labor	6.8	6.6	6.9
Benefits	1.8	2.0	1.6
Materials & Supplies	1.5	1.5	1.5
Outside Services	4.3	4.3	4.5
Management Fee	11.7	11.9	12.2
Uncollectibles	(0.6)	0.5	0.5
Other *	4.0	3.9	3.9
Trackers	2.1	0.8	0.7
Total O&M	31.6	31.6	31.8
Total O&M w/o Trackers	29.4	30.9	31.1

2011 7&5	2011	2012	2013
Labor	7.0	7.1	7.4
Benefits	2.0	2.0	1.6
Materials & Supplies	1.5	1.5	1.5
Outside Services	4.2	4.1	4.1
Management Fee	11.7	11.6	11.8
Uncollectibles	0.5	0.5	0.5
Other *	4.0	4.0	3.9
Trackers	1.8	1.2	1.3
Total O&M	32.7	32.2	32.1
Total O&M w/o Trackers	30.9	31.0	30.8

Variance	2011	2012	2013
A) Labor	(0.2)	(0.5)	(0.5)
Benefits	(0.2)	(0.0)	0.0
Materials & Supplies	0.0	0.0	0.0
B) Outside Services	0.1	0.2	0.4
C) Management Fee	(0.1)	0.3	0.4
D) Uncollectibles	(1.1)	-	-
Other *	(0.0)	(0.1)	(0.1)
E) Trackers	0.3	(0.5)	(0.5)
Total Change	(1.1)	(0.6)	(0.3)
Total Change w/o Trackers	(1.5)	(0.1)	0.2

- A) 2012-2017 - Primarily revised gross roots estimates for Dist Ops labor.
- B) 2013-2014 - Primarily increased Dist Ops activities to align with work plans and NiFit O&M expenses.
- C) 2012-2017 - Primarily decreased capitalization transfers related to NGD operations, partially offset by decreased IT.
- D) 2011 - Primarily change in accounting method for uncollectibles reserve estimate (reclassified from tracker to non-tracked uncollectible expenses).
- E) 2012-2017 - Primarily change in methodology that significantly reduces the expense component of the Uncollectible tracker.

2012 0&12	2011	2012	2013
Other			
Buildings and Land	0.1	0.1	0.1
Rents/Leases	0.2	0.3	0.3
Corporate Insurance	0.8	0.9	0.9
Employee Expenses	0.3	0.3	0.4
Company Memberships	0.1	0.1	0.1
Utilities	0.3	0.3	0.3
Misc Revenues	(0.2)	(0.1)	(0.1)
Misc & Other Expenses	0.4	(0.0)	(0.0)
Amortizations *	0.5	0.5	0.4
Deferred Credits	(0.2)	(0.1)	(0.2)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	0.2	0.1	0.1
Auto/Trucks Cleared	1.3	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Below the Line O&M			
	4.0	3.9	3.9

2011 7&5	2011	2012	2013
Other			
Buildings and Land	0.1	0.1	0.1
Rents/Leases	0.2	0.3	0.3
Corporate Insurance	0.8	0.9	0.9
Employee Expenses	0.3	0.3	0.3
Company Memberships	0.1	0.1	0.1
Utilities	0.3	0.3	0.3
Misc Revenues	(0.2)	(0.1)	(0.1)
Misc & Other Expenses	0.5	0.3	0.3
Amortizations *	0.5	0.5	0.4
Deferred Credits	(0.1)	(0.1)	(0.2)
I&D Accrual	0.1	0.2	0.2
Well/Lease Rent/Royalty	-	-	-
Advertising	0.1	0.1	0.1
Auto/Trucks Cleared	1.2	1.1	1.1
O&M Reclass - Regulatory to GAAP	0.1	0.2	0.2
Below the Line O&M	-	-	-
	4.0	4.0	3.9

Variance	2011	2012	2013
Other			
Buildings and Land	(0.0)	(0.0)	(0.0)
Rents/Leases	(0.0)	-	-
Corporate Insurance	(0.0)	-	-
Employee Expenses	0.0	0.0	0.0
Company Memberships	(0.0)	(0.0)	(0.0)
Utilities	0.0	(0.0)	(0.0)
Misc Revenues	(0.1)	0.0	0.0
Misc & Other Expenses	(0.1)	(0.3)	(0.3)
Amortizations *	-	-	-
Deferred Credits	(0.1)	-	-
I&D Accrual	(0.0)	(0.0)	(0.0)
Well/Lease Rent/Royalty	-	-	-
Advertising	0.1	-	-
Auto/Trucks Cleared	0.2	0.2	0.2
O&M Reclass - Regulatory to GAAP	0.1	0.1	0.1
Below the Line O&M	-	-	-
	(0.0)	(0.1)	(0.1)

2012 0&12	2011	2012	2013
Distribution Ops	11.1	10.9	11.2
Meter To Cash	0.6	0.6	0.6
Customer Call Center	0.0	0.0	0.0
Integration Center	0.3	0.4	0.4
Presidents	1.4	1.6	1.6
Other Departments	-	-	-
Management Fee	11.7	11.9	12.2
Benefits	1.8	2.0	1.6
Uncollectibles	(0.6)	0.5	0.5
Other Corporate*	3.1	2.9	3.0
Trackers	2.1	0.8	0.7
Total O&M	31.6	31.6	31.8
	0.0	-	-
Total O&M w/o Trackers	29.4	30.9	31.1

2011 7&5	2011	2012	2013
Distribution Ops	11.2	11.3	11.4
Meter To Cash	0.6	0.6	0.7
Customer Call Center	0.0	0.0	0.0
Integration Center	0.3	0.3	0.3
Presidents	1.6	1.6	1.6
Other Departments	-	-	-
Management Fee	11.7	11.6	11.8
Benefits	2.0	2.0	1.6
Uncollectibles	0.5	0.5	0.5
Other Corporate*	3.0	2.9	2.8
Trackers	1.8	1.2	1.3
Total O&M	32.7	32.2	32.1
	0.0	-	-
Total O&M w/o Trackers	30.9	31.0	30.8

Variance	2011	2012	2013
A) Distribution Ops	(0.1)	(0.4)	(0.2)
Meter To Cash	(0.0)	(0.0)	(0.1)
Customer Call Center	0.0	(0.0)	(0.0)
Integration Center	(0.0)	0.0	0.0
Presidents	(0.1)	0.0	0.0
Other Departments	-	-	-
B) Management Fee	(0.1)	0.3	0.4
Benefits	(0.2)	(0.0)	0.0
C) Uncollectibles	(1.1)	-	-
Other Corporate*	0.2	0.0	0.1
D) Trackers	0.3	(0.5)	(0.5)
Total Change	(1.1)	(0.6)	(0.3)
	(1.5)	(0.1)	0.2
Total Change w/o Trackers	(1.5)	(0.1)	0.2

- A) 2012-2017 - Primarily revised gross roots estimate for labor partially offset by anticipated increases in other Dist Ops activities to align with work plans.
- B) 2012-2017 - Primarily decreased capitalization transfers related to NGD operations, partially offset by decreased IT.
- C) 2011 - Primarily change in accounting method for uncollectibles reserve estimate (reclassified from tracker to non-tracked uncollectible expenses).
- D) 2012-2017 - Primarily change in methodology that significantly reduces the expense component of the Uncollectible tracker.

2012 0&12	2011	2012	2013
Other Corporate			
Net Labor (CIP)	0.6	0.4	0.4
Materials/Supplies	0.0	0.0	0.0
Audit Fees	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.2
Legal Fees	-	-	-
Outside Services	0.2	0.2	0.2
Buildings and Land	-	-	-
Rents/Leases	0.2	0.3	0.3
Corporate Insurance	0.8	0.9	0.9
Employee Expenses	-	-	-
Company Memberships	0.1	0.1	0.1
Utilities	0.0	0.0	0.0
Misc Revenues	-	-	-
Misc & Other Expenses	0.4	0.2	0.2
Amortizations *	0.5	0.5	0.4
Deferred Credits	(0.1)	(0.1)	(0.1)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	-	-	-
Auto/Truck Cleared	0.1	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Stores Clearing	-	-	-
Below the line O&M	-	-	-
Total Other Corporate	3.1	2.9	3.0

2011 7&5	2011	2012	2013
Other Corporate			
Net Labor (CIP)	0.5	0.4	0.4
Materials/Supplies	0.0	0.0	0.0
Audit Fees	0.1	0.1	0.1
Consulting Fees	-	-	-
Legal Fees	-	-	-
Outside Services	0.2	0.2	0.2
Buildings and Land	-	-	-
Rents/Leases	0.2	0.3	0.3
Corporate Insurance	0.8	0.9	0.9
Employee Expenses	-	-	-
Company Memberships	0.1	0.1	0.1
Utilities	0.0	0.0	0.0
Misc Revenues	-	-	-
Misc & Other Expenses	0.4	0.2	0.2
Amortizations *	0.5	0.5	0.4
Deferred Credits	(0.1)	(0.1)	(0.1)
I&D Accrual	0.1	0.2	0.2
Well/Lease Rent/Royalty	-	-	-
Advertising	-	-	-
Auto/Truck Cleared	-	-	-
O&M Reclass - Regulatory to GAAP	0.1	0.2	0.2
Stores Clearing	-	-	-
Below the line O&M	-	-	-
Total Other Corporate	3.0	2.9	2.8

Variance	2011	2012	2013
Other			
Net Labor (CIP)	0.1	(0.0)	(0.0)
Materials/Supplies	0.0	-	-
Audit Fees	0.0	-	-
Consulting Fees	0.0	0.0	0.2
Legal Fees	-	-	-
Outside Services	0.0	-	-
Buildings and Land	-	-	-
Rents/Leases	(0.0)	-	-
Corporate Insurance	(0.0)	-	-
Employee Expenses	-	-	-
Company Memberships	(0.0)	(0.0)	(0.0)
Utilities	0.0	(0.0)	-
Misc Revenues	-	-	-
Misc & Other Expenses	(0.0)	(0.1)	(0.0)
Amortizations *	-	-	-
Deferred Credits	(0.0)	-	-
I&D Accrual	(0.0)	(0.0)	(0.0)
Well/Lease Rent/Royalty	-	-	-
Advertising	-	-	-
Auto/Truck Cleared	0.1	-	-
O&M Reclass - Regulatory to GAAP	0.1	0.1	0.1
Stores Clearing	-	-	-
Below the line O&M	-	-	-
Total Other Corporate	0.2	0.0	0.1

Columbia Gas of Kentucky
 Depreciation & Other Taxes - Plan-vs.-Plan
 (\$ millions)

FR 16(12)(o)
 Page 52 of 273

2012 0&12	2011	2012	2013
Depreciation	6.2	6.6	6.9
<u>Other Taxes</u>			
Gross Receipts	-	-	-
Property Tax	2.3	2.4	2.6
Payroll	0.5	0.5	0.5
Distribution	-	-	-
Other	0.0	-	-
Total Other Taxes	2.8	2.9	3.1
Total Other Taxes w/o Trackers	2.9	2.9	3.1

2011 7&5	2011	2012	2013
Depreciation	6.2	6.7	7.0
<u>Other Taxes</u>			
Gross Receipts	-	-	-
Property Tax	2.2	2.2	2.4
Payroll	0.5	0.6	0.6
Distribution	-	-	-
Other	0.0	-	-
Total Other Taxes	2.8	2.8	3.0
Total Other Taxes w/o Trackers	2.8	2.8	3.0

Variance	2011	2012	2013
Depreciation Change	(0.1)	(0.1)	(0.1)
<u>Other Taxes</u>			
Gross Receipts	-	-	-
Property Tax	0.0	0.2	0.2
Payroll	(0.1)	(0.1)	(0.1)
Distribution	-	-	-
Other	0.0	-	-
Total Other Taxes Change	(0.0)	0.1	0.1
Total Change w/o Trackers	0.1	0.1	0.1

2012 0&12	2011	2012	2013
AFUDC	-	-	-
Hedging Interest Income	(0.0)	0.1	0.1
UnderCollection Income	0.0	0.1	0.0
Sales Receivable	-	-	-
Charitable Contributions	-	-	-
Temp Cash Inv Int Inc	(0.2)	(0.1)	(0.1)
Gain/(Loss) of Sale of Asset	0.9	0.6	0.5
Customer Tax Contribution	(0.0)	-	-
Total Other Income	0.7	0.7	0.5
Long-Term Interest Expense	4.7	4.7	5.2
Short-Term Interest Expense	-	-	-
Customer Deposits	0.2	0.2	0.2
Rate Refund Expense	-	-	-
OverCollection Interest Expense	-	-	-
Other Interest Expense	0.0	-	-
Carrying Cost Interest Expense	-	-	-
Hedging Interest Expense	-	-	-
AFUDC	(0.0)	(0.0)	(0.0)
Interest Expense	4.8	4.8	5.3

2011 7&5	2011	2012	2013
AFUDC	-	-	-
Hedging Interest Income	0.0	-	-
UnderCollection Income	0.0	0.0	0.0
Sales Receivable	-	-	-
Charitable Contributions	-	-	-
Temp Cash Inv Int Inc	(0.1)	(0.1)	(0.1)
Gain/(Loss) of Sale of Asset	0.8	0.6	0.5
Customer Tax Contribution	(0.0)	-	-
Total Other Income	0.7	0.5	0.4
Long-Term Interest Expense	4.6	4.7	5.1
Short-Term Interest Expense	-	-	0.0
Customer Deposits	0.2	0.2	0.2
Rate Refund Expense	-	-	-
OverCollection Interest Expense	-	-	-
Other Interest Expense	0.0	-	-
Carrying Cost Interest Expense	-	-	-
Hedging Interest Expense	-	-	-
AFUDC	(0.0)	(0.0)	(0.1)
Interest Expense	4.8	4.8	5.1

Variance	2011	2012	2013
AFUDC	-	-	-
Hedging Interest Income	(0.0)	0.1	0.1
UnderCollection Income	(0.0)	0.0	0.0
Sales Receivable	-	-	-
Charitable Contributions	-	-	-
A) Temp Cash Inv Int Inc	(0.0)	-	-
Gain/(Loss) of Sale of Asset	0.0	0.0	0.0
Customer Tax Contribution	-	-	-
Total Other Income	(0.0)	0.2	0.1
B) Long-Term Interest Expense	0.0	0.0	0.1
Short-Term Interest Expense	-	-	(0.0)
Customer Deposits	(0.0)	(0.0)	(0.0)
Rate Refund Expense	-	-	-
OverCollection Interest Expense	-	-	-
Other Interest Expense	-	-	-
Carrying Cost Interest Expense	-	-	-
Hedging Interest Expense	-	-	-
AFUDC	0.0	(0.0)	0.1
Interest Expense	0.0	0.0	0.2

- A) Variance due to fluctuations in normal operating activity.
B) Variance related to adjustments to the capital structure.

2012 0&12	2011	2012	2013
Assets			
Net Plant	203.2	211.6	219.7
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	0.5	-	-
Restricted Cash	2.1	3.6	-
Customer Accounts Receivables	20.1	23.7	25.7
Unbilled Revenue	1.3	1.3	1.3
Other Receivables	33.0	14.1	4.3
Gas Inventory	47.8	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.1	0.0	0.0
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	3.0	2.7	2.7
Prepayments and Other Assets	2.8	2.9	3.1
Total Current Assets	110.8	93.5	82.5
NC Regulatory Assets	18.4	17.5	16.8
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	-	-	-
Deferred Charges	1.7	1.7	1.7
Other receivables - affiliated	-	-	-
Total Other Assets	20.1	19.2	18.5
Total Assets	334.5	324.7	321.1
Capitalization & Liabilities			
Common Stock Equity	90.3	94.4	95.9
Long Term Debt	82.1	58.3	89.3
Total Capitalization	172.4	152.7	185.2
Obligations due in one year	-	28.7	-
Accounts Payable	13.5	11.1	11.4
Customer Deposits & A/R Credit Balances	19.5	17.7	17.7
Taxes Accrued	3.3	5.1	5.5
Interest Accrued	0.0	0.0	0.0
Over recovered Gas & Fuel Costs	8.2	7.9	-
Current Price Risk Mgmt Liab	0.6	0.6	0.6
Exchange Gas Payable	23.2	4.7	4.7
Current Deferred Income Taxes	(3.8)	(4.1)	(3.9)
Current Regulatory Liabilities	2.4	2.1	2.0
Current Postretirement Benefits	0.1	0.1	0.1
Other Accruals	3.5	3.3	3.3
Total Current Liabilities	70.6	77.4	41.4
Price Risk Management liab - NC	1.1	1.1	1.1
NC Deferred Income Tax Liab	43.8	46.8	47.7
NC Deferred Investment Tax Credit	0.5	0.4	0.4
Customer Advances	1.3	1.3	1.3
Non-Current Postretirement Benefits	10.2	10.0	8.5
NC Reg Liabilities	24.3	24.5	24.8
Other Non-Current Liabilities	10.3	10.5	10.7
Other NC Liab & Deferred Credits	91.5	94.7	94.5
Total Capitalization & Liabilities	334.5	324.7	321.1

2011 7&5	2011	2012	2013
Assets			
Net Plant	203.4	211.0	218.7
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	-	-	-
Restricted Cash	2.8	1.6	-
Customer Accounts Receivables	17.1	19.8	20.3
Unbilled Revenue	1.2	1.2	1.2
Other Receivables	24.7	10.8	6.1
Gas Inventory	41.8	43.9	44.2
Unrecovered Purchase Costs	-	-	-
Material & Supplies	0.0	0.0	0.0
Exchange Gas Receivables & Reserve	2.2	2.2	2.2
Current Regulatory Assets	2.3	2.3	2.3
Prepayments and Other Assets	2.6	2.8	3.0
Total Current Assets	94.8	84.6	79.3
NC Regulatory Assets	14.4	13.4	12.7
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	0.3	0.3	0.3
Deferred Charges	1.8	1.8	1.8
Other receivables - affiliated	-	-	-
Total Other Assets	16.5	15.5	14.9
Total Assets	315.1	311.6	313.3
Capitalization & Liabilities			
Common Stock Equity	89.3	92.8	94.3
Long Term Debt	82.1	56.3	86.3
Total Capitalization	171.4	149.2	180.7
Obligations due in one year	-	28.7	-
Accounts Payable	12.0	12.8	13.3
Customer Deposits & A/R Credit Balances	12.8	12.8	12.8
Taxes Accrued	4.2	4.7	5.1
Interest Accrued	0.1	0.1	0.1
Over recovered Gas & Fuel Costs	5.3	5.6	3.7
Current Price Risk Mgmt Liab	1.6	1.6	1.6
Exchange Gas Payable	15.0	1.9	1.9
Current Deferred Income Taxes	(3.5)	(3.9)	(3.9)
Current Regulatory Liabilities	3.1	2.9	2.8
Current Postretirement Benefits	0.1	0.1	0.1
Other Accruals	2.6	2.6	2.6
Total Current Liabilities	53.3	70.1	40.0
Price Risk Management liab - NC	0.4	0.4	0.4
NC Deferred Income Tax Liab	42.0	45.3	46.3
NC Deferred Investment Tax Credit	0.5	0.4	0.4
Customer Advances	1.5	1.5	1.5
Non-Current Postretirement Benefits	11.2	9.2	7.7
NC Reg Liabilities	24.4	25.0	25.5
Other Non-Current Liabilities	10.3	10.6	10.8
Other NC Liab & Deferred Credits	90.4	92.3	92.6
Total Capitalization & Liabilities	315.1	311.6	313.3

Variance	2011	2012	2013
Assets			
Net Plant	(0.3)	0.6	1.0
Investments and other assets	0.0	0.0	0.0
Cash & Temporary Cash Investments	0.5	-	-
A) Restricted Cash	(0.7)	1.9	-
B) Customer Accounts Receivables	3.0	3.9	5.4
Unbilled Revenue	0.1	0.1	0.1
C) Other Receivables	8.3	3.3	(1.8)
D) Gas Inventory	6.0	1.2	0.5
E) Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.1	-	-
F) Exchange Gas Receivables & Reserve	(2.1)	(2.1)	(2.1)
Current Regulatory Assets	0.7	0.5	0.5
Prepayments and Other Assets	0.1	0.1	0.2
Total Current Assets	16.0	8.9	3.2
M) NC Regulatory Assets	4.0	4.1	4.1
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	(0.3)	(0.3)	(0.3)
Deferred Charges	(0.2)	(0.2)	(0.2)
Other receivables - affiliated	-	-	-
Total Other Assets	3.6	3.6	3.6
Total Assets	19.3	13.2	7.8
Capitalization & Liabilities			
G) Common Stock Equity	1.0	1.5	1.6
G) Long Term Debt	-	2.0	3.0
Total Capitalization	1.0	3.5	4.6
G) Obligations due in one year	-	-	-
B) Accounts Payable	1.5	(1.7)	(1.9)
H) Customer Deposits & A/R Credit Balances	6.7	4.9	4.9
Taxes Accrued	(0.9)	0.4	0.4
Interest Accrued	(0.1)	(0.1)	(0.1)
E) Over recovered Gas & Fuel Costs	2.9	2.3	(3.7)
A) Current Price Risk Mgmt Liab	(1.0)	(1.0)	(1.0)
F) Exchange Gas Payable	8.1	2.7	2.7
I) Current Deferred Income Taxes	(0.2)	(0.2)	(0.0)
J) Current Regulatory Liabilities	(0.7)	(0.7)	(0.7)
Current Postretirement Benefits	(0.0)	(0.0)	(0.0)
Other Accruals	0.9	0.6	0.6
Total Current Liabilities	17.2	7.3	1.3
A) Price Risk Management liab - NC	0.7	0.7	0.7
K) NC Deferred Income Tax Liab	1.8	1.6	1.4
NC Deferred Investment Tax Credit	0.0	0.0	0.0
Customer Advances	(0.2)	(0.2)	(0.2)
L) Non-Current Postretirement Benefits	(1.1)	0.8	0.8
NC Reg Liabilities	(0.1)	(0.5)	(0.7)
Other Non-Current Liabilities	(0.1)	(0.1)	(0.1)
Other NC Liab & Deferred Credits	1.1	2.3	1.9
Total Capitalization & Liabilities	19.3	13.2	7.8

Variance Explanations:

- A) Variance due to changes to the required reserves related to the Hedging Program, and MF Global bankruptcy (\$1.8M).
- B) Variance in Customer Accounts Receivable due to fluctuations in Gas Cost and Usage primarily to Tariff and Transportation customers. 2011 variance due to increased Off-System Sales (\$575K), Tarrif Receivables (\$7.5M) and Other Receivables (\$930K), partially offset by decreases to Transportation Receivables (\$3.9M), and Unbilled Receivables (\$2.1M). 2012-2017 variances are due to increases in Tariff Receivables of \$3.0M+, and Transportation Receivables of \$1.3M+, offset by decreased Unbilled Receivables of \$1.1M - \$1.8M.

C) Increase in Money Pool funding.

D)

Year	Volume Variance (\$\$\$)	Rate Variance (\$\$\$)	Total Variance (\$\$\$)
2011	6.38	(0.34)	6.04
2012	1.19	(0.00)	1.19
2013	0.05	0.42	0.47
2014	(2.22)	0.87	(1.35)
2015	(1.35)	0.67	(0.68)
2016	(0.78)	0.68	(0.10)
2017	1.21	0.78	1.99

- E) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- F) Variance due to an increase in the number of exchange obligations vs. the 7&5.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to a \$6.7M increase to A/P Factoring related to budget payment plans.
- I) Variance due to adjustments to Tax and Bonus Depreciation expense based on new Capital estimates.
- J) Variance due to revisions to the Bad Debt / Uncollectible Tracker methodology that resulted in \$788K reduction to outstanding liabilities. Going forward this methodology change is reflected in Base margin.
- K) Variance in 2011 & out years primarily driven by Federal and State tax liabilities.
- L) Variances are due to a December 2011 prepayment that eliminated pension funding obligations for 2012
- M) Variance due to increased Pension and Hedging balances since the 7&5.

Columbia Gas of Kentucky
 Capital Expenditures - Plan-vs.-Plan
 (\$ millions)

FR 16(12)(o)
 Page 58 of 273

2012 0&12	2011	2012	2013
New Business	2.0	1.7	1.7
Betterment	0.0	1.0	0.2
Replacement	12.3	11.4	11.7
Support Services	1.3	1.2	1.6
Gross Capital	15.6	15.3	15.1
Contributions & Reimbursements	(1.3)	(0.7)	(0.7)
Total CKY *	14.3	14.7	14.5
Infrastructure/AMR	9.2	9.1	8.2

2011 7&5	2011	2012	2013
New Business	1.6	1.7	1.7
Betterment	0.3	1.0	0.2
Replacement	12.9	10.4	11.7
Support Services	1.4	1.0	1.0
Gross Capital	16.1	14.1	14.5
Contributions & Reimbursements	(0.9)	(0.7)	(0.7)
Total CKY	15.3	13.5	13.9
Infrastructure/AMR	9.9	8.1	8.2

Variance	2011	2012	2013
New Business	0.4	-	-
Betterment	(0.3)	-	-
Replacement	(0.5)	1.0	-
Support Services	(0.1)	0.2	0.6
Gross Capital	(0.5)	1.2	0.6
Contributions & Reimbursements	(0.4)	-	-
Total CKY	(0.9)	1.2	0.6
Infrastructure/AMR	(0.6)	1.0	-

* Note: Total does not include \$0.1M in unallocated overheads in 2011.

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
Net Revenues	8.2	8.2	60.6	61.5
O&M Expense	3.4	3.4	31.0	31.0
Depreciation	0.5	0.5	6.6	6.9
Other Taxes	0.3	0.3	3.2	3.4
*Operating Earnings	4.0	4.0	19.8	20.3
Other Income	0.1	0.1	0.7	0.7
Interest Expense	0.4	0.4	4.8	5.3
*Operating Earnings before Taxes	3.7	3.7	15.7	15.6
Income Tax				
Net Operating Earnings	3.7	3.7	15.7	15.6

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	9.0	9.0	61.6	61.6
O&M Expense	2.7	2.7	31.6	31.8
Depreciation	0.5	0.5	6.6	6.9
Other Taxes	0.2	0.2	2.9	3.1
*Operating Earnings	5.5	5.5	20.5	19.8
Other Income	0.1	0.1	0.7	0.5
Interest Expense	0.4	0.4	4.8	5.3
*Operating Earnings before Taxes	5.2	5.2	16.4	15.0
Income Tax				
Net Operating Earnings	5.2	5.2	16.4	15.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.8)	(0.8)	(1.1)	(0.1)
O&M Expense	0.7	0.7	(0.7)	(0.8)
Depreciation	0.0	0.0	(0.0)	-
Other Taxes	0.0	0.0	0.3	0.3
*Operating Earnings	(1.5)	(1.5)	(0.7)	0.5
Other Income	(0.0)	(0.0)	0.0	0.2
Interest Expense	0.0	0.0	0.0	-
*Operating Earnings before Taxes	(1.5)	(1.5)	(0.6)	0.6
Income Tax				
Net Operating Earnings	(1.5)	(1.5)	(0.6)	0.6

* net of trackers

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
Base Margin (less LCR)	7.3	7.3	50.8	50.4
LCR	0.6	0.6	5.0	4.9
LCR (Prior Dec. True-Up)	(0.1)	(0.1)	(0.1)	-
ESS	0.1	0.1	2.4	2.8
Regulatory Outcome	-	-	0.3	1.1
Other OGDR	0.1	0.1	1.2	1.2
CKY Purchase Receivable	0.1	0.1	0.5	0.5
Uncollectibles - NonTracked	0.1	0.1	0.3	0.4
Uncollectibles - Tracked	0.0	0.0	0.2	0.2
Trackers	0.1	0.1	0.5	0.5
Total Revenue	8.3	8.3	61.1	62.0
Total Revenue w/o Trackers	8.2	8.2	60.6	61.5

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	7.6	7.6	51.1	50.4
LCR	0.6	0.6	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.3	0.3	2.4	2.8
Regulatory Outcome	-	-	0.3	0.6
Other OGDR	0.1	0.1	1.2	1.2
CKY Purchase Receivable	0.2	0.2	0.5	0.5
Uncollectibles - NonTracked	0.1	0.1	0.3	0.4
Uncollectibles - Tracked	0.0	0.0	0.2	0.2
Trackers	0.1	0.1	0.5	0.5
Total Revenue	9.0	9.0	61.6	61.6
Total Revenue w/o Trackers	8.9	8.9	61.1	61.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Base Margin (less LCR)	(0.4)	(0.4)	(0.3)	(0.0)
LCR	(0.0)	(0.0)	(0.1)	-
LCR (Prior Dec. True-Up)	(0.1)	(0.1)	(0.1)	-
A) ESS	(0.2)	(0.2)	-	-
Regulatory Outcome	-	-	-	0.6
B) Other OGDR	(0.0)	(0.0)	(0.0)	(0.0)
B) CKY Purchase Receivable	(0.1)	(0.1)	(0.1)	(0.1)
B) Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.1)
Uncollectibles - Tracked	(0.0)	(0.0)	(0.0)	-
Trackers	0.0	0.0	0.0	0.0
Total Variance	(0.6)	(0.6)	(0.5)	0.4
Total Variance w/o Trackers	(0.7)	(0.7)	(0.6)	0.4

Variance Explanations:

- A) Variance represents downward revision to Off-System sales assumptions due to lack of price volatility.
- B) Variance due to declining gas costs.

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
Penalty Charges	0.0	0.0	0.4	0.3
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.0	0.0	0.4	0.4
Other Revenue	0.0	0.0	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	0.0	0.0	0.0	-
Total OGDR	0.1	0.1	1.2	1.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.0	0.3	0.3
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.1	0.1	0.4	0.4
Other Revenue	0.0	0.0	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.1	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	-
Return Check	0.0	0.0	0.0	-
Other Fees	(0.0)	(0.0)	(0.0)	-
Other Revenue	(0.0)	(0.0)	(0.0)	-
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	-	-	(0.0)	-
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	0.0	0.0	0.0	-
Total OGDR	(0.0)	(0.0)	(0.0)	-

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	(0.0)	(0.0)
Commercial	0.0	0.0
Total	(0.0)	(0.0)

Usage Change	Month	YTD
Residential	0.0	0.0
Commercial	(0.0)	(0.0)
Industrial (Non-LCR)	0.0	0.0
Total	0.0	0.0

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	15.5	45.4
Comm	96.0	333.3
Ind	9,775.3	51,449.3

Budget	Month	YTD
Residential	15.4	45.3
Commercial	97.4	334.7
Industrial	9,569.1	51,243.1

Variance	Month	Mo. %	YTD	YTD %
Residential	0.1	0.6%	0.1	0.2%
Commercial	(1.4)	-1.4%	(1.4)	-0.4%
Industrial	206.2	2.2%	206.2	0.4%

Customer Count

Actual	Month	YTD Avg
Residential	121,257	120,009
Commercial	14,116	13,926
Industrial	178	181
Total	135,551	134,115

Budget	Month	YTD Avg
Residential	121,640	120,064
Commercial	14,081	13,921
Industrial	181	181
Total	135,902	134,165

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	(383.000)	-0.3%	(54.714)	-0.000456
Commercial	35.000	0.2%	5.000	0.0%
Industrial	(3.000)	-1.7%	(0.429)	-0.2%
Total	(351.000)	-0.3%	(50.143)	0.0%

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
Labor	0.6	0.6	6.7	6.8
Benefits	0.2	0.2	2.1	1.5
Materials & Supplies	0.1	0.1	1.5	1.5
Outside Services	0.4	0.4	4.3	5.0
Management Fee	1.8	1.8	11.9	12.2
Uncollectibles	0.0	0.0	0.5	0.5
Other *	0.3	0.3	3.9	3.4
Trackers	0.2	0.2	0.8	0.8
Total O&M	3.5	3.5	31.8	31.7
Total O&M w/o Trackers	3.4	3.4	31.0	31.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.6	0.6	6.6	6.9
Benefits	0.2	0.2	2.0	1.6
Materials & Supplies	0.1	0.1	1.5	1.5
Outside Services	0.3	0.3	4.3	5.0
Management Fee	1.0	1.0	11.9	12.2
Uncollectibles	0.1	0.1	0.5	0.5
Other *	0.3	0.3	3.9	3.4
Trackers	0.1	0.1	0.8	0.7
Total O&M	2.7	2.7	31.6	31.8
Total O&M w/o Trackers	2.5	2.5	30.9	31.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Labor	0.1	0.1	0.1	(0.0)
Benefits	0.0	0.0	0.1	(0.1)
Materials & Supplies	(0.0)	(0.0)	0.0	-
Outside Services	0.0	0.0	(0.1)	0.0
A) Management Fee	0.8	0.8	(0.0)	-
Uncollectibles	(0.0)	(0.0)	0.0	-
Other *	(0.0)	(0.0)	0.0	0.0
B) Trackers	0.0	0.0	0.1	0.0
Total Change	0.9	0.9	0.1	(0.1)
Total Change w/o Trackers	0.8	0.8	0.1	(0.1)

- A) Mo & YTD Var - Primarily the incorrect allocation percentage of January Call Center charges to Kentucky.
B) Offset in revenue.

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.0	0.3	0.3
Corporate Insurance	0.1	0.1	0.8	0.9
Employee Expenses	0.0	0.0	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.0	0.3	0.3
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.0	(0.0)	(0.0)
Amortizations *	0.0	0.0	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.2)	(0.7)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	0.1	0.1
Auto/Trucks Cleared	0.1	0.1	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	0.3	3.9	3.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.0	0.3	0.3
Corporate Insurance	0.1	0.1	0.9	0.9
Employee Expenses	0.0	0.0	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.0	0.3	0.3
Misc Revenues	0.0	0.0	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.0	(0.0)	(0.0)
Amortizations *	0.0	0.0	0.5	0.4
Deferred Credits	0.0	0.0	(0.1)	(0.7)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	0.0	0.0	-	-
Advertising	0.0	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.1	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	0.3	3.9	3.4

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Other				
Buildings and Land	0.0	0.0	0.0	-
Rents/Leases	(0.0)	(0.0)	(0.0)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	(0.0)	(0.0)	(0.0)	-
Company Memberships	(0.0)	(0.0)	0.0	0.0
Utilities	(0.0)	(0.0)	0.0	0.0
Misc Revenues	(0.0)	(0.0)	(0.0)	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	(0.0)
I&D Accrual	0.0	0.0	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	(0.0)	-
Auto/Trucks Cleared	(0.0)	(0.0)	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	(0.0)	(0.0)	0.0	0.0

*Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
Distribution Ops	1.0	1.0	10.9	11.2
Meter To Cash	0.0	0.0	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.0	0.4	0.4
Presidents	0.1	0.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.8	1.8	11.9	12.2
Benefits	0.2	0.2	2.1	1.5
Uncollectibles	0.0	0.0	0.5	0.5
Other Corporate *	0.2	0.2	2.9	3.0
Trackers	0.2	0.2	0.8	0.8
Total O&M	3.5	3.5	31.8	31.7
Total O&M w/o Trackers	3.4	3.4	31.0	31.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.9	0.9	10.9	11.2
Meter To Cash	0.0	0.0	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.0	0.4	0.4
Presidents	0.1	0.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	1.0	11.9	12.2
Benefits	0.2	0.2	2.0	1.6
Uncollectibles	0.1	0.1	0.5	0.5
Other Corporate *	0.3	0.3	2.9	3.0
Trackers	0.1	0.1	0.8	0.7
Total O&M	2.7	2.7	31.6	31.8
Total O&M w/o Trackers	2.5	2.5	30.9	31.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Distribution Ops	0.1	0.1	0.0	-
Meter To Cash	0.0	0.0	0.0	-
Customer Call Center	0.0	0.0	0.0	-
Integration Center	0.0	0.0	0.0	-
Presidents	(0.0)	(0.0)	(0.0)	-
Other Dept	-	-	-	-
A) Management Fee	0.8	0.8	(0.0)	-
Benefits	0.0	0.0	0.1	(0.1)
Uncollectibles	(0.0)	(0.0)	0.0	-
Other Corporate *	(0.0)	(0.0)	(0.0)	(0.0)
B) Trackers	0.0	0.0	0.1	0.0
Total Change	0.9	0.9	0.1	(0.1)
Total Change w/o Trackers	0.8	0.8	0.1	(0.1)

- A) Mo & YTD Var - Primarily the incorrect allocation percentage of January Call Center charges to Kentucky.
B) Offset in revenue.

* See O&M Other Corp Tab

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
Other Corporate				
Net Labor	0.0	0.0	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.3	0.3
Corporate Insurance	0.1	0.1	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	-	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.0	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	0.2	2.9	3.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.0	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.3	0.3
Corporate Insurance	0.1	0.1	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.0	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	0.3	2.9	3.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Other				
Net Labor	0.0	0.0	(0.0)	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	(0.0)	(0.0)	(0.0)	-
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	0.0
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.0)	(0.0)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	(0.0)	(0.0)	0.0	0.0
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	(0.0)
I&D Accrual	0.0	0.0	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	(0.0)	(0.0)	(0.0)	(0.0)

*Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
Depreciation	0.5	0.5	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.2	2.4	2.6
Payroll	0.1	0.1	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.3	0.3	2.9	3.1
Total Other Taxes w/o Trackers	0.3	0.3	3.2	3.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.53	0.53	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.20	0.20	2.4	2.6
Payroll	0.04	0.04	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.25	0.25	2.9	3.1
Total Other Taxes w/o Trackers	0.27	0.27	3.1	3.3

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	(0.0)	-
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	-	-	-	0.0
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes Change	0.0	0.0	0.0	0.0
Total Change w/o Trackers	0.0	0.0	0.0	0.1

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.1	0.6	0.7
Total Other Income	0.1	0.1	0.7	0.7
Long-Term Interest Expense	0.4	0.4	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.0	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	0.4	4.8	5.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.1	0.6	0.5
Total Other Income	0.1	0.1	0.7	0.5
Long-Term Interest Expense	0.4	0.4	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.0	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	0.4	4.8	5.3

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	-
Hedging Interest Income	(0.0)	(0.0)	(0.0)	-
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	0.0	-
A) Temp Cash Investment Interest Income	(0.0)	(0.0)	0.0	0.2
Total Other Income	(0.0)	(0.0)	0.0	0.2
Long-Term Interest Expense	0.0	0.0	0.0	-
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	-	-	-	-
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	-
Interest Expense	0.0	0.0	0.0	-

Explanations:

A) Variance represents interest earned on operating cash sent to Corp. Money Pool.

2012 1&11	Mo	2012	2013
Assets			
Net Plant	202.9	211.6	219.7
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	0.7	-	-
Restricted Cash	2.6	3.6	-
Customer Accounts Receivables	22.7	23.3	24.8
Unbilled Revenue	1.2	1.2	1.2
Other Receivables	38.1	18.7	6.3
Gas Inventory	35.3	39.6	39.4
Unrecovered Purchase Costs	-	-	2.4
Material & Supplies	4.4	4.3	4.3
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	3.0	2.7	2.7
Prepayments and Other Assets	2.5	3.0	3.1
Total Current Assets	110.4	96.5	84.4
NC Regulatory Assets	18.6	17.4	16.8
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	-	-	-
Deferred Charges	1.7	1.7	1.7
Other receivables - affiliated	-	-	-
Total Other Assets	20.3	19.1	18.5
Total Assets	334.1	327.7	323.0
Capitalization & Liabilities			
Common Stock Equity	92.6	94.0	95.6
Long Term Debt	67.3	58.3	89.3
Total Capitalization	159.9	152.3	184.9
Obligations due in one year	14.7	28.7	-
Accounts Payable	14.6	11.4	11.8
Customer Deposits & A/R Credit Balances	16.9	17.7	17.7
Taxes Accrued	4.2	4.7	5.5
Interest Accrued	0.0	0.0	0.0
Over recovered Gas & Fuel Costs	9.4	3.0	-
Current Price Risk Mgmt Liab	0.9	0.9	0.9
Exchange Gas Payable	18.5	11.4	4.0
Current Deferred Income Taxes	(3.8)	(3.3)	(2.4)
Current Regulatory Liabilities	2.3	2.1	2.0
Current Postretirement Benefits	0.1	0.1	0.1
Other Accruals	4.0	3.8	3.8
Total Current Liabilities	81.9	80.6	43.6
Price Risk Management liab - NC	1.6	1.6	1.6
NC Deferred Income Tax Liab	44.3	46.7	47.5
NC Deferred Investment Tax Credit	0.5	0.4	0.4
Customer Advances	1.3	1.3	1.3
Non-Current Postretirement Benefits	10.1	9.9	8.3
NC Reg Liabilities	24.1	24.4	24.7
Other Non-Current Liabilities	10.3	10.5	10.7
Other NC Liab & Deferred Credits	92.3	94.8	94.5
Total Capitalization & Liabilities	334.1	327.7	323.0

2012 0&12	Mo	2012	2013
Assets			
Net Plant	203.7	211.6	219.7
Investments and other assets	0.4	0.4	0.4
Cash & Temporary Cash Investments	-	-	-
Restricted Cash	3.9	3.6	-
Customer Accounts Receivables	25.4	23.7	25.7
Unbilled Revenue	1.3	1.3	1.3
Other Receivables	27.3	14.2	4.4
Gas Inventory	37.3	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	3.0	2.7	2.7
Prepayments and Other Assets	2.6	2.9	3.1
Total Current Assets	100.9	93.6	82.6
NC Regulatory Assets	18.3	17.4	16.8
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	-	-	-
Deferred Charges	1.7	1.7	1.7
Other receivables - affiliated	-	-	-
Total Other Assets	20.0	19.1	18.4
Total Assets	325.0	324.7	321.1
Capitalization & Liabilities			
Common Stock Equity	93.5	94.4	95.9
Long Term Debt	67.3	58.3	89.3
Total Capitalization	160.9	152.7	185.3
Obligations due in one year	14.7	28.7	-
Accounts Payable	12.4	11.1	11.4
Customer Deposits & A/R Credit Balances	8.2	17.7	17.7
Taxes Accrued	4.9	5.1	5.5
Interest Accrued	0.0	0.0	0.0
Over recovered Gas & Fuel Costs	10.0	7.9	-
Current Price Risk Mgmt Liab	0.6	0.6	0.6
Exchange Gas Payable	19.2	4.7	4.7
Current Deferred Income Taxes	(3.8)	(4.1)	(3.9)
Current Regulatory Liabilities	2.3	2.1	2.0
Current Postretirement Benefits	0.1	0.1	0.1
Other Accruals	3.5	3.3	3.3
Total Current Liabilities	72.2	77.4	41.4
Price Risk Management liab - NC	1.1	1.1	1.1
NC Deferred Income Tax Liab	44.3	46.8	47.7
NC Deferred Investment Tax Credit	0.5	0.4	0.4
Customer Advances	1.3	1.3	1.3
Non-Current Postretirement Benefits	10.2	10.0	8.5
NC Reg Liabilities	24.2	24.5	24.8
Other Non-Current Liabilities	10.3	10.5	10.7
Other NC Liab & Deferred Credits	91.9	94.7	94.5
Total Capitalization & Liabilities	325.0	324.7	321.1

Variance	Mo Var	2012 Var	2013 Var
Assets			
Net Plant	(0.8)	0.0	0.0
Investments and other assets	0.0	0.0	0.0
Cash & Temporary Cash Investments	0.7	-	-
A) Restricted Cash	(1.4)	0.1	-
B) Customer Accounts Receivables	(2.7)	(0.4)	(0.9)
Unbilled Revenue	(0.1)	(0.1)	(0.1)
C) Other Receivables	10.8	4.5	1.9
D) Gas Inventory	(2.0)	(5.4)	(5.2)
E) Unrecovered Purchase Costs	-	-	1.9
D) Material & Supplies	4.4	4.3	4.3
F) Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	(0.0)	(0.0)	(0.0)
Prepayments and Other Assets	(0.1)	0.0	0.0
Total Current Assets	9.5	2.9	1.8
NC Regulatory Assets	0.3	(0.0)	(0.0)
Intangible Assets	-	-	-
Postretirement and Postemployment - Assets	-	-	-
Deferred Charges	0.0	0.0	0.0
Other receivables - affiliated	-	-	-
Total Other Assets	0.3	0.0	0.0
Total Assets	9.1	2.9	1.8
Capitalization & Liabilities			
Common Stock Equity	(0.9)	(0.4)	(0.3)
G) Long Term Debt	-	-	-
Total Capitalization	(0.9)	(0.4)	(0.3)
G) Obligations due in one year	-	-	-
B) Accounts Payable	2.2	0.3	0.5
H) Customer Deposits & A/R Credit Balances	8.7	-	-
Taxes Accrued	(0.7)	(0.4)	0.0
Interest Accrued	0.0	0.0	0.0
E) Over recovered Gas & Fuel Costs	(0.7)	(4.9)	-
Current Price Risk Mgmt Liab	0.3	0.3	0.3
F) Exchange Gas Payable	(0.7)	6.7	(0.7)
I) Current Deferred Income Taxes	0.0	0.8	1.6
A) Current Regulatory Liabilities	0.1	(0.0)	(0.0)
Current Postretirement Benefits	-	-	-
Other Accruals	0.5	0.5	0.5
Total Current Liabilities	9.7	3.2	2.2
A) Price Risk Management liab - NC	0.5	0.5	0.5
NC Deferred Income Tax Liab	0.0	(0.1)	(0.2)
NC Deferred Investment Tax Credit	0.0	(0.0)	(0.0)
Customer Advances	(0.0)	(0.0)	(0.0)
Non-Current Postretirement Benefits	(0.1)	(0.2)	(0.2)
NC Reg Liabilities	(0.1)	(0.1)	(0.1)
Other Non-Current Liabilities	(0.0)	(0.0)	(0.0)
Other NC Liab & Deferred Credits	0.4	0.1	0.0
Total Capitalization & Liabilities	9.1	2.9	1.8

Variance Explanations:

- A) Variance due to changes to the required reserves related to the Hedging Program, and MF Global bankruptcy (\$256K).
- B) January variance due to increases to Tariff receivables of \$2.2M, offset by decreases to Tariff Transportation (%4.1M) and Unbilled receivables of (\$1.3M). 2013 variance driven by a decrease of (\$1.2M) to Unbilled receivables. January A/P variance due to increased Gas Cost of (\$703K), and Marketer payables of (\$957K).
- C) Increase in Money Pool funding.
- D) January variance due to Rate Differential and Usage variances of (\$4.35M) and \$2.34M respectively. 2012 annual variance due to Rate Differential and Usage variances of (\$4.86M) and (\$583K) respectively. 2013 annual variance is due to Rate Differential and Usage variances of (\$4.58M) and (\$668K) respectively. In addition to Rate and Usage variances the annual variances include reclassification entries between the Inventory and Material & Supply accounts to accurately state the LIFO inventory balance; which was \$4.4M as of January 30th.
- E) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- F) January variance due to a decrease in balancing requires, while the 2012 variance is due to an increase in the number of exchange obligations vs. the 0&12.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to an \$8.7M increase to A/P Factoring related to budget payment plans.
- I) Variance due to adjustments to Tax and Bonus Depreciation expense based on new Capital estimates.

Columbia Gas of Kentucky
 Capital Expenditures - Plan-vs.-Plan
 (\$ millions)

2012 1&11	Mo Actual	YTD Actual	2012 1&11	2013 1&11
New Business	0.27	0.27	1.70	1.70
Betterment	0.08	0.08	1.00	0.15
Replacement	0.77	0.77	11.40	11.70
Support Services	0.04	0.04	1.20	1.57
Gross Capital	1.17	1.17	15.30	15.12
Contributions & Reimbursements	(0.96)	(0.96)	(0.65)	(0.65)
Total NGD	0.21	0.21	14.65	14.47
Infrastructure/AMR	0.09	0.09	9.12	8.20

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.16	0.16	1.70	1.70
Betterment	0.11	0.11	1.00	0.15
Replacement	0.80	0.80	11.40	11.70
Support Services	0.05	0.05	1.20	1.57
Gross Capital	1.13	1.13	15.30	15.12
Contributions & Reimbursements	(0.02)	(0.02)	(0.65)	(0.65)
Total NGD	1.11	1.11	14.65	14.47
Infrastructure/AMR	0.76	0.76	9.12	8.20

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.1	0.1	-	-
Betterment	(0.0)	(0.0)	-	-
Replacement	(0.0)	(0.0)	-	-
Support Services	(0.0)	(0.0)	-	-
Gross Capital	0.0	0.0	-	-
Contributions & Reimbursements	(0.9)	(0.9)	-	-
Total NGD	(0.9)	(0.9)	-	-
Infrastructure/AMR	(0.7)	(0.7)	-	-

Columbia Gas of Kentucky
Plan vs. Plan - February 2012
(\$ millions)

FR 16(12)(o)
Page 74 of 273

2012 2&10	2012	2013
Net Revenues	59.8	61.5
O&M Expense	31.0	31.4
Depreciation	6.6	6.9
Other Taxes	3.0	3.1
Operating Earnings	19.3	20.1
Other Income	0.9	0.7
Interest Expense	4.8	5.3
Net Operating Income	15.4	15.5
Income Tax	5.8	6.0
Net Operating Earnings	9.5	9.5

2012 0&12	2012	2013
Net Revenues	60.9	60.8
O&M Expense	30.9	31.1
Depreciation	6.6	6.9
Other Taxes	3.1	3.3
Operating Earnings	20.2	19.6
Other Income	0.7	0.5
Interest Expense	4.8	5.3
Net Operating Income	16.1	14.8
Income Tax	6.3	6.0
Net Operating Earnings	9.8	8.7

Variance	2012	2013
Net Revenues	(1.1)	0.6
O&M Expense	0.1	0.3
Depreciation	(0.0)	-
Other Taxes	(0.2)	(0.2)
Operating Earnings	(1.0)	0.5
Other Income	0.2	0.2
Interest Expense	0.0	(0.0)
Net Operating Income	(0.8)	0.7
Income Tax	(0.5)	(0.0)
Net Operating Earnings	(0.3)	0.8

* net of trackers

2012 2&10	2012	2013
Base Margin (less LCR)	50.3	50.4
LCR	5.0	4.9
LCR (Prior Dec. True-Up)	(0.1)	-
Supply Optimization	2.4	2.8
Regulatory Outcome	0.4	1.4
Other OGDR	1.2	1.2
CKY Purchase Receivable	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.3
Uncollectibles - Tracked	0.2	0.2
Trackers	0.6	0.5
Total Revenue	60.7	62.2
Total Revenue w/o Trackers	59.8	61.5

2012 0&12	2012	2013
Base Margin (less LCR)	51.1	50.4
LCR	5.1	4.9
LCR (Prior Dec. True-Up)	-	-
ESS	2.4	2.8
Regulatory Outcome	0.3	0.6
Other OGDR	1.2	1.2
CKY Purchase Receivable	0.5	0.5
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.5	0.5
Total Revenue	61.6	61.6
Total Revenue w/o Trackers	60.9	60.8

Variance	2012	2013
Base Margin (less LCR)	(0.8)	0.0
LCR	(0.1)	-
LCR (Prior Dec. True-Up)	(0.1)	-
ESS	(0.0)	-
Regulatory Outcome	0.1	0.9
Other OGDR	(0.0)	(0.0)
CKY Purchase Receivable	(0.1)	(0.1)
Uncollectibles - Non Tracked	(0.1)	(0.1)
Uncollectibles - Tracked	(0.0)	-
Trackers	0.1	0.0
Total Variance	(1.0)	0.6
Total Variance w/o Trackers	(1.1)	0.6

2012 2&10	2012	2013
Labor	6.8	6.8
Benefits	2.2	1.9
Materials & Supplies	1.5	1.5
Outside Services	4.2	4.5
Management Fee	11.9	12.2
Uncollectibles	0.5	0.5
Other *	4.0	3.9
Trackers	0.9	0.8
Total O&M	31.9	32.1
Total O&M w/o Trackers	31.0	31.4

2012 0&12	2012	2013
Labor	6.6	6.9
Benefits	2.0	1.6
Materials & Supplies	1.5	1.5
Outside Services	4.3	4.5
Management Fee	11.9	12.2
Uncollectibles	0.5	0.5
Other *	3.9	3.9
Trackers	0.8	0.7
Total O&M	31.6	31.8
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
Labor	0.1	(0.0)
A) Benefits	0.1	0.3
Materials & Supplies	0.0	-
Outside Services	(0.1)	0.0
Management Fee	(0.1)	-
Uncollectibles	-	-
Other *	0.0	(0.0)
B) Trackers	0.2	0.0
Total Change	0.2	0.3
Total Change w/o Trackers	0.1	0.3

- A) 2013 - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
B) Offset in revenues.

2012 2&10	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.2	0.3
Corporate Insurance	0.8	0.9
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.3	0.3
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	0.0	(0.0)
Amortizations *	0.5	0.4
Deferred Credits	(0.2)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	4.0	3.9

2012 0&12	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.3	0.3
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M	-	-
	3.9	3.9

Variance	2012	2013
Other		
Buildings and Land	0.0	-
Rents/Leases	(0.1)	-
Corporate Insurance	(0.0)	-
Employee Expenses	0.0	-
Company Memberships	0.0	0.0
Utilities	0.1	0.0
Misc Revenues	(0.0)	-
Misc & Other Expenses	0.0	(0.0)
Amortizations *	-	-
Deferred Credits	(0.0)	(0.0)
I&D Accrual	-	-
Well/Lease Rent/Royalty	-	-
Advertising	0.0	-
Auto/Trucks Cleared	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Below the Line O&M	-	-
	0.0	(0.0)

2012 2&10	2012	2013
Distribution Ops	10.9	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.4	0.4
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	11.9	12.2
Benefits	2.2	1.9
Uncollectibles	0.5	0.5
Other Corporate*	2.9	3.0
Trackers	0.9	0.8
Total O&M	31.9	32.1
	-	-
Total O&M w/o Trackers	31.0	31.4

2012 0&12	2012	2013
Distribution Ops	10.9	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.4	0.4
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	11.9	12.2
Benefits	2.0	1.6
Uncollectibles	0.5	0.5
Other Corporate*	2.9	3.0
Trackers	0.8	0.7
Total O&M	31.6	31.8
	-	-
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
Distribution Ops	0.0	-
Meter To Cash	0.0	-
Customer Call Center	(0.0)	-
Integration Center	0.0	-
Presidents	(0.0)	-
Other Departments	-	-
Management Fee	(0.1)	-
A) Benefits	0.1	0.3
Uncollectibles	-	-
Other Corporate*	(0.0)	(0.0)
B) Trackers	0.2	0.0
Total Change	0.2	0.3
	-	-
Total Change w/o Trackers	0.1	0.3

- A) 2013 - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
B) Offset in revenues.

2012 2&10	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.1	0.1
Consulting Fees	0.0	0.2
Legal Fees	-	-
Outside Services	0.1	0.2
Buildings and Land	-	-
Rents/Leases	0.2	0.3
Corporate Insurance	0.8	0.9
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.1	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.0

2012 0&12	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.1	0.1
Consulting Fees	0.0	0.2
Legal Fees	-	-
Outside Services	0.2	0.2
Buildings and Land	-	-
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.0	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.0

Variance	2012	2013
Other		
Net Labor (CIP)	(0.0)	(0.0)
Materials/Supplies	(0.0)	-
Audit Fees	0.0	-
Consulting Fees	(0.0)	-
Legal Fees	-	-
Outside Services	(0.0)	0.0
Buildings and Land	-	-
Rents/Leases	(0.1)	-
Corporate Insurance	(0.0)	-
Employee Expenses	-	-
Company Memberships	0.0	0.0
Utilities	0.1	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.0	(0.0)
Amortizations *	-	-
Deferred Credits	(0.0)	(0.0)
I&D Accrual	-	-
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	(0.0)	(0.0)

2012 2&10	2012	2013
Depreciation	6.6	6.9
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.4	2.6
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	2.9	3.1
Total Other Taxes w/o Trackers	3.0	3.1

2012 0&12	2012	2013
Depreciation	6.6	6.9
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.4	2.6
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	2.9	3.1
Total Other Taxes w/o Trackers	3.1	3.3

Variance	2012	2013
Depreciation Change	(0.0)	-
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	-	0.0
Payroll	0.0	-
Distribution	-	-
Other	-	-
Total Other Taxes Change	0.0	0.0
Total Change w/o Trackers	(0.2)	(0.2)

2012 2&10	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.1
Hedging Interest Income	0.1	0.1
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.8	0.6
Total Other Income	0.9	0.7

Long-Term Interest Expense	4.7	5.2
Short-Term Interest Expense	-	-
Customer Deposits	0.2	0.2
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.1)	(0.1)
Interest Expense	4.8	5.3

2012 0&12	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.1
Hedging Interest Income	0.1	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.6	0.5
Total Other Income	0.7	0.5

Long-Term Interest Expense	4.7	5.2
Short-Term Interest Expense	-	-
Customer Deposits	0.2	0.2
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	4.8	5.3

Variance	2012	2013
Miscellaneous	-	-
AFUDC	0.0	0.0
Hedging Interest Income	(0.0)	0.1
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.0)	-
A) Temp Cash Inv Int Inc	0.2	0.1
Total Other Income	0.2	0.2

Long-Term Interest Expense	0.0	-
Short-Term Interest Expense	-	-
Customer Deposits	-	-
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	0.0	(0.0)

A) Variance due to fluctuations in normal operating activity

2012 2&10	2012	2013
Assets		
Net Property Plant and Equipment	211.6	219.7
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.7	-
Accounts Receivable	49.1	30.5
Gas Inventory	43.8	45.3
Unrecovered Purchase Costs	-	11.4
Material & Supplies	-	-
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.2	2.2
Prepayments and Other Assets	3.0	3.1
Total Current Assets	101.9	92.6
Other Assets		
NC Regulatory Assets	17.1	16.0
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	1.7	1.7
Total Other Assets	18.8	17.7
Total Assets	332.8	330.5
Capitalization & Liabilities		
Total Common Stock Equity	92.8	94.2
Long Term Debt , excluding amounts due within one year	58.3	89.3
Total Capitalization	151.1	183.6
Current Portion of Long Term Debt	28.7	-
Accounts Payable	11.7	12.2
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	4.7	5.3
Interest Accrued	0.0	0.0
Overrecovered Gas and Fuel Costs	4.6	-
Price Risk Management Liabilities (Current)	0.8	0.8
Exchange Gas Payable	16.9	10.5
Current Regulatory Liabilities	2.0	1.9
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(0.1)	3.9
Total Current Liabilities	87.2	52.5
Price Risk Management Liabilities - NC	1.3	1.3
Deferred Income Taxes	46.8	47.2
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	26.4	26.7
Accrued Liab for Post Retirement Benefits - NC	9.9	9.0
Other Non-Current Liabilities	9.6	9.8
Other NC Liab & Defferred Credits	94.5	94.4
Total Capitalization & Liabilities	332.8	330.5

2012 0&12	2012	2013
Assets		
Net Property Plant and Equipment	211.6	219.7
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.6	-
Accounts Receivable	39.2	31.4
Gas Inventory	45.1	44.6
Unrecovered Purchase Costs	-	0.5
Material & Supplies	0.0	0.0
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.7	2.7
Prepayments and Other Assets	2.9	3.1
Total Current Assets	93.6	82.6
Other Assets		
NC Regulatory Assets	17.4	16.8
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	1.7	1.7
Total Other Assets	19.1	18.4
Total Assets	324.7	321.1
Capitalization & Liabilities		
Total Common Stock Equity	94.4	95.9
Long Term Debt , excluding amounts due within one year	58.3	89.3
Total Capitalization	152.7	185.3
Current Portion of Long Term Debt	28.7	-
Accounts Payable	11.1	11.4
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	5.1	5.5
Interest Accrued	0.0	0.0
Overrecovered Gas and Fuel Costs	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6
Exchange Gas Payable	4.7	4.7
Current Regulatory Liabilities	2.2	2.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(0.8)	(0.7)
Total Current Liabilities	77.4	41.4
Price Risk Management Liabilities - NC	1.1	1.1
Deferred Income Taxes	46.8	47.7
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	26.7	27.0
Accrued Liab for Post Retirement Benefits - NC	10.0	8.5
Other Non-Current Liabilities	9.7	9.8
Other NC Liab & Deffered Credits	94.7	94.5
Total Capitalization & Liabilities	324.7	321.1

Variance	2012	2013
Assets		
Net Property Plant and Equipment	0.0	0.0
Total Investments	0.0	0.0
Cash and Cash Equivalents	-	-
Restricted Cash	0.1	-
A) Accounts Receivable	10.0	(1.0)
B) Gas Inventory	(1.3)	0.6
C) Unrecovered Purchase Costs	-	11.0
Material & Supplies	(0.0)	(0.0)
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)
Current Regulatory Assets	(0.5)	(0.5)
Prepayments and Other Assets	0.0	0.0
Total Current Assets	8.3	10.1
Other Assets		
D) NC Regulatory Assets	(0.3)	(0.7)
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	0.1	0.1
Total Other Assets	(0.2)	(0.7)
Total Assets	8.0	9.4
Capitalization & Liabilities		
E) Total Common Stock Equity	(1.6)	(1.7)
E) Long Term Debt , excluding amounts due within one year	-	-
Total Capitalization	(1.6)	(1.7)
E) Current Portion of Long Term Debt	-	-
A) Accounts Payable	0.6	0.8
Customer Deposits and AR Credit Balance	-	-
Taxes Accrued	(0.4)	(0.2)
Interest Accrued	0.0	0.0
C) Overrecovered Gas and Fuel Costs	(3.4)	-
Price Risk Management Liabilities (Current)	0.1	0.1
F) Exchange Gas Payable	12.3	5.8
Current Regulatory Liabilities	(0.1)	(0.1)
Accrued Liability for Post Retirement Benefits - Cur	-	-
Environmental	-	-
G) Other Accruals	0.7	4.5
Total Current Liabilities	9.8	11.1
Price Risk Management Liabilities - NC	0.2	0.2
G) Deferred Income Taxes	(0.0)	(0.5)
Deferred Investment Tax Credits	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.2)	(0.2)
Accrued Liab for Post Retirement Benefits - NC	(0.1)	0.5
Other Non-Current Liabilities	(0.0)	(0.0)
Other NC Liab & Deffered Credits	(0.2)	(0.0)
Total Capitalization & Liabilities	8.0	9.4

Variance Explanations:

A) Variances due to fluctuations in Gas Cost and Usage primarily to Tariff Sales and Off-System sales, as well as Money Pool deposits. 2012 A/R variance due to decreased Tariff Sales (\$1.7M) and Off-System sales (\$1.1M), offset by Money Pool deposits of \$16.8M.

B)

Year	Volume Variance (\$\$\$)	Rate Variance (\$\$\$)	Total Variance (\$\$\$)
2012	(1,858.5)	570.4	(1,288.0)
2013	(597.6)	1,213.1	615.5
2014	820.3	842.7	1,663.1
2015	840.2	690.0	1,530.2
2016	282.4	734.9	1,017.3
2017	19.4	828.0	847.4
2018	19.4	828.0	847.4

C) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.

D) Variances are due to changes to pension funding obligations.

E) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.

F) Variance due to an changes in the number of exchange obligations vs. the 0&12.

G) Variance in 2012 & out years primarily driven by Federal and State tax liabilities.

2012 2&10	2012	2013
New Business	1.7	1.7
Betterment	1.0	0.2
Replacement	11.4	11.7
Support Services	1.2	1.6
Gross Capital	15.3	15.1
Contributions & Reimbursements	(0.7)	(0.7)
Total CKY *	14.7	14.5
Infrastructure/AMR	9.2	9.1

2012 0&12	2012	2013
New Business	1.7	1.7
Betterment	1.0	0.2
Replacement	11.4	11.7
Support Services	1.2	1.6
Gross Capital	15.3	15.1
Contributions & Reimbursements	(0.7)	(0.7)
Total CKY	14.7	14.5
Infrastructure/AMR	9.2	9.1

Variance	2012	2013
New Business	-	-
Betterment	-	-
Replacement	-	-
Support Services	-	-
Gross Capital	-	-
Contributions & Reimbursements	-	-
Total CKY	-	-
Infrastructure/AMR	-	-

* Note: Total does not include \$0.1M in unallocated overheads in 2011.

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
Net Revenues	5.7	20.8	59.3	61.4
O&M Expense	2.6	7.8	31.0	31.4
Depreciation	0.5	1.6	6.6	6.9
Other Taxes	0.3	0.9	3.2	3.4
*Operating Earnings	2.2	10.6	18.6	19.7
Other Income	0.1	0.2	0.8	0.6
Interest Expense	0.4	1.2	4.8	5.3
*Operating Earnings before Taxes	1.9	9.6	14.6	15.0
Income Tax	0.7	3.7	5.7	5.9
Net Operating Earnings	1.2	5.8	8.9	9.1

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	6.4	23.0	60.9	60.8
O&M Expense	2.7	7.8	30.8	31.1
Depreciation	0.5	1.6	6.6	6.9
Other Taxes	0.3	0.8	3.1	3.3
*Operating Earnings	2.9	12.8	20.35	19.6
Other Income	0.1	0.2	0.7	0.5
Interest Expense	0.4	1.2	4.8	5.3
*Operating Earnings before Taxes	2.6	11.8	16.2	14.8
Income Tax	1.0	4.6	6.3	6.0
Net Operating Earnings	1.6	7.2	9.9	8.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.7)	(2.2)	(1.5)	0.5
O&M Expense	(0.1)	(0.0)	0.2	0.3
Depreciation	0.0	0.0	(0.0)	-
Other Taxes	0.0	0.1	0.0	0.1
*Operating Earnings	(0.7)	(2.2)	(1.8)	0.1
Other Income	(0.0)	(0.0)	0.1	0.1
Interest Expense	(0.0)	0.0	0.0	0.0
*Operating Earnings before Taxes	(0.7)	(2.2)	(1.6)	0.2
Income Tax				
Net Operating Earnings	(0.7)	(2.2)	(1.6)	0.2

* net of trackers

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
Base Margin (less LCR)	5.0	18.3	49.8	50.4
LCR	0.4	1.5	5.0	4.9
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.0	0.2	2.4	2.8
Regulatory Outcome	-	-	0.4	1.4
Other OGDR	0.1	0.4	1.1	1.1
CKY Purchase Receivable	0.1	0.3	0.4	0.4
Uncollectibles - NonTracked	0.0	0.2	0.3	0.3
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.1	0.4	0.6	0.5
Total Revenue	5.8	21.2	60.2	62.1
Total Revenue w/o Trackers	5.7	20.8	59.3	61.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	5.4	19.7	51.1	50.4
LCR	0.5	1.6	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	0.7	2.4	2.8
Regulatory Outcome	-	-	0.3	0.6
Other OGDR	0.1	0.4	1.2	1.2
CKY Purchase Receivable	0.1	0.4	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.1	0.3	0.5	0.5
Total Revenue	6.5	23.3	61.6	61.6
Total Revenue w/o Trackers	6.4	23.0	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Base Margin (less LCR)	(0.4)	(1.3)	(1.2)	(0.0)
LCR	(0.1)	(0.1)	(0.1)	-
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
A) ESS	(0.2)	(0.5)	0.0	-
Regulatory Outcome	-	-	0.1	0.9
B) Other OGDR	(0.0)	(0.0)	(0.0)	(0.1)
B) CKY Purchase Receivable	(0.0)	(0.1)	(0.1)	(0.1)
B) Uncollectibles - NonTracked	(0.0)	(0.0)	(0.1)	(0.1)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	(0.0)	0.1	0.1	(0.0)
Total Variance	(0.7)	(2.1)	(1.5)	0.5
Total Variance w/o Trackers	(0.7)	(2.2)	(1.5)	0.5

Variance Explanations:

- A) Variance represents downward revision to Off-System sales assumptions due to lack of price volatility.
- B) Variance due to declining gas costs.

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
Penalty Charges	0.1	0.2	0.4	0.3
Return Check	0.0	0.0	0.2	0.2
Other Fees	0.0	0.1	0.3	0.3
Other Revenue	0.0	0.0	0.1	0.1
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	0.4	1.1	1.1

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.1	0.2	0.3	0.3
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.0	0.2	0.4	0.4
Other Revenue	0.0	0.0	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.4	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	(0.0)
Return Check	0.0	0.0	0.0	0.0
Other Fees	(0.0)	(0.0)	(0.0)	(0.0)
Other Revenue	(0.0)	(0.0)	(0.0)	(0.0)
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	(0.0)	(0.0)	(0.0)	0.0
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	(0.0)	(0.0)	(0.1)

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	(0.1)	(0.4)
Commercial	(0.0)	0.0
Total	(0.1)	(0.4)

Usage Change	Month	YTD
Residential	0.1	(0.1)
Commercial	(0.3)	(1.0)
Industrial (Non-LCR)	0.0	0.3
Total	(0.2)	(0.8)

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	9.2	36.9
Comm	60.8	236.1
Ind	8,536.3	27,159.1

Budget	Month	YTD
Residential	9.1	37.0
Commercial	62.2	240.2
Industrial	8,430.9	51,243.1

Variance	Month	Mo. %	YTD	YTD %
Residential	0.0	0.3%	(0.1)	-0.2%
Commercial	(1.4)	-2.2%	(4.1)	-1.7%
Industrial	105.4	1.2%	(24,084.0)	-47.0%

Customer Count

Actual	Month	YTD Avg
Residential	121,121	121,213
Commercial	14,079	14,102
Industrial	179	178
Total	135,379	135,493

Budget	Month	YTD Avg
Residential	121,452	121,607
Commercial	14,075	14,086
Industrial	181	181
Total	135,708	135,873

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	(331.000)	-0.3%	(393.667)	-0.003237
Commercial	4.000	0.0%	16.333	0.1%
Industrial	(2.000)	-1.1%	(3.000)	-1.7%
Total	(329.000)	-0.2%	(380.333)	-0.3%

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
Labor	0.6	1.9	6.8	6.8
Benefits	0.2	0.6	2.2	1.9
Materials & Supplies	0.2	0.4	1.5	1.5
Outside Services	0.3	1.0	4.1	5.0
Management Fee	1.0	2.8	11.8	12.2
Uncollectibles	0.0	0.1	0.5	0.5
Other *	0.3	1.0	4.0	3.4
Trackers	0.1	0.5	0.8	0.8
Total O&M	2.7	8.3	31.8	32.1
Total O&M w/o Trackers	2.6	7.8	31.0	31.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.6	1.7	6.6	6.9
Benefits	0.2	0.5	1.9	1.6
Materials & Supplies	0.1	0.3	1.5	1.5
Outside Services	0.4	1.1	4.3	5.0
Management Fee	1.0	3.0	11.9	12.2
Uncollectibles	0.0	0.2	0.5	0.5
Other *	0.3	1.0	3.9	3.4
Trackers	0.1	0.3	0.8	0.7
Total O&M	2.8	8.2	31.5	31.8
Total O&M w/o Trackers	2.7	7.8	30.8	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.1	0.2	0.2	(0.0)
B) Benefits	0.0	0.1	0.3	0.3
Materials & Supplies	0.0	0.0	0.1	-
C) Outside Services	(0.1)	(0.1)	(0.2)	0.0
D) Management Fee	(0.1)	(0.2)	(0.1)	-
Uncollectibles	(0.0)	(0.0)	-	-
Other *	0.0	0.0	0.0	0.0
E) Trackers	(0.0)	0.1	0.1	0.0
Total Change	(0.1)	0.1	0.2	0.3
Total Change w/o Trackers	(0.1)	(0.0)	0.2	0.3

Variance Explanations:

- A) YTD Var - Primarily under runs in capital.
- B) 2012 and 2013 Yr Var primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) 2012 Yr Var - Primarily leak repairs.
- D) YTD Var - Primarily Legal and NGD Operations.
- E) Offset in revenue.

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.2	0.8	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.3	0.3
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	0.0	0.1	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.7)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.3	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	1.0	4.0	3.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.3	0.3
Corporate Insurance	0.1	0.2	0.9	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.3	0.3
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.1	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	0.3	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	1.0	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	0.0	0.0	0.0	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	(0.0)	(0.0)	0.0	-
Company Memberships	(0.0)	0.0	0.0	0.0
Utilities	0.0	0.0	0.1	0.0
Misc Revenues	(0.0)	(0.0)	(0.0)	-
Misc & Other Expenses	0.0	0.1	0.1	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.0	0.0	(0.0)
I&D Accrual	0.0	0.0	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	(0.0)	-
Auto/Trucks Cleared	0.0	(0.0)	(0.0)	-
O&M Reclass - Regulatory to GAAP	-	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	0.0	0.0	0.0	0.0

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
Distribution Ops	1.0	2.9	10.9	11.2
Meter To Cash	0.1	0.2	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.1	0.4	0.4
Presidents	0.1	0.4	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	2.8	11.8	12.2
Benefits	0.2	0.6	2.2	1.9
Uncollectibles	0.0	0.1	0.5	0.5
Other Corporate *	0.251	0.740	2.894	2.960
Trackers	0.1	0.5	0.8	0.8
Total O&M	2.719	8.253	31.785	32.109
Total O&M w/o Trackers	2.6	7.8	31.0	31.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	1.0	2.8	10.9	11.2025
Meter To Cash	0.1	0.2	0.6	0.6249
Customer Call Center	0.0	0.0	0.0	0.0128
Integration Center	0.0	0.1	0.4	0.3629
Presidents	0.2	0.4	1.6	1.5609
Other Dept	-	-	-	-
Management Fee	1.0	3.0	11.9	12.2
Benefits	0.2	0.5	1.9	1.6
Uncollectibles	0.0	0.2	0.5	0.5
Other Corporate *	0.235	0.732	2.916	2.983
Trackers	0.1	0.3	0.8	0.7
Total O&M	2.780	8.155	31.536	31.802
Total O&M w/o Trackers	2.7	7.8	30.8	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	0.0	0.2	0.0	-
Meter To Cash	(0.0)	(0.0)	0.0	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	(0.0)	0.0	0.0	-
Presidents	(0.0)	(0.1)	(0.0)	-
Other Dept	-	-	-	-
B) Management Fee	(0.1)	(0.2)	(0.1)	-
C) Benefits	0.0	0.1	0.3	0.3
Uncollectibles	(0.0)	(0.0)	-	-
Other Corporate *	0.0	0.0	(0.0)	(0.0)
D) Trackers	(0.0)	0.1	0.1	0.0
Total Change	(0.1)	0.1	0.2	0.3
Total Change w/o Trackers	(0.1)	(0.0)	0.2	0.3

Variance Explanations:

- A) YTD Var - Primarily under runs in capital offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations.
- C) 2012 and 2013 Yr Var primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Offset in revenue.

* See O&M Other Corp Tab

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	-	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.2	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.0	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.1	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.251	0.740	2.894	2.9604

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.3	0.3
Corporate Insurance	0.1	0.2	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.1	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.235	0.732	2.916	2.983

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	(0.0)	0.0	(0.0)	(0.0)
Materials/Supplies	(0.0)	(0.0)	(0.0)	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	(0.0)	(0.0)	(0.0)	-
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	0.0
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	(0.0)	0.0	0.0	0.0
Utilities	0.0	0.0	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	(0.0)
I&D Accrual	0.0	0.0	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	-	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.0	(0.0)	(0.0)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
Depreciation	0.5	1.6	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.6	2.4	2.6
Payroll	0.0	0.1	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	0.8	2.9	3.1
Total Other Taxes w/o Trackers	0.3	0.9	3.2	3.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.5	1.6	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.6	2.4	2.6
Payroll	0.0	0.1	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	0.7	2.9	3.1
Total Other Taxes w/o Trackers	0.3	0.8	3.1	3.3

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	(0.0)	-
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.0	0.0
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes Change	0.0	0.0	0.1	0.0
Total Change w/o Trackers	0.0	0.1	0.0	0.1

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.2	0.7	0.6
Total Other Income	0.1	0.2	0.8	0.6
Long-Term Interest Expense	0.4	1.2	4.7	5.2
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	0.0	0.0	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	1.2	4.8	5.3
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.2	0.6	0.5
Total Other Income	0.1	0.2	0.7	0.5
Long-Term Interest Expense	0.4	1.1	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.0	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	1.2	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	0.0
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.0)	0.1	0.0
Total Other Income	(0.0)	(0.0)	0.1	0.1
Long-Term Interest Expense	0.0	0.0	0.0	-
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	-	-	-
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	0.0	0.0	0.0
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents interest earned on operating cash sent to Corp. Money Pool.

2012 3&9	Mo	2012	2013
Assets			
Net Property Plant and Equipment	205.6	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	1.0	-	-
Restricted Cash	2.9	2.9	-
Accounts Receivable	61.8	49.3	27.7
Gas Inventory	29.7	43.4	45.2
Unrecovered Purchase Costs	-	-	12.8
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	3.0	2.8	2.8
Prepayments and Other Assets	2.0	3.0	3.1
Total Current Assets	100.5	101.4	91.7
NC Regulatory Assets	17.7	16.9	15.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.8	1.8
Total Other Assets	19.5	18.7	17.6
Total Assets	326.0	332.1	329.4
Capitalization & Liabilities			
Total Common Stock Equity	94.2	92.5	93.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	161.6	150.9	183.2
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	9.4	11.6	12.2
Customer Deposits and AR Credit Balance	14.3	17.7	17.7
Taxes Accrued	5.0	4.5	5.4
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	12.2	5.5	-
Price Risk Management Liabilities (Current)	1.2	1.2	1.2
Exchange Gas Payable	12.8	15.8	9.5
Current Regulatory Liabilities	2.5	2.1	2.0
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.6)	(0.7)	3.7
Total Current Liabilities	71.7	86.7	51.8
Price Risk Management Liabilities - NC	1.2	1.2	1.2
Deferred Income Taxes	45.1	46.8	47.3
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	26.0	26.2	26.5
Accrued Liab for Post Retirement Benefits - NC	10.2	10.0	9.1
Other Non-Current Liabilities	9.7	9.9	9.9
Other NC Liab & Deferred Credits	92.7	94.6	94.4
Total Capitalization & Liabilities	326.0	332.1	329.4

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	204.6	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.5	3.6	-
Accounts Receivable	65.2	39.2	31.4
Gas Inventory	24.4	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.9	2.7	2.7
Prepayments and Other Assets	2.2	2.9	3.1
Total Current Assets	98.4	93.6	82.6
NC Regulatory Assets	18.2	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.8	19.1	18.4
Total Assets	323.3	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	96.6	94.4	95.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	163.9	152.7	185.3
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	10.7	11.1	11.4
Customer Deposits and AR Credit Balance	5.6	17.7	17.7
Taxes Accrued	6.5	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	10.3	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	16.3	4.7	4.7
Current Regulatory Liabilities	2.3	2.2	2.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.6)	(0.8)	(0.7)
Total Current Liabilities	66.5	77.2	41.2
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	45.0	46.8	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	26.4	26.7	27.0
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.7	9.8	10.0
Other NC Liab & Deferred Credits	92.9	94.8	94.6
Total Capitalization & Liabilities	323.3	324.7	321.1

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	1.0	(0.0)	(0.0)
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	1.0	-	-
C) Restricted Cash	(0.6)	(0.6)	-
D) Accounts Receivable	(3.4)	10.1	(3.7)
E) Gas Inventory	5.3	(1.7)	0.5
F) Unrecovered Purchase Costs	-	-	12.3
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	0.0	0.0	0.0
Prepayments and Other Assets	(0.3)	0.0	0.0
Total Current Assets	2.1	7.8	9.1
NC Regulatory Assets	(0.4)	(0.6)	(1.0)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	0.1	0.1	0.2
Total Other Assets	(0.4)	(0.4)	(0.9)
Total Assets	2.7	7.4	8.3
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.3)	(1.9)	(2.1)
G) Long Term Debt , excluding amounts due within one year	-	-	-
Total Capitalization	(2.3)	(1.9)	(2.1)
Current Portion of Long Term Debt	-	-	-
D) Accounts Payable	(1.3)	0.5	0.8
D) Customer Deposits and AR Credit Balance	8.8	-	-
H) Taxes Accrued	(1.5)	(0.4)	0.0
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	1.9	(2.5)	-
I) Price Risk Management Liabilities (Current)	0.6	0.6	0.6
J) Exchange Gas Payable	(3.5)	11.2	4.8
Current Regulatory Liabilities	0.3	(0.0)	(0.0)
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
Other Accruals	0.0	0.1	4.3
Total Current Liabilities	5.2	9.5	10.6
Price Risk Management Liabilities - NC	0.1	0.1	0.1
Deferred Income Taxes	0.1	0.0	(0.5)
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.4)	(0.4)	(0.4)
Accrued Liab for Post Retirement Benefits - NC	0.0	0.0	0.6
Other Non-Current Liabilities	0.0	0.0	(0.1)
Other NC Liab & Deffered Credits	(0.2)	(0.3)	(0.3)
Total Capitalization & Liabilities	2.7	7.4	8.3

Variance Explanations:

- A) Variance due to timing issues around 2012 In-Service (+\$623K) and Decreciation (-\$328).
- B) Increase in Money Pool funding.
- C) Variance due to changes to the required reserves related to the Hedging Program, and MF Global bankruptcy (\$256K).
- D) March A/R variance due to decreases to Tariff receivables (\$2.5M), Choice Receivables (\$2.6), and Unbilled receivables of (\$2.0M), partially offset by increased Money Pool deposits of \$10.0M. The \$8.8M Customer Deposits variance is due to an \$8.8M increase to A/P Factoring related to budget payment plans resulting from warmer than expected weather. The 2012 A/R variance is due to decreased Tariff receivables (\$1.7M), Unbilled receivables (\$1.9M), and Off-Systems Sales (\$1.4M), offset by \$16.6M in Money Pool funding. A/P Variance due to decreased Marketer payables.
- E) March variance due to Rate Differential and Usage variances of \$2.1M and \$3.34M respectively. 2012 annual variance due to Rate Differential and Usage variances of (\$1.0M) and (\$700K) respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$1.4M and (\$904K) respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to an unfavorable \$1.1M increase to Federal Income tax payable.
- I) Variance due to changes in the Hedging obligations.
- J) March variance due to a decrease in the number of outstanding exchange obligations vs. the 0&12, while the variance in 2012 & 2013 indicate an increase in the number of outstanding exchange obligations.

2012 3&9	Mo Actual	YTD Actual	2012 3&9	2013 3&9
New Business	0.2	0.8	1.7	1.7
Betterment	0.1	0.3	1.0	0.2
Replacement	0.9	2.6	11.4	11.7
Support Services	0.1	0.1	1.2	1.6
Gross Capital	1.4	3.8	15.3	15.1
Contributions & Reimbursements	0.0	(0.0)	(0.7)	(0.7)
Total NGD	1.4	3.8	14.7	14.5
Infrastructure/AMR	0.6	2.0	9.1	8.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.1	0.3	1.7	1.7
Betterment	0.1	0.4	1.0	0.2
Replacement	0.9	2.4	11.4	11.7
Support Services	0.0	0.1	1.2	1.6
Gross Capital	1.1	3.3	15.3	15.1
Contributions & Reimbursements	(0.1)	(0.2)	(0.7)	(0.7)
Total NGD	0.9	3.0	14.7	14.5
Infrastructure/AMR	0.8	2.2	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.2	0.5	-	-
Betterment	0.0	(0.1)	-	-
Replacement	0.1	0.2	-	-
Support Services	0.0	(0.0)	-	-
Gross Capital	0.3	0.5	-	-
Contributions & Reimbursements	0.1	0.2	-	-
Total NGD	0.4	0.8	-	-
Infrastructure/AMR	(0.1)	(0.2)	-	-

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Net Revenues	3.7	24.5	58.7	61.3
O&M Expense	2.5	10.3	30.9	31.3
Depreciation	0.6	2.2	6.6	6.9
Other Taxes	0.3	1.1	3.2	3.4
*Operating Earnings	0.3	10.9	17.9	19.7
Other Income	0.1	0.3	0.8	0.5
Interest Expense	0.4	1.6	4.8	5.3
*Operating Earnings before Taxes	(0.0)	9.6	13.9	14.9
Income Tax	0.2	4.4	6.1	5.9
Net Operating Earnings	(0.2)	5.1	7.8	9.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	4.5	27.5	60.9	60.8
O&M Expense	2.5	10.3	30.8	31.1
Depreciation	0.5	2.1	6.6	6.9
Other Taxes	0.3	1.1	3.1	3.3
*Operating Earnings	1.2	14.0	20.35	19.6
Other Income	0.1	0.3	0.7	0.5
Interest Expense	0.4	1.6	4.8	5.3
*Operating Earnings before Taxes	0.9	12.7	16.2	14.8
Income Tax	0.4	5.0	6.3	6.0
Net Operating Earnings	0.6	7.7	9.9	8.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.9)	(3.0)	(2.2)	0.5
O&M Expense	0.0	(0.0)	0.1	0.3
Depreciation	0.0	0.0	(0.0)	-
Other Taxes	0.0	0.1	0.1	0.1
*Operating Earnings	(0.9)	(3.1)	(2.4)	0.1
Other Income	(0.0)	(0.0)	0.1	0.0
Interest Expense	(0.0)	0.0	0.0	0.0
*Operating Earnings before Taxes	(0.9)	(3.1)	(2.3)	0.1
Income Tax				
Net Operating Earnings	(0.9)	(3.1)	(2.3)	0.1

* net of trackers

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Base Margin (less LCR)	3.1	21.4	49.2	50.4
LCR	0.3	1.8	5.0	4.9
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.1	0.3	2.4	2.8
Regulatory Outcome	-	-	0.4	1.4
Other OGDR	0.1	0.5	1.1	1.1
CKY Purchase Receivable	0.0	0.3	0.4	0.4
Uncollectibles - NonTracked	0.0	0.2	0.3	0.3
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.1	0.5	0.7	0.5
Total Revenue	3.8	25.0	59.6	62.1
Total Revenue w/o Trackers	3.7	24.5	58.7	61.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	3.7	23.4	51.1	50.4
LCR	0.4	2.0	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	0.9	2.4	2.8
Regulatory Outcome	-	-	0.3	0.6
Other OGDR	0.1	0.6	1.2	1.2
CKY Purchase Receivable	0.0	0.4	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.0	0.3	0.5	0.5
Total Revenue	4.6	27.9	61.6	61.6
Total Revenue w/o Trackers	4.5	27.5	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	(0.7)	(2.0)	(1.9)	0.0
LCR	(0.1)	(0.2)	(0.1)	-
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	(0.1)	(0.6)	0.0	-
Regulatory Outcome	-	-	0.1	0.9
C) Other OGDR	(0.0)	(0.0)	(0.1)	(0.1)
C) CKY Purchase Receivable	(0.0)	(0.1)	(0.1)	(0.1)
C) Uncollectibles - NonTracked	(0.0)	(0.0)	(0.1)	(0.1)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.2	0.2	(0.0)
Total Variance	(0.8)	(2.9)	(2.1)	0.5
Total Variance w/o Trackers	(0.9)	(3.0)	(2.2)	0.5

Variance Explanations:

- A) Variance due to customer and usage erosion
- B) Variance represents downward revision to Off-System sales assumptions due to lack of price volatility
- C) Variance due to declining gas costs

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Penalty Charges	0.1	0.2	0.4	0.3
Return Check	0.0	0.1	0.2	0.2
Other Fees	0.0	0.2	0.3	0.3
Other Revenue	0.0	0.0	0.1	0.1
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	0.5	1.1	1.1

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.1	0.2	0.3	0.3
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.0	0.2	0.4	0.4
Other Revenue	0.0	0.1	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.6	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	(0.0)
Return Check	0.0	0.0	0.0	0.0
Other Fees	(0.0)	(0.0)	(0.0)	(0.0)
Other Revenue	(0.0)	(0.1)	(0.1)	(0.0)
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	(0.0)	(0.0)	(0.0)	0.0
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	(0.0)	(0.1)	(0.1)

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.1	0.5
Commercial	0.0	0.0
Total	0.1	0.5

Usage Change	Month	YTD
Residential	0.4	0.5
Commercial	0.7	0.3
Industrial (Non-LCR)	(0.0)	0.2
Total	1.0	1.0

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	4.2	41.1
Comm	39.1	275.2
Ind	7,610.2	34,769.0

Budget	Month	YTD
Residential	4.4	41.4
Commercial	36.2	276.4
Industrial	7,442.0	34,066.0

Variance	Month	Mo. %	YTD	YTD %
Residential	(0.2)	-4.4%	(0.3)	-0.7%
Commercial	2.9	7.9%	(1.2)	-0.4%
Industrial	168.2	2.3%	703.0	2.1%

Customer Count

Actual	Month	YTD Avg
Residential	120,207	120,962
Commercial	13,990	14,074
Industrial	177	176
Total	134,374	135,212

Budget	Month	YTD Avg
Residential	120,562	121,346
Commercial	13,969	14,057
Industrial	181	179
Total	134,712	135,582

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	(355.0)	-0.3%	(384.0)	-0.3%
Commercial	21.0	0.2%	17.0	0.1%
Industrial	(4.0)	-2.2%	(3.0)	-1.7%
Total	(338.0)	-0.3%	(370.0)	-0.3%

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Labor	0.6	2.5	6.8	6.8
Benefits	0.2	0.8	2.2	1.9
Materials & Supplies	0.1	0.5	1.5	1.5
Outside Services	0.3	1.3	4.1	5.0
Management Fee	0.9	3.8	11.8	12.2
Uncollectibles	0.1	0.2	0.5	0.5
Other *	0.3	1.3	4.0	3.4
Trackers	0.1	0.6	0.9	0.8
Total O&M	2.7	10.9	31.8	32.1
Total O&M w/o Trackers	2.5	10.3	30.9	31.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.6	2.3	6.6	6.9
Benefits	0.2	0.7	1.9	1.6
Materials & Supplies	0.1	0.5	1.5	1.5
Outside Services	0.3	1.4	4.3	5.0
Management Fee	1.0	4.0	11.9	12.2
Uncollectibles	0.0	0.2	0.5	0.5
Other *	0.3	1.3	3.9	3.4
Trackers	0.1	0.4	0.8	0.7
Total O&M	2.6	10.7	31.5	31.8
Total O&M w/o Trackers	2.5	10.3	30.8	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	(0.0)	0.2	0.2	(0.0)
B) Benefits	0.0	0.1	0.3	0.3
Materials & Supplies	(0.0)	0.0	(0.0)	-
C) Outside Services	0.0	(0.1)	(0.2)	0.0
D) Management Fee	(0.0)	(0.2)	(0.1)	-
Uncollectibles	0.0	(0.0)	-	-
Other *	(0.0)	(0.0)	0.0	(0.0)
E) Trackers	0.1	0.2	0.1	0.0
Total Change	0.1	0.2	0.3	0.3
Total Change w/o Trackers	0.0	(0.0)	0.1	0.3

Variance Explanations:

- A) YTD & 2012 Yr Var - Primarily under runs in capital.
- B) 2012 and 2013 Yr Var primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) 2012 Yr Var - Primarily leak repairs.
- D) YTD Var - Primarily Legal and NGD Operations.
- E) Offset in revenue.

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.3	0.8	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.1	0.1	(0.0)
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.3)	(0.1)	(0.7)
I&D Accrual	(0.0)	0.3	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.4	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	1.3	4.0	3.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.3	0.3
Corporate Insurance	0.1	0.3	0.9	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.3	0.3
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	0.5	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	1.3	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	(0.0)	(0.0)	0.0	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	0.0	(0.0)	(0.0)	-
Misc & Other Expenses	0.0	0.1	0.1	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.2)	0.0	(0.0)
I&D Accrual	(0.0)	0.2	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	(0.0)	-
Auto/Trucks Cleared	(0.0)	(0.0)	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	(0.0)	(0.0)	0.0	(0.0)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Distribution Ops	0.9	3.9	10.9	11.2
Meter To Cash	0.0	0.2	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.1	0.3	0.4
Presidents	0.1	0.4	1.6	1.6
Other Dept	-	-	-	-
Management Fee	0.9	3.8	11.8	12.2
Benefits	0.2	0.8	2.2	1.9
Uncollectibles	0.1	0.2	0.5	0.5
Other Corporate *	0.2	1.0	2.9	3.0
Trackers	0.1	0.6	0.9	0.8
Total O&M	2.7	10.9	31.8	32.1
Total O&M w/o Trackers	2.5	10.3	30.9	31.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.9	3.6	10.9	11.2
Meter To Cash	0.0	0.2	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.1	0.4	0.4
Presidents	0.1	0.6	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	4.0	11.9	12.2
Benefits	0.2	0.7	1.9	1.6
Uncollectibles	0.0	0.2	0.5	0.5
Other Corporate *	0.2	1.0	2.9	3.0
Trackers	0.1	0.4	0.8	0.7
Total O&M	2.6	10.7	31.5	31.8
Total O&M w/o Trackers	2.5	10.3	30.8	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	0.1	0.2	0.0	-
Meter To Cash	(0.0)	(0.0)	0.0	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	(0.0)	(0.0)	(0.0)	-
Presidents	(0.0)	(0.1)	(0.0)	-
Other Dept	-	-	-	-
B) Management Fee	(0.0)	(0.2)	(0.1)	-
C) Benefits	0.0	0.1	0.3	0.3
Uncollectibles	0.0	(0.0)	-	-
Other Corporate *	(0.0)	0.0	(0.0)	(0.0)
D) Trackers	0.1	0.2	0.1	0.0
Total Change	0.1	0.2	0.3	0.3
Total Change w/o Trackers	0.0	(0.0)	0.1	0.3

Variance Explanations:

- A) YTD Var - Primarily under runs in capital offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations.
- C) 2012 and 2013 Yr Var primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Offset in revenue.

* See O&M Other Corp Tab

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.3	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	1.0	2.9	3.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.3	0.3
Corporate Insurance	0.1	0.3	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	1.0	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	(0.0)	0.0	(0.0)	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	0.0	(0.0)	(0.0)	-
Legal Fees	-	-	-	-
Outside Services	0.0	(0.0)	(0.0)	0.0
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	(0.0)
I&D Accrual	(0.0)	(0.0)	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	(0.0)	0.0	(0.0)	(0.0)

Variance Explanations:

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Depreciation	0.6	2.2	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.8	2.5	2.6
Payroll	0.0	0.2	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	1.0	3.0	3.1
Total Other Taxes w/o Trackers	0.3	1.1	3.2	3.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.5	2.1	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.8	2.4	2.6
Payroll	0.0	0.2	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	1.0	2.9	3.1
Total Other Taxes w/o Trackers	0.3	1.1	3.1	3.3

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	(0.0)	-
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.1	0.1
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes Change	0.0	0.0	0.1	0.1
Total Change w/o Trackers	0.0	0.1	0.1	0.1

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.1
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.2	0.7	0.5
Total Other Income	0.1	0.3	0.8	0.5
Long-Term Interest Expense	0.4	1.5	4.7	5.2
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	0.0	0.0	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	1.6	4.8	5.3
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.3	0.6	0.5
Total Other Income	0.1	0.3	0.7	0.5
Long-Term Interest Expense	0.4	1.5	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.0	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	1.6	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	0.0
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.0)	0.1	(0.0)
Total Other Income	(0.0)	(0.0)	0.1	0.0
Long-Term Interest Expense	0.0	0.0	0.0	-
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	-	-	-
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	0.0	0.0	0.0
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

2012 4&8	Mo	2012	2013
Assets			
Net Property Plant and Equipment	207.1	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.6	-	-
Restricted Cash	3.0	3.0	-
Accounts Receivable	59.7	48.4	26.7
Gas Inventory	34.2	44.9	46.8
Unrecovered Purchase Costs	-	-	11.1
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.4	0.4	0.4
Current Regulatory Assets	3.0	2.8	2.8
Prepayments and Other Assets	1.8	3.0	3.1
Total Current Assets	102.5	102.4	90.9
NC Regulatory Assets	17.7	16.9	15.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.8	1.8
Total Other Assets	19.4	18.7	17.6
Total Assets	329.4	333.1	328.6
Capitalization & Liabilities			
Total Common Stock Equity	94.3	92.1	93.4
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	161.6	150.4	182.7
Obligations Due in One Year	14.7	28.7	2.0
Accounts Payable	9.3	11.6	12.1
Customer Deposits and AR Credit Balance	13.1	17.7	17.7
Taxes Accrued	4.1	4.5	5.4
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	17.7	8.8	-
Price Risk Management Liabilities (Current)	1.2	1.2	1.2
Exchange Gas Payable	12.5	14.0	8.1
Current Regulatory Liabilities	2.6	2.3	2.2
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.1)	(1.3)	2.4
Total Current Liabilities	74.4	87.7	51.2
Price Risk Management Liabilities - NC	1.3	1.3	1.3
Deferred Income Taxes	45.4	46.8	47.3
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	26.4	26.6	26.9
Accrued Liab for Post Retirement Benefits - NC	10.1	9.9	9.0
Other Non-Current Liabilities	9.8	10.0	10.0
Other NC Liab & Deferred Credits	93.4	95.0	94.8
Total Capitalization & Liabilities	329.4	333.1	328.6

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	205.5	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.5	3.6	-
Accounts Receivable	62.1	39.2	31.4
Gas Inventory	27.5	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.9	2.7	2.7
Prepayments and Other Assets	2.0	2.9	3.1
Total Current Assets	98.2	93.6	82.6
NC Regulatory Assets	18.1	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.8	19.1	18.4
Total Assets	323.9	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	97.2	94.4	95.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	164.5	152.7	185.3
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	13.5	11.1	11.4
Customer Deposits and AR Credit Balance	4.8	17.7	17.7
Taxes Accrued	5.9	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	11.2	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	13.8	4.7	4.7
Current Regulatory Liabilities	2.2	2.2	2.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.7)	(0.8)	(0.7)
Total Current Liabilities	66.2	77.2	41.2
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	45.3	46.8	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	26.5	26.7	27.0
Accrued Liab for Post Retirement Benefits - NC	10.2	10.0	8.5
Other Non-Current Liabilities	9.7	9.8	10.0
Other NC Liab & Deferred Credits	93.2	94.8	94.6
Total Capitalization & Liabilities	323.9	324.7	321.1

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	1.5	(0.0)	(0.0)
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.6	-	-
C) Restricted Cash	(0.6)	(0.6)	-
D) Accounts Receivable	(2.5)	9.2	(4.7)
E) Gas Inventory	6.6	(0.2)	2.1
F) Unrecovered Purchase Costs	-	-	10.7
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.2	0.2	0.2
Current Regulatory Assets	0.1	0.1	0.1
Prepayments and Other Assets	(0.2)	0.0	0.0
Total Current Assets	4.3	8.8	8.4
NC Regulatory Assets	(0.4)	(0.5)	(1.0)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	0.1	0.1	0.2
Total Other Assets	(0.3)	(0.4)	(0.8)
Total Assets	5.5	8.4	7.5
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.9)	(2.3)	(2.6)
G) Long Term Debt , excluding amounts due within one year	-	-	-
Total Capitalization	(2.9)	(2.3)	(2.6)
G) Current Portion of Long Term Debt	-	-	2.0
D) Accounts Payable	(4.2)	0.5	0.8
D) Customer Deposits and AR Credit Balance	8.3	-	-
H) Taxes Accrued	(1.7)	(0.4)	0.1
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	6.5	0.9	-
I) Price Risk Management Liabilities (Current)	0.6	0.6	0.6
J) Exchange Gas Payable	(1.4)	9.3	3.4
Current Regulatory Liabilities	0.5	0.1	0.1
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
Other Accruals	(0.5)	(0.4)	3.1
Total Current Liabilities	8.2	10.5	10.0
Price Risk Management Liabilities - NC	0.2	0.2	0.2
Deferred Income Taxes	0.1	0.0	(0.5)
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.1)	(0.1)	(0.1)
Accrued Liab for Post Retirement Benefits - NC	(0.1)	(0.1)	0.5
Other Non-Current Liabilities	0.1	0.1	(0.0)
Other NC Liab & Deffered Credits	0.3	0.2	0.1
Total Capitalization & Liabilities	5.5	8.4	7.5

Variance Explanations:

- A) Variance due to timing issues around 2012 In-Service (\$1.1M) and Depreciation (\$425K)
- B) Increase in Money Pool funding
- C) Variance due to changes to the required reserves related to the Hedging Program, and MF Global bankruptcy (\$256K).
- D) April A/R variance due to decreases to Tariff receivables (\$5.3M), Choice Receivables (\$4.3), and Off-Systems Sales of (\$1.3M), partially offset by increased Money Pool deposits of \$9.9M. The \$8.3M Customer Deposits variance is due to an \$8.3M increase to A/P Factoring related to budget payment plans resulting from warmer than expected weather. The 2012 A/R variance is due to decreased Tariff receivables (\$1.7M), Unbilled receivables (\$2.3M), and Off-Systems Sales (\$1.3M), offset by \$15.7M in Money Pool funding. A/P Variance due to decreased payables related to declining Gas Costs (\$4.1M).
- E) April variance due to Rate Differential and Usage variances of \$3.02M and \$3.59M respectively. 2012 annual variance due to Rate Differential and Usage variances of (\$609K) and \$790K respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$1.4M and (\$700K) respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to an unfavorable \$1.5M increase to Federal Income tax payable.
- I) Variance due to changes in the Hedging obligations.
- J) March variance due to a decrease in the number of outstanding exchange obligations vs. the 0&12, while the variance in 2012 & 2013 indicate an increase in the number of outstanding exchange obligations.

2012 4&8	Mo Actual	YTD Actual	2012 4&8	2013 4&8
New Business	0.1	1.0	1.7	1.7
Betterment	0.0	0.3	1.0	0.2
Replacement	1.5	4.1	11.4	11.7
Support Services	0.3	0.5	1.2	1.6
Gross Capital	2.0	5.8	15.3	15.1
Contributions & Reimbursements	0.0	(0.0)	(0.7)	(0.7)
Total NGD	2.0	5.7	14.7	14.5
Infrastructure/AMR	1.4	3.4	9.1	8.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.1	0.5	1.7	1.7
Betterment	0.3	0.6	1.0	0.2
Replacement	1.1	3.5	11.4	11.7
Support Services	0.0	0.2	1.2	1.6
Gross Capital	1.5	4.8	15.3	15.1
Contributions & Reimbursements	(0.1)	(0.4)	(0.7)	(0.7)
Total NGD	1.4	4.4	14.7	14.5
Infrastructure/AMR	0.9	3.1	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	(0.0)	0.5	-	-
Betterment	(0.3)	(0.4)	-	-
Replacement	0.4	0.6	-	-
Support Services	0.3	0.3	-	-
Gross Capital	0.4	1.0	-	-
Contributions & Reimbursements	0.1	0.3	-	-
Total NGD	0.6	1.3	-	-
Infrastructure/AMR	0.5	0.2	-	-

Variance Explanations:

Primarily mild weather and contractor availability.

2012 5&7	2012	2013
Net Revenues	58.6	61.3
O&M Expense	31.0	31.0
Depreciation	6.6	7.0
Other Taxes	3.0	3.2
Operating Earnings	18.0	20.1
Other Income	0.8	0.5
Interest Expense	4.8	5.4
Net Operating Income	13.9	15.2
Income Tax	5.3	5.9
Net Operating Earnings	8.6	9.3

2012 0&12	2012	2013
Net Revenues	60.9	60.8
O&M Expense	30.9	31.1
Depreciation	6.6	6.9
Other Taxes	3.1	3.3
Operating Earnings	20.2	19.6
Other Income	0.7	0.5
Interest Expense	4.8	5.3
Net Operating Income	16.1	14.8
Income Tax	6.3	6.0
Net Operating Earnings	9.8	8.7

Variance	2012	2013
Net Revenues	(2.3)	0.5
O&M Expense	0.1	(0.0)
Depreciation	0.0	0.1
Other Taxes	(0.2)	(0.1)
Operating Earnings	(2.3)	0.5
Other Income	0.1	0.0
Interest Expense	0.0	0.1
Net Operating Income	(2.2)	0.5
Income Tax	(1.0)	(0.1)
Net Operating Earnings	(1.2)	0.6

* net of trackers

2012 5&7	2012	2013
Base Margin (less LCR)	48.9	50.4
LCR	5.0	4.9
LCR (Prior Dec. True-Up)	(0.1)	-
Supply Optimization	2.4	2.8
Regulatory Outcome	0.4	1.4
Other OGDR	1.4	1.1
CKY Purchase Receivable	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.3
Uncollectibles - Tracked	0.2	0.2
Trackers	0.7	0.5
Total Revenue	59.5	62.0
Total Revenue w/o Trackers	58.6	61.3

2012 0&12	2012	2013
Base Margin (less LCR)	51.1	50.4
LCR	5.1	4.9
LCR (Prior Dec. True-Up)	-	-
ESS	2.4	2.8
Regulatory Outcome	0.3	0.6
Other OGDR	1.2	1.2
CKY Purchase Receivable	0.5	0.5
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.5	0.5
Total Revenue	61.6	61.6
Total Revenue w/o Trackers	60.9	60.8

Variance	2012	2013
Base Margin (less LCR)	(2.2)	(0.0)
LCR	(0.1)	-
LCR (Prior Dec. True-Up)	(0.1)	-
ESS	0.0	-
Regulatory Outcome	0.1	0.8
Other OGDR	0.2	(0.1)
CKY Purchase Receivable	(0.1)	(0.1)
Uncollectibles - Non Tracked	(0.1)	(0.1)
Uncollectibles - Tracked	(0.0)	-
Trackers	0.2	(0.0)
Total Variance	(2.1)	0.4
Total Variance w/o Trackers	(2.3)	0.5

2012 5&7	2012	2013
Labor	6.8	6.8
Benefits	2.2	1.9
Materials & Supplies	1.5	1.6
Outside Services	4.3	4.3
Management Fee	11.6	11.8
Uncollectibles	0.5	0.5
Other *	4.047	4.126
Trackers	0.9	0.8
Total O&M	31.933	31.791
Total O&M w/o Trackers	31.0	31.0

2012 0&12	2012	2013
Labor	6.6	6.9
Benefits	2.0	1.6
Materials & Supplies	1.5	1.5
Outside Services	4.3	4.5
Management Fee	11.9	12.2
Uncollectibles	0.5	0.5
Other *	3.9	3.9
Trackers	0.8	0.7
Total O&M	31.6	31.8
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
Labor	0.2	(0.0)
A) Benefits	0.2	0.3
Materials & Supplies	0.0	0.0
Outside Services	(0.0)	(0.2)
B) Management Fee	(0.4)	(0.4)
Uncollectibles	-	-
Other *	0.1	0.2
C) Trackers	0.2	0.0
Total Change	0.3	(0.0)
Total Change w/o Trackers	0.1	(0.0)

- A) 2013 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- B) 2012 - Primarily revised capital transfers, legal and NGD Operations. '2013-2014 - Primarily revised management fee transfers.
- C) Offset in revenues.

2012 5&7	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.2	0.3
Corporate Insurance	0.8	0.9
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.3	0.3
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.3	1.4
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	4.047	4.126

2012 0&12	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.3	0.3
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M	-	-
	3.9	3.889

Variance	2012	2013
Other		
Buildings and Land	(0.0)	-
Rents/Leases	(0.1)	-
Corporate Insurance	(0.0)	-
Employee Expenses	0.0	-
Company Memberships	0.0	0.0
Utilities	0.1	0.0
Misc Revenues	(0.0)	-
Misc & Other Expenses	0.2	0.2
Amortizations *	-	-
Deferred Credits	0.0	(0.0)
I&D Accrual	(0.0)	-
Well/Lease Rent/Royalty	-	-
Advertising	(0.0)	-
Auto/Trucks Cleared	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Below the Line O&M	-	-
	0.1	0.2

2012 5&7	2012	2013
Distribution Ops	11.2	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.4	0.4
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	11.6	11.8
Benefits	2.2	1.9
Uncollectibles	0.5	0.5
Other Corporate*	2.861	2.956
Trackers	0.9	0.8
Total O&M	31.933	31.791
	-	-
Total O&M w/o Trackers	31.0	31.0

2012 0&12	2012	2013
Distribution Ops	10.9	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.4	0.4
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	11.9	12.2
Benefits	2.0	1.6
Uncollectibles	0.5	0.5
Other Corporate*	2.9	3.0
Trackers	0.8	0.7
Total O&M	31.6	31.8
	-	-
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
A) Distribution Ops	0.3	0.0
Meter To Cash	0.0	-
Customer Call Center	(0.0)	-
Integration Center	0.0	-
Presidents	(0.0)	0.0
Other Departments	-	-
B) Management Fee	(0.4)	(0.4)
C) Benefits	0.2	0.3
Uncollectibles	-	-
Other Corporate*	(0.1)	(0.0)
D) Trackers	0.2	0.0
Total Change	0.3	(0.0)
	-	-
Total Change w/o Trackers	0.1	(0.0)

- A) 2012 - Primarily fleet adj., right of way (ROW) clearing and tools and uniforms. '2014-2017 - Primarily fleet adj. and decreased AMR Savings.
- B) 2012 - Primarily revised capital transfers, legal and NGD Operations. '2013-2014 - Primarily revised management fee transfers.
- C) 2013 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- D) Offset in revenues.

2012 5&7	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.2	0.1
Consulting Fees	0.0	0.2
Legal Fees	-	-
Outside Services	0.1	0.2
Buildings and Land	-	-
Rents/Leases	0.2	0.3
Corporate Insurance	0.6	0.9
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.1	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.861	2.956

2012 0&12	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.1	0.1
Consulting Fees	0.0	0.2
Legal Fees	-	-
Outside Services	0.2	0.2
Buildings and Land	-	-
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.0	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.0

Variance	2012	2013
Other		
Net Labor (CIP)	(0.0)	(0.0)
Materials/Supplies	0.0	-
Audit Fees	0.0	-
Consulting Fees	(0.0)	-
Legal Fees	-	-
Outside Services	(0.0)	0.0
Buildings and Land	-	-
Rents/Leases	(0.1)	-
Corporate Insurance	(0.0)	-
Employee Expenses	-	-
Company Memberships	0.0	0.0
Utilities	0.1	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.0	(0.0)
Amortizations *	-	-
Deferred Credits	(0.0)	(0.0)
I&D Accrual	(0.0)	-
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	(0.1)	(0.0)

2012 5&7	2012	2013
Depreciation	6.6	7.0
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.5	2.7
Payroll	0.5	0.5
Distribution	-	-
Other	0.0	-
Total Other Taxes	3.0	3.1
Total Other Taxes w/o Trackers	3.0	3.2

2012 0&12	2012	2013
Depreciation	6.6	6.9
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.4	2.6
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	2.9	3.1
Total Other Taxes w/o Trackers	3.1	3.3

Variance	2012	2013
A) Depreciation Change	0.0	0.1
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	0.1	0.1
Payroll	0.0	-
Distribution	-	-
Other	0.0	-
Total Other Taxes Change	0.1	0.1
Total Change w/o Trackers	(0.2)	(0.1)

A) Variance due to increased Capital spend

2012 5&7	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.2
Hedging Interest Income	0.1	0.1
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.7	0.5
Total Other Income	0.8	0.5

Long-Term Interest Expense	4.7	5.3
Short-Term Interest Expense	-	0.1
Customer Deposits	0.2	0.2
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.1)	(0.1)
Interest Expense	4.8	5.4

2012 0&12	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.1
Hedging Interest Income	0.1	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.6	0.5
Total Other Income	0.7	0.5

Long-Term Interest Expense	4.7	5.2
Short-Term Interest Expense	-	-
Customer Deposits	0.2	0.2
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	4.8	5.3

Variance	2012	2013
Miscellaneous	-	-
AFUDC	0.0	0.0
Hedging Interest Income	(0.0)	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.0)	-
A) Temp Cash Inv Int Inc	0.1	(0.0)
Total Other Income	0.1	0.0

B) Long-Term Interest Expense	0.0	0.1
A) Short-Term Interest Expense	-	0.1
Customer Deposits	-	-
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	0.0	0.1

- A) Variance due to fluctuations in normal operating activity.
 B) Variance due to changes in Capital structure to maintain appropriate debt / equity percentages.

2012 5&7	2012	2013
Assets		
Net Property Plant and Equipment	212.6	226.3
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.0	-
Accounts Receivable	47.4	26.0
Gas Inventory	45.0	46.9
Unrecovered Purchase Costs	-	5.0
Material & Supplies	-	-
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.8	2.8
Prepayments and Other Assets	3.0	3.2
Total Current Assets	101.4	84.0
NC Regulatory Assets	16.9	15.8
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	2.0	1.9
Total Other Assets	18.9	17.7
Total Assets	333.3	328.5
Capitalization & Liabilities		
Total Common Stock Equity	92.0	97.3
Long Term Debt , excluding amounts due within one year	58.3	87.1
Total Capitalization	150.3	184.4
Current Portion of Long Term Debt	28.7	9.1
Accounts Payable	10.6	12.3
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	4.5	5.5
Interest Accrued	0.1	0.1
Overrecovered Gas and Fuel Costs	14.0	-
Price Risk Management Liabilities (Current)	1.2	1.2
Exchange Gas Payable	9.6	0.7
Current Regulatory Liabilities	2.5	2.2
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(1.3)	0.0
Total Current Liabilities	87.7	48.8
Price Risk Management Liabilities - NC	1.3	1.3
Deferred Income Taxes	47.0	47.7
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	26.6	26.9
Accrued Liab for Post Retirement Benefits - NC	10.0	9.1
Other Non-Current Liabilities	9.9	9.9
Other NC Liab & Deffered Credits	95.2	95.3
Total Capitalization & Liabilities	333.3	328.5

2012 0&12	2012	2013
Assets		
Net Property Plant and Equipment	211.6	219.7
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.6	-
Accounts Receivable	39.2	31.4
Gas Inventory	45.1	44.6
Unrecovered Purchase Costs	-	0.5
Material & Supplies	0.0	0.0
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.7	2.7
Prepayments and Other Assets	2.9	3.1
Total Current Assets	93.6	82.6
NC Regulatory Assets	17.4	16.8
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	1.7	1.7
Total Other Assets	19.1	18.4
Total Assets	324.7	321.1
Capitalization & Liabilities		
Total Common Stock Equity	94.4	95.9
Long Term Debt , excluding amounts due within one year	58.3	89.3
Total Capitalization	152.7	185.3
Current Portion of Long Term Debt	28.7	-
Accounts Payable	11.1	11.4
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	5.0	5.3
Interest Accrued	0.0	0.0
Overrecovered Gas and Fuel Costs	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6
Exchange Gas Payable	4.7	4.7
Current Regulatory Liabilities	2.2	2.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(0.8)	(0.7)
Total Current Liabilities	77.2	41.2
Price Risk Management Liabilities - NC	1.1	1.1
Deferred Income Taxes	46.8	47.7
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	26.7	27.0
Accrued Liab for Post Retirement Benefits - NC	10.0	8.5
Other Non-Current Liabilities	9.8	10.0
Other NC Liab & Defferred Credits	94.8	94.6
Total Capitalization & Liabilities	324.7	321.1

Variance	2012	2013
Assets		
Net Property Plant and Equipment	0.9	6.6
Total Investments	0.0	0.0
Cash and Cash Equivalents	-	-
Restricted Cash	(0.5)	-
A) Accounts Receivable	8.2	(5.5)
B) Gas Inventory	(0.0)	2.3
C) Unrecovered Purchase Costs	-	4.5
Material & Supplies	(0.0)	(0.0)
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)
Current Regulatory Assets	0.1	0.1
Prepayments and Other Assets	0.0	0.1
Total Current Assets	7.7	1.5
D) NC Regulatory Assets	(0.5)	(1.0)
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	0.3	0.3
Total Other Assets	(0.2)	(0.7)
Total Assets	8.5	7.4
Capitalization & Liabilities		
E) Total Common Stock Equity	(2.4)	1.4
E) Long Term Debt , excluding amounts due within one year	-	(2.3)
Total Capitalization	(2.4)	(0.9)
E) Current Portion of Long Term Debt	-	9.1
A) Accounts Payable	(0.5)	0.9
Customer Deposits and AR Credit Balance	-	-
Taxes Accrued	(0.4)	0.2
Interest Accrued	0.0	0.0
C) Overrecovered Gas and Fuel Costs	6.0	-
Price Risk Management Liabilities (Current)	0.6	0.6
F) Exchange Gas Payable	4.9	(4.0)
Current Regulatory Liabilities	0.3	0.1
Accrued Liability for Post Retirement Benefits - Cur	-	-
Environmental	-	-
G) Other Accruals	(0.5)	0.7
Total Current Liabilities	10.5	7.6
Price Risk Management Liabilities - NC	0.2	0.2
G) Deferred Income Taxes	0.2	(0.0)
Deferred Investment Tax Credits	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.1)	(0.1)
Accrued Liab for Post Retirement Benefits - NC	(0.0)	0.6
Other Non-Current Liabilities	0.1	(0.1)
Other NC Liab & Defferred Credits	0.4	0.6
Total Capitalization & Liabilities	8.5	7.4

Variance Explanations:

A) Variances due to fluctuations in Gas Costs and Usage primarily to Tariff Sales and Off-System sales, as well as Money Pool deposits effecting balances in both A/R and A/P (short term borrowings). 2012 A/R variance due to decreased Tariff Sales (\$1.8M), Off-System sales (\$700K), and Unbilled (\$2.2M), offset by Money Pool deposits of \$14.7M.

B)

Year	Volume Variance (\$\$\$)	Rate Variance (\$\$\$)	Total Variance (\$\$\$)
2012	(0.8)	0.8	(0.0)
2013	1.4	0.8	2.2
2014	3.8	0.3	4.1
2015	3.5	0.0	3.5
2016	3.0	0.2	3.1
2017	2.7	0.2	2.9

C) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.

D) Variances are due to changes to pension funding obligations

E) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.

F) Variance due to changes in the number of exchange obligations vs. the 0&12.

G) Variance in 2012 & out years primarily driven by Federal and State tax liabilities.

2012 5&7	2012	2013
New Business	2.7	2.4
Betterment	0.3	0.2
Replacement	12.0	16.7
Support Services	1.3	1.6
Gross Capital	16.3	20.8
Contributions & Reimbursements	(0.7)	(0.7)
Total CKY *	15.6	20.2
Infrastructure/AMR	9.6	13.2

2012 0&12	2012	2013
New Business	1.7	1.7
Betterment	1.0	0.2
Replacement	11.4	11.7
Support Services	1.2	1.6
Gross Capital	15.3	15.1
Contributions & Reimbursements	(0.7)	(0.7)
Total CKY	14.7	14.5
Infrastructure/AMR	9.1	8.2

Variance	2012	2013
New Business	1.0	0.7
Betterment	(0.7)	-
Replacement	0.6	5.0
Support Services	0.1	-
Gross Capital	1.0	5.7
Contributions & Reimbursements	-	-
Total CKY	1.0	5.7
Infrastructure/AMR	0.5	5.0

Plan variances due to additional capital allocations to NGD and updated forecasts.

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Net Revenues	2.9	31.1	58.6	61.3
O&M Expense	2.5	15.3	31.1	31.0
Depreciation	0.6	3.3	6.6	7.0
Other Taxes	0.2	1.5	3.0	3.2
*Operating Earnings	(0.4)	11.1	17.9	20.1
Other Income	0.1	0.4	0.7	0.6
Interest Expense	0.4	2.4	4.8	5.4
*Operating Earnings before Taxes	(0.7)	9.1	13.9	15.2
Income Tax	(0.2)	3.5	5.4	5.9
Net Operating Earnings	(0.5)	5.6	8.5	9.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	3.1	34.2	60.9	60.8
O&M Expense	2.6	15.5	30.9	31.1
Depreciation	0.5	3.2	6.6	6.9
Other Taxes	0.2	1.5	2.9	3.1
*Operating Earnings	(0.3)	14.0	20.5	19.8
Other Income	0.1	0.4	0.7	0.5
Interest Expense	0.4	2.4	4.8	5.3
*Operating Earnings before Taxes	(0.6)	12.1	16.4	15.0
Income Tax	0.4	5.0	6.3	6.0
Net Operating Earnings	(1.0)	7.1	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.2)	(3.1)	(2.3)	0.5
O&M Expense	(0.2)	(0.2)	0.2	(0.0)
Depreciation	0.0	0.0	0.0	0.1
Other Taxes	(0.0)	0.1	0.1	0.1
*Operating Earnings	(0.1)	(3.0)	(2.6)	0.3
Other Income	(0.0)	(0.0)	0.1	0.1
Interest Expense	0.0	0.0	0.0	0.1
*Operating Earnings before Taxes	(0.1)	(3.0)	(2.5)	0.2
Income Tax				
Net Operating Earnings	(0.1)	(3.0)	(2.5)	0.2

* net of trackers

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Base Margin (less LCR)	2.3	26.7	48.9	50.4
LCR	0.3	2.5	5.0	4.9
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.1	0.6	2.4	2.8
Regulatory Outcome	-	-	0.4	1.4
Other OGDR	0.1	0.9	1.3	1.1
CKY Purchase Receivable	0.0	0.3	0.4	0.4
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.1	0.6	0.8	0.5
Total Revenue	3.0	31.9	59.6	62.0
Total Revenue w/o Trackers	2.9	31.1	58.6	61.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	2.5	28.9	51.1	50.4
LCR	0.3	2.6	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	1.3	2.4	2.8
Regulatory Outcome	0.0	0.0	0.3	0.6
Other OGDR	0.1	0.7	1.2	1.2
CKY Purchase Receivable	(0.0)	0.4	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.0	0.3	0.5	0.5
Total Revenue	3.1	34.7	61.6	61.6
Total Revenue w/o Trackers	3.1	34.2	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	(0.2)	(2.2)	(2.1)	(0.0)
LCR	0.0	(0.2)	(0.1)	-
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	(0.0)	(0.7)	0.0	-
Regulatory Outcome	(0.0)	(0.0)	0.0	0.8
Other OGDR	(0.0)	0.2	0.2	(0.1)
C_ CKY Purchase Receivable	0.0	(0.1)	(0.1)	(0.1)
D) Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.1)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.3	0.3	(0.0)
Total Variance	(0.2)	(2.8)	(2.0)	0.4
Total Variance w/o Trackers	(0.2)	(3.1)	(2.3)	0.5

Variance Explanations:

- A) Variance due to customer and usage erosion.
- B) Variance represents downward revision to Off-System sales assumptions due to lack of price volatility.
- C) Variance due to April Billing Service interruptions of \$265K.
- D) Variance due to declining gas costs.

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Penalty Charges	0.1	0.3	0.4	0.3
Return Check	0.0	0.1	0.2	0.1
Other Fees	0.0	0.4	0.6	0.4
Other Revenue	0.0	0.0	0.1	0.1
Pub Util-Flex	0.0	0.0	0.1	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	0.9	1.3	1.1

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.2	0.4	0.4
Other Revenue	0.0	0.1	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.7	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	0.0
Return Check	0.0	0.0	0.0	0.0
Other Fees	0.0	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.1)	(0.1)	(0.1)
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	(0.0)	(0.0)	(0.0)	(0.0)
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.0	0.2	0.2	(0.1)

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.1	0.4
Commercial	0.0	0.0
Total	0.1	0.4

Usage Change	Month	YTD
Residential	0.2	0.0
Commercial	0.5	0.4
Industrial (Non-LCR)	(0.1)	0.1
Total	0.6	0.6

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	1.1	44.3
Comm	18.7	541.3
Ind	5,384.2	87,224.9

Budget	Month	YTD
Residential	1.0	44.4
Commercial	16.7	318.4
Industrial	5,287.3	45,707.2

Variance	Month	Mo. %	YTD	YTD %
Residential	0.1	7.0%	(0.1)	-0.1%
Commercial	2.0	12.1%	222.9	70.0%
Industrial	96.9	1.8%	41,517.7	90.8%

Customer Count

Actual	Month	YTD Avg
Residential	118,913	120,385
Commercial	13,808	14,001
Industrial	177	178
Total	132,898	134,563

Budget	Month	YTD Avg
Residential	118,250	120,496
Commercial	13,741	13,967
Industrial	181	181
Total	132,172	134,644

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	663.0	0.6%	(110.7)	-0.1%
Commercial	67.0	0.5%	33.5	0.2%
Industrial	(4.0)	-2.2%	(3.5)	-1.9%
Total	726.0	0.5%	(80.7)	-0.1%

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Labor	0.6	3.6	6.9	6.8
Benefits	0.2	1.1	2.2	1.9
Materials & Supplies	0.1	0.7	1.5	1.6
Outside Services	0.4	2.0	4.4	4.8
Management Fee	0.9	5.6	11.6	11.8
Uncollectibles	(0.0)	0.2	0.5	0.5
Other *	0.3	1.9	4.1	3.6
Trackers	0.1	0.7	1.0	0.8
Total O&M	2.5	16.0	32.1	31.8
Total O&M w/o Trackers	2.5	15.3	31.1	31.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	3.4	6.6	6.9
Benefits	0.2	1.0	2.0	1.6
Materials & Supplies	0.2	0.7	1.5	1.5
Outside Services	0.4	2.1	4.3	5.0
Management Fee	1.0	6.0	11.9	12.2
Uncollectibles	0.0	0.3	0.5	0.5
Other *	0.3	2.0	3.9	3.4
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.6	16.0	31.6	31.8
Total O&M w/o Trackers	2.6	15.5	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.0	0.2	0.2	(0.0)
B) Benefits	(0.0)	0.1	0.2	0.3
Materials & Supplies	(0.1)	(0.0)	(0.0)	0.0
Outside Services	0.0	(0.1)	0.0	(0.2)
C) Management Fee	(0.1)	(0.3)	(0.4)	(0.4)
Uncollectibles	(0.0)	(0.0)	-	-
Other *	0.0	(0.0)	0.1	0.2
D) Trackers	0.0	0.3	0.2	0.0
Total Change	(0.1)	0.0	0.4	(0.0)
Total Change w/o Trackers	(0.2)	(0.2)	0.2	(0.0)

Variance Explanations:

- A) YTD & 2012 Yr Var - Primarily meter reading and maintenance of mains.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- D) Offset in revenue.

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.4	0.8	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.7)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.7	1.3	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	1.9	4.1	3.6

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.4	0.9	0.9
Employee Expenses	0.0	0.1	0.3	0.4
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.3	0.3
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	0.7	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	2.0	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	(0.0)	(0.0)	(0.0)	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	(0.0)	(0.0)	(0.0)	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.0	0.0	(0.0)
I&D Accrual	(0.0)	(0.0)	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	(0.0)	-
Auto/Trucks Cleared	(0.0)	(0.0)	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	0.0	(0.0)	0.1	0.2

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses.

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Distribution Ops	0.9	5.6	11.2	11.2
Meter To Cash	0.0	0.3	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.1	0.2	0.4	0.4
Presidents	0.1	0.7	1.6	1.6
Other Dept	-	-	-	-
Management Fee	0.9	5.6	11.6	11.8
Benefits	0.2	1.1	2.2	1.9
Uncollectibles	(0.0)	0.2	0.5	0.5
Other Corporate *	0.3	1.5	2.9	3.0
Trackers	0.1	0.7	1.0	0.8
Total O&M	2.5	16.0	32.1	31.8
Total O&M w/o Trackers	2.5	15.3	31.1	31.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.9	5.5	10.9	11.2
Meter To Cash	0.1	0.3	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.2	0.4	0.4
Presidents	0.1	0.8	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	6.0	11.9	12.2
Benefits	0.2	1.0	2.0	1.6
Uncollectibles	0.0	0.3	0.5	0.5
Other Corporate *	0.2	1.5	2.9	3.0
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.6	16.0	31.6	31.8
Total O&M w/o Trackers	2.6	15.5	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	(0.0)	0.1	0.3	0.0
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	0.0	0.0	0.0	-
Presidents	(0.0)	(0.2)	(0.0)	0.0
Other Dept	-	-	-	-
B) Management Fee	(0.1)	(0.3)	(0.4)	(0.4)
C) Benefits	(0.0)	0.1	0.2	0.3
Uncollectibles	(0.0)	(0.0)	-	-
Other Corporate *	0.0	0.0	0.0	(0.0)
D) Trackers	0.0	0.3	0.2	0.0
Total Change	(0.1)	0.0	0.4	(0.0)
Total Change w/o Trackers	(0.2)	(0.2)	0.2	(0.0)

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj. partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Offset in revenue.

* See O&M Other Corp Tab

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Other Corporate				
Net Labor	0.0	0.2	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.3
Corporate Insurance	0.1	0.4	0.8	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	1.5	2.9	3.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.2	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.3	0.3
Corporate Insurance	0.1	0.4	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.2	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	1.5	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	(0.0)	(0.0)	(0.0)	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	0.0	0.0	0.0	-
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	0.0
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.0)	(0.1)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	0.0	(0.0)	(0.0)	(0.0)
I&D Accrual	(0.0)	(0.0)	-	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.0	0.0	(0.0)

Variance Explanations:

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Depreciation	0.6	3.3	6.6	7.0
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.2	2.5	2.7
Payroll	0.1	0.3	0.5	0.5
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes	0.3	1.5	3.0	3.1
Total Other Taxes w/o Trackers	0.2	1.5	3.0	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.5	3.2	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.2	2.4	2.6
Payroll	0.0	0.2	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	1.4	2.9	3.1
Total Other Taxes w/o Trackers	0.2	1.5	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	0.0	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.1	0.1
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.1
Total Change w/o Trackers	(0.0)	0.1	0.1	0.1

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.1	0.1
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.3	0.7	0.5
Total Other Income	0.1	0.4	0.7	0.6
Long-Term Interest Expense	0.4	2.3	4.7	5.3
Short-Term Interest Expense	-	-	-	0.1
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.1)
Interest Expense	0.4	2.4	4.8	5.4
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.1	0.1
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.4	0.6	0.5
Total Other Income	0.1	0.4	0.7	0.5
Long-Term Interest Expense	0.4	2.3	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	2.4	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	0.0
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.1
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.1)	0.1	(0.0)
Total Other Income	(0.0)	(0.0)	0.1	0.1
Long-Term Interest Expense	0.0	0.0	0.0	0.1
Short-Term Interest Expense	-	-	-	0.1
Customer Deposits Interest Expense	-	-	-	-
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	(0.0)	(0.0)	(0.0)
Interest Expense	0.0	0.0	0.0	0.1
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

2012 6&6	Mo	2012	2013
Assets			
Net Property Plant and Equipment	209.6	212.6	226.3
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	1.5	-	-
Restricted Cash	2.7	3.1	-
Accounts Receivable	48.5	46.8	25.4
Gas Inventory	39.7	45.2	47.1
Unrecovered Purchase Costs	-	-	6.8
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.8	2.7	2.7
Prepayments and Other Assets	1.2	3.0	3.2
Total Current Assets	96.5	100.7	85.3
NC Regulatory Assets	17.3	16.7	15.6
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	2.1	2.2	2.1
Total Other Assets	19.4	18.9	17.7
Total Assets	326.0	332.6	329.7
Capitalization & Liabilities			
Total Common Stock Equity	92.9	91.9	97.3
Long Term Debt , excluding amounts due within one year	67.3	58.3	87.1
Total Capitalization	160.3	150.3	184.3
Obligations Due in One Year	14.7	28.7	9.5
Accounts Payable	6.9	10.7	12.3
Customer Deposits and AR Credit Balance	11.2	17.7	17.7
Taxes Accrued	3.7	4.5	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	19.4	12.0	-
Price Risk Management Liabilities (Current)	1.0	1.0	1.0
Exchange Gas Payable	14.2	11.4	1.5
Current Regulatory Liabilities	4.1	4.0	3.6
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.6)	(1.6)	0.5
Total Current Liabilities	73.8	88.8	51.8
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	45.5	47.0	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	25.0	25.1	25.4
Accrued Liab for Post Retirement Benefits - NC	9.9	9.9	9.0
Other Non-Current Liabilities	9.8	9.9	10.0
Other NC Liab & Deferred Credits	91.9	93.5	93.6
Total Capitalization & Liabilities	326.0	332.6	329.7

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	207.0	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.5	3.6	-
Accounts Receivable	43.5	39.2	31.4
Gas Inventory	37.4	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.9	2.7	2.7
Prepayments and Other Assets	1.7	2.9	3.1
Total Current Assets	89.1	93.6	82.6
NC Regulatory Assets	17.9	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.6	19.1	18.4
Total Assets	316.0	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	95.7	94.4	95.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	163.1	152.7	185.3
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	11.7	11.1	11.4
Customer Deposits and AR Credit Balance	6.2	17.7	17.7
Taxes Accrued	4.1	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	10.4	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	9.9	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.7)	(0.8)	(0.7)
Total Current Liabilities	60.8	78.6	42.6
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	45.7	46.8	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	25.1	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.7	9.8	10.0
Other NC Liab & Deferred Credits	92.1	93.4	93.2
Total Capitalization & Liabilities	316.0	324.7	321.1

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	2.6	0.9	6.5
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	1.5	-	-
C) Restricted Cash	(0.9)	(0.5)	-
D) Accounts Receivable	5.0	7.6	(6.0)
E) Gas Inventory	2.3	0.1	2.5
F) Unrecovered Purchase Costs	-	-	6.3
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	(0.1)	(0.1)	(0.1)
Prepayments and Other Assets	(0.4)	0.0	0.1
Total Current Assets	7.5	7.1	2.7
NC Regulatory Assets	(0.6)	(0.7)	(1.1)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	0.4	0.5	0.4
Total Other Assets	(0.2)	(0.2)	(0.7)
Total Assets	9.9	7.9	8.6
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.8)	(2.4)	1.3
G) Long Term Debt , excluding amounts due within one year	-	-	(2.3)
Total Capitalization	(2.8)	(2.4)	(0.9)
G) Current Portion of Long Term Debt	-	-	9.5
D) Accounts Payable	(4.8)	(0.4)	1.0
D) Customer Deposits and AR Credit Balance	5.0	-	-
H) Taxes Accrued	(0.4)	(0.4)	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	8.9	4.1	-
I) Price Risk Management Liabilities (Current)	0.4	0.4	0.4
J) Exchange Gas Payable	4.3	6.8	(3.1)
Current Regulatory Liabilities	0.4	0.4	0.1
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
Other Accruals	(0.9)	(0.7)	1.2
Total Current Liabilities	13.0	10.2	9.2
Price Risk Management Liabilities - NC	0.1	0.1	0.1
Deferred Income Taxes	(0.2)	0.2	(0.0)
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.1)	(0.1)	(0.1)
Accrued Liab for Post Retirement Benefits - NC	(0.1)	(0.1)	0.5
Other Non-Current Liabilities	0.1	0.1	(0.1)
Other NC Liab & Deferred Credits	(0.2)	0.1	0.3
Total Capitalization & Liabilities	9.9	7.9	8.6

Variance Explanations:

- A) Variance due to timing issues around 2012 In-Service (\$2.1M) and Depreciation (\$600K).
- B) Increase in Money Pool funding.
- C) Monthly variance due to changes to the required reserves related to the Hedging Program, while YTD variance is due to MF Global bankruptcy (\$483K).
- D) June A/R variance due to decreases to Tariff receivables (\$2.2M), Choice Receivables (\$3.2M), and Off-Systems Sales of (\$1.4M), partially offset by increased Money Pool deposits of \$13.8M. The \$8.3M Customer Deposits variance is due to an \$8.3M increase to A/P Factoring related to budget payment plans resulting from warmer than expected weather. The 2012 A/R variance is due to decreased Tariff receivables (\$1.8M), Unbilled receivables (\$2.1M), and Off-Systems Sales (\$1.4M), offset by \$14.7M in Money Pool funding. A/P Variance due to decreased payables related to declining Gas Costs (\$4.9M).
- E) June variance due to Rate Differential and Usage variances of \$1.7M and \$639K respectively. 2012 annual variance due to Rate Differential and Usage variances of \$898K and (\$802)K respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$1.05M and \$1.4M respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to seasonality.
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to an increase in the number of outstanding exchange obligations vs. the 0&12.

2012 6&6	Mo Actual	YTD Actual	2012 6&6	2013 6&6
New Business	0.3	1.6	2.7	2.4
Betterment	0.0	0.3	0.3	0.2
Replacement	1.5	7.2	12.0	16.7
Support Services	0.2	0.7	1.3	1.6
Gross Capital	2.0	9.8	16.3	20.8
Contributions & Reimbursements	-	(0.2)	(0.7)	(0.7)
Total NGD	2.0	9.6	15.6	20.2
Infrastructure/AMR	1.4	6.2	9.6	13.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.1	0.7	1.7	1.7
Betterment	0.1	0.8	1.0	0.2
Replacement	1.1	5.4	11.4	11.7
Support Services	0.1	0.3	1.2	1.6
Gross Capital	1.3	7.2	15.3	15.1
Contributions & Reimbursements	(0.0)	(0.4)	(0.7)	(0.7)
Total NGD	1.3	6.9	14.7	14.5
Infrastructure/AMR	1.0	4.8	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.2	0.9	1.0	0.7
Betterment	(0.1)	(0.5)	(0.7)	0.1
Replacement	0.4	1.8	0.6	5.0
Support Services	0.1	0.4	0.1	0.0
Gross Capital	0.7	2.6	1.0	5.8
Contributions & Reimbursements	0.0	0.2	(0.0)	(0.0)
Total NGD	0.7	2.8	1.0	5.7
Infrastructure/AMR	0.4	1.4	0.5	5.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

2012 7&5	2012	2013
Net Revenues	58.5	60.4
O&M Expense	31.2	31.8
Depreciation	6.7	7.0
Other Taxes	2.7	3.2
Operating Earnings	17.8	18.4
Other Income	0.7	0.4
Interest Expense	4.8	5.1
Net Operating Income	13.7	13.7
Income Tax	6.0	5.3
Net Operating Income	7.7	8.4

2012 0&12	2012	2013
Net Revenues	60.9	60.8
O&M Expense	30.9	31.1
Depreciation	6.6	6.9
Other Taxes	3.1	3.3
Operating Earnings	20.2	19.6
Other Income	0.7	0.5
Interest Expense	4.8	5.3
Net Operating Income	16.1	14.8
Income Tax	6.3	6.0
Net Operating Income	9.8	8.7

Variance	2012	2013
Net Revenues	(2.4)	(0.4)
O&M Expense	0.4	0.7
Depreciation	0.1	0.1
Other Taxes	(0.4)	(0.1)
Operating Earnings	(2.4)	(1.1)
Other Income	0.0	(0.1)
Interest Expense	0.0	(0.2)
Net Operating Income	(2.4)	(1.0)
Income Tax	(0.3)	(0.7)
Net Operating Income	(2.1)	(0.3)

* net of trackers

2012 7&5	2012	2013
Base Margin (less LCR)	49.2	50.2
LCR	4.9	5.1
LCR (Prior Dec. True-Up)	(0.1)	-
Supply Optimization	2.4	2.8
Regulatory Outcome	-	0.6
Other OGDR	1.3	1.0
CKY Purchase Receivable	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.8	0.5
Total Revenue	59.5	61.1
Total Revenue w/o Trackers	58.5	60.4

2012 0&12	2012	2013
Base Margin (less LCR)	51.4	50.4
LCR	5.1	4.9
LCR (Prior Dec. True-Up)	-	-
ESS	2.4	2.8
Regulatory Outcome	-	0.6
Other OGDR	1.2	1.2
CKY Purchase Receivable	0.5	0.5
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.5	0.5
Total Revenue	61.6	61.6
Total Revenue w/o Trackers	60.9	60.8

Variance	2012	2013
A) Base Margin (less LCR)	(2.2)	(0.2)
LCR	(0.1)	0.2
LCR (Prior Dec. True-Up)	(0.1)	-
ESS	(0.0)	(0.0)
Regulatory Outcome	-	0.0
Other OGDR	0.1	(0.2)
CKY Purchase Receivable	(0.1)	(0.1)
Uncollectibles - Non Tracked	(0.0)	(0.1)
Uncollectibles - Tracked	(0.0)	-
Trackers	0.3	(0.0)
Total Variance	(2.1)	(0.5)
Total Variance w/o Trackers	(2.4)	(0.4)

A) 2013 variance due to downward revisions to volumetric forecasts (\$1.5M), partially offset by increased customer charge (+\$600K).

2012 7&5	2012	2013
Labor	7.0	7.3
Benefits	2.1	1.9
Materials & Supplies	1.5	1.5
Outside Services	4.3	4.3
Management Fee	12.1	12.4
Uncollectibles	0.2	0.5
Other *	4.1	3.8
Trackers	0.8	0.7
Total O&M	32.1	32.5
Total O&M w/o Trackers	31.2	31.8

2012 0&12	2012	2013
Labor	6.6	6.9
Benefits	2.0	1.6
Materials & Supplies	1.5	1.5
Outside Services	4.3	4.5
Management Fee	11.9	12.2
Uncollectibles	0.5	0.5
Other *	3.9	3.9
Trackers	0.8	0.7
Total O&M	31.6	31.8
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
A) Labor	0.4	0.5
B) Benefits	0.1	0.3
Materials & Supplies	(0.0)	(0.0)
Outside Services	0.0	(0.2)
C) Management Fee	0.1	0.2
D) Uncollectibles	(0.3)	(0.1)
Other *	0.1	(0.0)
E) Trackers	0.1	0.0
Total Change	0.4	0.7
Total Change w/o Trackers	0.4	0.7

- A) Primarily increase due to vacancy fills (LOGI & EGCO).
- B) 2013-2017 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- C) 2012-2017 – Primarily revised assumptions for Administrative Services (IT) and NGD EH&S Distribution partially offset by capital transfers.
- D) Reflects revised expenditure forecast.
- E) Offset in revenues.

2012 7&5	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.4	0.4
Misc Revenues	(0.2)	(0.2)
Misc & Other Expenses	0.2	0.1
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	4.1	3.8

2012 0&12	2012	2013
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	0.3	0.4
Company Memberships	0.1	0.1
Utilities	0.3	0.3
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.2)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	3.9	3.9

Variance	2012	2013
Other		
Buildings and Land	(0.0)	(0.0)
Rents/Leases	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.0)
Employee Expenses	0.0	0.0
Company Memberships	0.0	0.0
Utilities	0.1	0.1
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	0.2	0.1
Amortizations *	-	-
Deferred Credits	0.0	(0.0)
I&D Accrual	0.0	-
Well/Lease Rent/Royalty	-	-
Advertising	(0.0)	-
Auto/Trucks Cleared	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Below the Line O&M		
	0.1	(0.0)

2012 7&5	2012	2013
Distribution Ops	11.1	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.6	0.7
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	12.1	12.4
Benefits	2.1	1.9
Uncollectibles	0.2	0.5
Other Corporate*	3.0	2.9
Trackers	0.8	0.7
Total O&M	32.1	32.5
Total O&M w/o Trackers	31.2	31.8

2012 0&12	2012	2013
Distribution Ops	10.9	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.4	0.4
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	11.9	12.2
Benefits	2.0	1.6
Uncollectibles	0.5	0.5
Other Corporate*	2.9	3.0
Trackers	0.8	0.7
Total O&M	31.6	31.8
Total O&M w/o Trackers	30.9	31.1

Variance	2012	2013
A) Distribution Ops	0.2	(0.0)
Meter To Cash	(0.0)	-
Customer Call Center	(0.0)	-
B) Integration Center	0.2	0.3
Presidents	(0.0)	0.0
Other Departments	-	-
C) Management Fee	0.1	0.2
D) Benefits	0.1	0.3
E) Uncollectibles	(0.3)	(0.1)
Other Corporate*	0.1	(0.1)
F) Trackers	0.1	0.0
Total Change	0.4	0.7
Total Change w/o Trackers	0.4	0.7

- A) 2012 - Primarily fleet adj.,right of way (ROW) clearing and tools and uniforms. 2014-2017 - Primarily fleet adj. and decreased AMR Savings.
- B) 2012-2017 - Primarily vacancy fills.
- C) 2012-2017 – Primarily revised assumptions for Administrative Services (IT) and NGD EH&S Distribution partially offset by capital transfers.
- D) 2013-2017 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- E) Reflects revised expenditure forecast.
- F) Offset in revenues.

2012 7&5	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.2	0.1
Consulting Fees	0.1	0.1
Legal Fees	-	-
Outside Services	0.2	0.2
Buildings and Land	-	-
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.1	0.1
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	3.0	2.9

2012 0&12	2012	2013
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.1	0.1
Consulting Fees	0.0	0.2
Legal Fees	-	-
Outside Services	0.2	0.2
Buildings and Land	-	-
Rents/Leases	0.3	0.3
Corporate Insurance	0.9	0.9
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.0	0.0
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.5	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.0

Variance	2012	2013
Other		
Net Labor (CIP)	(0.0)	(0.0)
Materials/Supplies	0.0	-
Audit Fees	0.0	0.0
Consulting Fees	0.1	(0.1)
Legal Fees	-	-
Outside Services	0.0	(0.0)
Buildings and Land	-	-
Rents/Leases	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.0)
Employee Expenses	-	-
Company Memberships	0.0	0.0
Utilities	0.1	0.1
Misc Revenues	-	-
Misc & Other Expenses	0.0	(0.0)
Amortizations *	-	-
Deferred Credits	(0.0)	(0.0)
I&D Accrual	0.0	-
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	0.1	(0.1)

2012 7&5	2012	2013
Depreciation	6.7	7.0
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.5	2.7
Payroll	0.5	0.5
Distribution	-	-
Other	0.0	-
Total Other Taxes	3.0	3.1
Total Other Taxes w/o Trackers	2.7	3.2

2012 0&12	2012	2013
Depreciation	6.6	6.9
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.4	2.6
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	2.9	3.1
Total Other Taxes w/o Trackers	3.1	3.3

Variance	2012	2013
A) Depreciation Change	0.1	0.1
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	0.0	0.1
Payroll	0.0	-
Distribution	-	-
Other	0.0	-
Total Other Taxes Change	0.1	0.1
Total Change w/o Trackers	(0.4)	(0.1)

A) Variance due to increased Capital spend

2012 7&5	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.2
Hedging Interest Income	0.0	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.6	0.3
Total Other Income	0.7	0.4
Long-Term Interest Expense	4.7	5.0
Short-Term Interest Expense	-	0.0
Customer Deposits	0.1	0.1
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.1)	(0.1)
Interest Expense	4.8	5.1

2012 0&12	2012	2013
Miscellaneous	-	-
AFUDC	0.1	0.1
Hedging Interest Income	0.1	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.6	0.5
Total Other Income	0.7	0.5
Long-Term Interest Expense	4.7	5.2
Short-Term Interest Expense	-	-
Customer Deposits	0.2	0.2
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	4.8	5.3

Variance	2012	2013
Miscellaneous	-	-
AFUDC	0.0	0.1
Hedging Interest Income	(0.0)	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.0)	-
A) Temp Cash Inv Int Inc	0.0	(0.2)
Total Other Income	0.0	(0.1)
B) Long-Term Interest Expense	0.0	(0.2)
A) Short-Term Interest Expense	-	0.0
Customer Deposits	(0.0)	(0.0)
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
AFUDC	(0.0)	(0.0)
Interest Expense	0.0	(0.2)

- A) Variance due to fluctuations in normal operating activity
 B) Variance due to changes in Capital structure to maintain appropriate debt / equity percentages.

2012 7&5	2012	2013
Assets		
Net Property Plant and Equipment	212.7	227.5
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.2	-
Accounts Receivable	48.6	26.2
Gas Inventory	45.1	45.7
Unrecovered Purchase Costs	-	8.9
Material & Supplies	-	-
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.5	2.5
Prepayments and Other Assets	3.0	3.2
Total Current Assets	102.4	86.6
NC Regulatory Assets	16.5	15.3
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	3.3	3.3
Total Other Assets	19.9	18.6
Total Assets	335.4	333.1
Capitalization & Liabilities		
Total Common Stock Equity	91.9	98.3
Long Term Debt , excluding amounts due within one year	58.3	87.1
Total Capitalization	150.2	185.3
Current Portion of Long Term Debt	28.7	5.3
Accounts Payable	10.6	11.4
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	4.6	5.5
Interest Accrued	0.1	0.1
Overrecovered Gas and Fuel Costs	9.7	-
Price Risk Management Liabilities (Current)	0.8	0.8
Exchange Gas Payable	13.2	2.4
Current Regulatory Liabilities	4.1	3.8
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(1.4)	1.9
Total Current Liabilities	88.2	49.0
Price Risk Management Liabilities - NC	1.0	1.0
Deferred Income Taxes	49.8	51.4
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	25.1	25.4
Accrued Liab for Post Retirement Benefits - NC	9.6	9.7
Other Non-Current Liabilities	11.0	11.1
Other NC Liab & Deferred Credits	96.9	98.9
Total Capitalization & Liabilities	335.4	333.1

2012 0&12	2012	2013
Assets		
Net Property Plant and Equipment	211.6	219.7
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	3.6	-
Accounts Receivable	39.2	31.4
Gas Inventory	45.1	44.6
Unrecovered Purchase Costs	-	0.5
Material & Supplies	0.0	0.0
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.7	2.7
Prepayments and Other Assets	2.9	3.1
Total Current Assets	93.6	82.6
NC Regulatory Assets	17.4	16.8
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	1.7	1.7
Total Other Assets	19.1	18.4
Total Assets	324.7	321.1
Capitalization & Liabilities		
Total Common Stock Equity	94.4	95.9
Long Term Debt , excluding amounts due within one year	58.3	89.3
Total Capitalization	152.7	185.3
Current Portion of Long Term Debt	28.7	-
Accounts Payable	11.1	11.4
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	5.0	5.3
Interest Accrued	0.0	0.0
Overrecovered Gas and Fuel Costs	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6
Exchange Gas Payable	4.7	4.7
Current Regulatory Liabilities	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	(0.8)	(0.7)
Total Current Liabilities	78.6	42.6
Price Risk Management Liabilities - NC	1.1	1.1
Deferred Income Taxes	46.8	47.7
Deferred Investment Tax Credits	0.4	0.4
Noncurrent Regulatory Liabilities	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.0	8.5
Other Non-Current Liabilities	9.8	10.0
Other NC Liab & Deferred Credits	93.4	93.2
Total Capitalization & Liabilities	324.7	321.1

Variance	2012	2013
Assets		
Net Property Plant and Equipment	1.0	7.8
Total Investments	0.0	0.0
Cash and Cash Equivalents	-	-
Restricted Cash	(0.4)	-
A) Accounts Receivable	9.4	(5.3)
B) Gas Inventory	0.0	1.1
C) Unrecovered Purchase Costs	-	8.4
Material & Supplies	(0.0)	(0.0)
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)
Current Regulatory Assets	(0.2)	(0.2)
Prepayments and Other Assets	0.0	0.1
Total Current Assets	8.8	4.0
D) NC Regulatory Assets	(0.9)	(1.5)
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	1.7	1.7
Total Other Assets	0.8	0.2
Total Assets	10.6	12.0
Capitalization & Liabilities		
E) Total Common Stock Equity	(2.5)	2.3
E) Long Term Debt , excluding amounts due within one year	-	(2.3)
Total Capitalization	(2.5)	0.0
E) Current Portion of Long Term Debt	-	5.3
A) Accounts Payable	(0.5)	0.1
Customer Deposits and AR Credit Balance	0.0	0.0
Taxes Accrued	(0.4)	0.2
Interest Accrued	0.0	0.0
C) Overrecovered Gas and Fuel Costs	1.8	-
Price Risk Management Liabilities (Current)	0.2	0.2
F) Exchange Gas Payable	8.6	(2.3)
Current Regulatory Liabilities	0.5	0.3
Accrued Liability for Post Retirement Benefits - Cur	-	-
Environmental	-	-
G) Other Accruals	(0.6)	2.6
Total Current Liabilities	9.6	6.3
Price Risk Management Liabilities - NC	(0.1)	(0.1)
G) Deferred Income Taxes	3.0	3.7
Deferred Investment Tax Credits	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.2)	(0.2)
Accrued Liab for Post Retirement Benefits - NC	(0.4)	1.2
H) Other Non-Current Liabilities	1.2	1.0
Other NC Liab & Deferred Credits	3.5	5.6
Total Capitalization & Liabilities	10.6	12.0

Variance Explanations:

A) 2012 variance is due to a (\$7.1M) reduction to the A/R balance stemming from fluctuations in Gas Costs and Usage (primarily to Tariff Sales and Off-System sales), offset by \$15.7M of favorable Money Pool deposits. The variance in the out years represents decreases in A/R balances and Money Pool fundings.

B)

Year	Volume Variance (\$\$\$)	Rate Variance (\$\$\$)	Total Variance (\$\$\$)
2012	(0.5)	0.5	0.0
2013	0.4	0.7	1.1
2014	1.5	0.5	1.9
2015	1.6	0.3	1.9
2016	1.5	0.3	1.9
2017	1.4	0.4	1.8

C) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.

D) Variances are due to changes to pension funding obligations.

E) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.

F) Variance due to changes in the number of exchange obligations vs. the 0&12.

G) Variances primarily driven by Federal and State tax liabilities.

H) Variance due to increases to Customer advances; specifically ColorPoint Greenhouse in Paris, KY.

2012 7&5 R	2012	2013
New Business	2.7	4.0
Betterment	0.3	0.1
Replacement	12.0	15.8
Support Services	1.4	2.0
Gross Capital	16.4	21.9
Contributions & Reimbursements	(0.7)	(0.6)
Total CKY *	15.8	21.3
Infrastructure/AMR	9.6	12.2

2012 0&12	2012	2013
New Business	1.7	1.7
Betterment	1.0	0.2
Replacement	11.4	11.7
Support Services	1.2	1.6
Gross Capital	15.3	15.1
Contributions & Reimbursements	(0.7)	(0.7)
Total CKY	14.7	14.5
Infrastructure/AMR	9.1	8.2

Variance	2012	2013
New Business	1.0	2.3
Betterment	(0.7)	(0.1)
Replacement	0.6	4.1
Support Services	0.2	0.5
Gross Capital	1.1	6.8
Contributions & Reimbursements	-	0.1
Total CKY	1.1	6.9
Infrastructure/AMR	0.5	4.0

Plan variances due to additional capital allocations to NGD and updated forecasts.

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Net Revenues	3.2	37.5	58.3	60.4
O&M Expense	2.7	20.5	31.3	31.8
Depreciation	0.6	4.4	6.7	7.0
Other Taxes	0.2	1.8	2.7	3.2
*Operating Earnings	(0.3)	10.8	17.6	18.5
Other Income	0.0	0.5	0.6	0.4
Interest Expense	0.4	3.2	4.8	5.1
*Operating Earnings before Taxes	(0.6)	8.1	13.5	13.7
Income Tax	(0.2)	3.5	5.4	5.9
Net Operating Earnings	(0.5)	4.6	8.2	7.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	3.0	40.2	60.9	60.8
O&M Expense	2.5	20.6	30.9	31.1
Depreciation	0.6	4.3	6.6	6.9
Other Taxes	0.2	1.9	2.9	3.1
*Operating Earnings	(0.3)	13.3	20.5	19.8
Other Income	0.0	0.5	0.7	0.5
Interest Expense	0.4	3.2	4.8	5.3
*Operating Earnings before Taxes	(0.6)	10.7	16.4	15.0
Income Tax	0.4	5.0	6.3	6.0
Net Operating Earnings	(1.0)	5.7	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.2	(2.7)	(2.6)	(0.4)
O&M Expense	0.2	(0.1)	0.4	0.7
Depreciation	0.0	0.0	0.1	0.1
Other Taxes	0.0	(0.1)	(0.2)	0.1
*Operating Earnings	0.0	(2.5)	(2.8)	(1.4)
Other Income	(0.0)	(0.1)	(0.0)	(0.1)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
*Operating Earnings before Taxes	0.0	(2.6)	(2.9)	(1.3)
Income Tax				
Net Operating Earnings	0.0	(2.6)	(2.9)	(1.3)

* net of trackers

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Base Margin (less LCR)	2.7	32.0	49.0	50.1
LCR	0.3	3.1	4.9	5.2
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.2	0.9	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.0	1.0	1.3	1.0
CKY Purchase Receivable	0.0	0.3	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.3
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.0	0.7	0.8	0.5
Total Revenue	3.3	38.3	59.4	61.1
Total Revenue w/o Trackers	3.2	37.5	58.3	60.4

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	2.5	33.9	51.4	50.4
LCR	0.3	3.2	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	1.6	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	0.8	1.2	1.2
CKY Purchase Receivable	(0.0)	0.4	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.0	0.3	0.5	0.5
Total Revenue	3.0	40.7	61.6	61.6
Total Revenue w/o Trackers	3.0	40.2	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.2	(1.9)	(2.4)	(0.3)
LCR	0.0	(0.1)	(0.1)	0.3
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	(0.0)	(0.7)	0.0	(0.0)
Regulatory Outcome	-	-	-	0.0
Other OGDR	(0.0)	0.1	0.1	(0.2)
CKY Purchase Receivable	0.0	(0.1)	(0.1)	(0.1)
Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.1)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.0	0.4	0.3	(0.0)
Total Variance	0.2	(2.4)	(2.2)	(0.5)
Total Variance w/o Trackers	0.2	(2.7)	(2.6)	(0.4)

Variance Explanations:

- A) Annual variance due to customer and usage erosion.
- B) Variance represents fluctuations in Off-System sales assumptions stemming from price volatility.

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Penalty Charges	0.0	0.3	0.4	0.4
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.5	0.6	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.0	1.0	1.3	1.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.3	0.4	0.4
Other Revenue	0.0	0.1	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.8	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	0.0
Return Check	(0.0)	0.0	0.0	0.0
Other Fees	(0.0)	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.1)	(0.2)	(0.2)
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	(0.0)	(0.0)	(0.0)	0.0
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	0.1	0.1	(0.2)

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.1	(0.2)
Commercial	0.1	0.1
Total	0.1	(0.0)

Usage Change	Month	YTD
Residential	0.1	0.2
Commercial	0.6	1.4
Industrial (Non-LCR)	(0.3)	(0.3)
Total	0.3	1.3

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	1.0	46.4
Comm	18.9	355.9
Ind	5,550.6	57,854.6

Budget	Month	YTD
Residential	1.0	46.3
Commercial	16.1	350.8
Industrial	5,917.1	57,160.2

Variance	Month	Mo. %	YTD	YTD %
Residential	0.0	2.9%	0.0	0.0%
Commercial	2.8	17.2%	5.1	1.5%
Industrial	(366.6)	-6.2%	694.4	1.2%

Customer Count

Actual	Month	YTD Avg
Residential	117,884	119,803
Commercial	13,729	13,939
Industrial	178	177
Total	131,791	133,919

Budget	Month	YTD Avg
Residential	17,252	119,712
Commercial	13,547	13,881
Industrial	181	181
Total	30,980	133,774

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	100,632	583.3%	91	0.1%
Commercial	182	1.3%	58	0.4%
Industrial	(3)	-1.7%	(4)	-2.2%
Total	100,811	325.4%	145	0.1%

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Labor	0.6	4.8	7.1	7.3
Benefits	0.2	1.5	2.1	1.9
Materials & Supplies	0.1	1.0	1.5	1.5
Outside Services	0.3	2.8	4.3	4.8
Management Fee	1.0	7.5	12.1	12.4
Uncollectibles	0.1	0.2	0.2	0.5
Other *	0.4	2.6	4.0	3.3
Trackers	0.1	0.6	0.8	0.7
Total O&M	2.7	21.1	32.110	32.499
Total O&M w/o Trackers	2.7	20.5	31.3	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	4.5	6.6	6.9
Benefits	0.2	1.4	2.0	1.6
Materials & Supplies	0.1	1.0	1.5	1.5
Outside Services	0.3	2.9	4.3	5.0
Management Fee	1.0	7.9	11.9	12.2
Uncollectibles	0.0	0.3	0.5	0.5
Other *	0.3	2.7	3.9	3.4
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.5	21.1	31.6	31.8
Total O&M w/o Trackers	2.5	20.6	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.1	0.3	0.5	0.5
B) Benefits	0.0	0.2	0.1	0.3
Materials & Supplies	(0.0)	(0.0)	(0.0)	(0.0)
Outside Services	(0.0)	(0.0)	(0.1)	(0.2)
C) Management Fee	0.0	(0.3)	0.2	0.2
Uncollectibles	0.0	(0.2)	(0.3)	(0.1)
Other *	0.0	(0.1)	0.1	(0.1)
D) Trackers	0.0	0.1	0.1	0.0
Total Change	0.2	0.0	0.5	0.7
Total Change w/o Trackers	0.2	(0.1)	0.4	0.7

Variance Explanations:

- A) YTD & 2012 Yr Var - unfavorable shift in labor allocation (capitalization transfers), with slight offset for select vacancies.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- D) Offset in revenue.

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.5	0.8	0.8
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.3	0.4	0.4
Misc Revenues	(0.0)	(0.1)	(0.2)	(0.2)
Misc & Other Expenses	0.0	0.1	0.2	0.1
Amortizations *	0.0	0.3	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.7)
I&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.9	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.4	2.6	4.0	3.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.6	0.9	0.9
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.3	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	0.9	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	2.7	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	(0.0)
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	(0.0)	(0.0)	(0.0)	0.0
Company Memberships	0.0	(0.0)	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.0	0.0	(0.0)
I&D Accrual	(0.0)	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	(0.0)	-
Auto/Trucks Cleared	0.0	(0.0)	(0.0)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	0.0	(0.1)	0.1	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Distribution Ops	0.9	7.6	11.1	11.2
Meter To Cash	0.1	0.4	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.1	0.3	0.6	0.7
Presidents	0.2	1.0	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	7.5	12.1	12.4
Benefits	0.2	1.5	2.1	1.9
Uncollectibles	0.1	0.2	0.2	0.5
Other Corporate *	0.3	2.0	3.0	2.9
Trackers	0.1	0.6	0.8	0.7
Total O&M	2.7	21.1	32.1	32.5
Total O&M w/o Trackers	2.7	20.5	31.3	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.9	7.3	10.9	11.2
Meter To Cash	0.1	0.4	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.2	0.4	0.4
Presidents	0.1	1.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	7.9	11.9	12.2
Benefits	0.2	1.4	2.0	1.6
Uncollectibles	0.0	0.3	0.5	0.5
Other Corporate *	0.3	2.0	2.9	3.0
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.5	21.1	31.6	31.8
Total O&M w/o Trackers	2.5	20.6	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	(0.0)	0.2	0.1	(0.0)
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	0.0	0.1	0.2	0.3
Presidents	0.0	(0.1)	(0.0)	0.0
Other Dept	-	-	-	-
B) Management Fee	0.0	(0.3)	0.2	0.2
C) Benefits	0.0	0.2	0.1	0.3
Uncollectibles	0.0	(0.2)	(0.3)	(0.1)
Other Corporate *	0.0	0.0	0.1	(0.1)
D) Trackers	0.0	0.1	0.1	0.0
Total Change	0.2	0.0	0.5	0.7
Total Change w/o Trackers	0.2	(0.1)	0.4	0.7

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj. partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Offset in revenue.

* See O&M Other Corp Tab

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Other Corporate				
Net Labor	0.0	0.3	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.1
Consulting Fees	0.0	0.0	0.1	0.1
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.5	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.3	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	2.0	3.0	2.9

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.3	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.6	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.3	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	2.0	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	0.0	0.0	(0.0)	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	0.0
Consulting Fees	0.0	0.0	0.1	(0.1)
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.0)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	-	-	-	-
Company Memberships	(0.0)	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	0.0	(0.0)	(0.0)	(0.0)
I&D Accrual	(0.0)	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.0	0.1	(0.1)

Variance Explanations:

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Depreciation	0.6	4.4	6.7	7.0
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.6	2.5	2.7
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes	0.2	2.0	3.0	3.1
Total Other Taxes w/o Trackers	0.2	1.8	2.7	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.6	4.3	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.6	2.4	2.6
Payroll	0.0	0.3	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	1.9	2.9	3.1
Total Other Taxes w/o Trackers	0.2	1.9	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	0.1	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	(0.0)	0.0	0.0	0.1
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.1
Total Change w/o Trackers	0.0	(0.1)	(0.2)	0.1

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.0	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.4	0.6	0.3
Total Other Income	0.0	0.5	0.6	0.4
Long-Term Interest Expense	0.4	3.1	4.7	5.0
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	0.1	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	3.2	4.8	5.1
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.1
Hedging Interest Income	0.0	0.1	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.5	0.6	0.5
Total Other Income	0.0	0.5	0.7	0.5
Long-Term Interest Expense	0.4	3.1	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	3.2	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	0.1
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.1)	(0.0)	(0.2)
Total Other Income	(0.0)	(0.1)	(0.0)	(0.1)
Long-Term Interest Expense	0.0	0.0	0.0	(0.2)
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

2012 8&4	Mo	2012	2013
Assets			
Net Property Plant and Equipment	211.0	212.7	227.5
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.2	-	-
Restricted Cash	3.0	2.9	-
Accounts Receivable	42.8	50.1	26.2
Gas Inventory	48.6	43.9	45.5
Unrecovered Purchase Costs	-	-	6.6
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.9	2.8	2.8
Prepayments and Other Assets	1.6	3.0	3.2
Total Current Assets	99.2	102.7	84.5
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.2	16.9	15.6
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.2	3.2	3.2
Total Other Assets	20.5	20.1	18.8
Total Assets	331.1	335.9	331.3
Capitalization & Liabilities			
Total Common Stock Equity	92.4	91.7	98.2
Long Term Debt , excluding amounts due within one year	67.3	58.3	87.1
Total Capitalization	159.7	150.1	185.2
Obligations Due in One Year	14.7	28.7	5.2
Accounts Payable	11.1	10.5	11.4
Customer Deposits and AR Credit Balance	12.7	17.7	17.7
Taxes Accrued	2.6	5.1	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	18.6	10.8	-
Price Risk Management Liabilities (Current)	1.2	1.2	1.2
Exchange Gas Payable	14.0	12.1	1.3
Current Regulatory Liabilities	4.3	4.2	3.9
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.4)	(1.4)	0.7
Total Current Liabilities	77.6	88.9	47.0
Price Risk Management Liabilities - NC	(0.4)	(0.4)	0.0
Deferred Income Taxes	1.3	1.3	1.3
Deferred Investment Tax Credits	46.3	49.7	51.2
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	25.0	25.1	25.4
Accrued Liab for Post Retirement Benefits - NC	9.9	9.6	9.7
Other Non-Current Liabilities	10.8	10.9	11.1
Other NC Liab & Deferred Credits	93.7	97.0	99.1
Total Capitalization & Liabilities	331.1	335.9	331.3

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	208.0	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.5	3.6	-
Accounts Receivable	33.6	39.2	31.4
Gas Inventory	47.2	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.8	2.7	2.7
Prepayments and Other Assets	1.3	2.9	3.1
Total Current Assets	88.5	93.6	82.6
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.8	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.4	19.1	18.4
Total Assets	316.3	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	95.0	94.4	95.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	162.3	152.7	185.3
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	12.3	11.1	11.4
Customer Deposits and AR Credit Balance	12.1	17.7	17.7
Taxes Accrued	3.2	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	8.6	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	7.1	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.7)	(0.8)	(0.7)
Total Current Liabilities	61.5	78.6	42.6
	(0.2)	-	-
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	46.0	46.8	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Noncurrent Regulatory Liabilities	25.1	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.8	9.8	10.0
Other NC Liab & Deferred Credits	92.6	93.4	93.2
	-	-	-
Total Capitalization & Liabilities	316.3	324.7	321.1

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	3.0	1.0	7.8
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.2	-	-
C) Restricted Cash	(0.6)	(0.7)	-
D) Accounts Receivable	9.2	10.9	(5.2)
E) Gas Inventory	1.4	(1.2)	0.9
F) Unrecovered Purchase Costs	-	-	6.2
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	0.1	0.1	0.1
Prepayments and Other Assets	0.3	0.0	0.1
Total Current Assets	10.7	9.1	2.0
Price Risk Management Assets	-	-	-
K) NC Regulatory Assets	(0.5)	(0.6)	(1.2)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
K) Deferred Charges	1.5	1.5	1.6
Total Other Assets	1.0	1.0	0.4
Total Assets	14.7	11.2	10.2
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.6)	(2.7)	2.2
G) Long Term Debt , excluding amounts due within one year	-	-	(2.3)
Total Capitalization	(2.6)	(2.7)	(0.1)
G) Current Portion of Long Term Debt	-	-	5.2
D) Accounts Payable	(1.1)	(0.6)	0.0
D) Customer Deposits and AR Credit Balance	0.6	0.0	0.0
H) Taxes Accrued	(0.6)	0.1	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	10.0	2.9	-
I) Price Risk Management Liabilities (Current)	0.5	0.5	0.5
J) Exchange Gas Payable	6.9	7.5	(3.4)
Current Regulatory Liabilities	0.7	0.6	0.4
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
K) Other Accruals	(0.7)	(0.5)	1.4
Total Current Liabilities	16.1	10.2	4.4
Price Risk Management Liabilities - NC	0.2	0.2	0.2
H) Deferred Income Taxes	0.3	2.9	3.5
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Noncurrent Regulatory Liabilities	(0.1)	(0.1)	(0.1)
Accrued Liab for Post Retirement Benefits - NC	(0.3)	(0.4)	1.2
Other Non-Current Liabilities	1.0	1.0	1.0
Other NC Liab & Deferred Credits	1.2	3.6	5.9
Total Capitalization & Liabilities	14.7	11.2	10.2

Variance Explanations:

- A) Variance due to timing issues around 2012 In-Service (\$2.1M) and Depreciation (\$600K)
- B) Increase in Money Pool funding
- C) Monthly variance due to changes to the required reserves related to the Hedging Program, while YTD variance is due to MF Global bankruptcy (\$483K).
- D) August A/R variance due to decreases to Choice Receivables (\$3.8M), and Off-Systems Sales of (\$1.2M), partially offset by increased Tariff receivables of \$2.1M & Money Pool deposits of \$13.4M. The \$600K Customer Deposits variance is due to adjustments to budget payment plans, and represents a \$7.7M decrease to prior month balances which stem from warmer than expected weather. The 2012 A/R variance is due to decreased Tariff receivables (\$2.3M), Unbilled receivables (\$2.5M), and Off-Systems Sales (\$1.2M), offset by \$15.7M in Money Pool funding. 2013 A/R Variance due to decreased Money Pool balance. A/P Variance is due to decreased payables related to declining Gas Costs: (\$1.3M) for August, (\$1.2M) for 2012 .
- E) August variance due to Rate Differential and Usage variances of \$(75)K and \$1.49M respectively. 2012 annual variance due to Rate Differential and Usage variances of \$312K and (\$1.5M) respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$743K and \$118K respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to in part to seasonality around commodity usage / delivery.
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding exchange obligations vs. the 0&12.
- K) Variance due to account reclassifications of Miscellaneous Deferrals; primarily Customer Advances related to capital projects.

2012 8&4	Mo Actual	YTD Actual	2012 8&4	2013 8&4
New Business	(0.6)	1.4	2.7	4.0
Betterment	0.0	0.3	0.3	0.1
Replacement	1.5	9.9	12.0	15.8
Support Services	0.0	0.9	1.4	2.0
Gross Capital	1.0	12.5	16.4	21.9
Contributions & Reimbursements	-	(0.3)	(0.7)	(0.6)
Total NGD	1.0	12.2	15.8	21.3
Infrastructure/AMR	1.3	8.6	9.6	12.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.1	0.9	1.7	1.7
Betterment	(0.1)	0.8	1.0	0.2
Replacement	0.8	7.2	11.4	11.7
Support Services	0.0	0.4	1.2	1.6
Gross Capital	0.9	9.3	15.3	15.1
Contributions & Reimbursements	(0.0)	(0.4)	(0.7)	(0.7)
Total NGD	0.9	8.9	14.7	14.5
Infrastructure/AMR	0.6	6.2	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	(0.7)	0.5	1.0	2.3
Betterment	0.1	(0.4)	(0.7)	(0.1)
Replacement	0.7	2.6	0.6	4.1
Support Services	(0.0)	0.5	0.2	0.5
Gross Capital	0.1	3.2	1.1	6.8
Contributions & Reimbursements	0.0	0.1	-	0.1
Total NGD	0.1	3.3	1.1	6.9
Infrastructure/AMR	0.7	2.3	0.5	4.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Net Revenues	3.3	40.8	58.5	60.7
O&M Expense	2.5	23.0	31.0	31.7
Depreciation	0.6	5.0	6.7	7.0
Other Taxes	0.2	2.0	2.7	3.2
Operating Earnings	0.1	10.9	18.1	18.8
Other Income	0.0	0.5	0.6	0.5
Interest Expense	0.4	3.5	4.8	5.1
Net Operating Income	(0.3)	7.9	13.9	14.2
Income Tax	(0.1)	3.8	5.3	5.5
Net Operating Income	(0.1)	4.1	8.6	8.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	3.1	43.4	60.9	60.8
O&M Expense	2.7	23.3	30.9	31.1
Depreciation	0.6	4.9	6.6	6.9
Other Taxes	0.2	2.2	2.9	3.1
Operating Earnings	(0.4)	13.0	20.5	19.8
Other Income	0.0	0.6	0.7	0.5
Interest Expense	0.4	3.5	4.8	5.3
Net Operating Income	(0.7)	10.0	16.4	15.0
Income Tax	(0.3)	3.9	6.3	6.0
Net Operating Income	(0.5)	6.1	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.2	(2.5)	(2.4)	(0.1)
O&M Expense	(0.2)	(0.4)	0.1	0.7
Depreciation	0.0	0.1	0.1	0.1
Other Taxes	(0.0)	(0.2)	(0.2)	0.1
Operating Earnings	0.5	(2.1)	(2.4)	(1.0)
Other Income	(0.0)	(0.1)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
Net Operating Income	0.4	(2.1)	(2.4)	(0.8)
Income Tax	0.1	(0.1)	(1.0)	(0.6)
Net Operating Income	0.6	(2.3)	(3.5)	(1.4)

* net of trackers

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Base Margin (less LCR)	2.8	34.8	49.2	50.3
LCR	0.4	3.5	4.9	5.2
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.1	1.1	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.0	1.3	1.0
CKY Purchase Receivable	0.0	0.3	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.1	0.8	1.0	0.5
Total Revenue	3.5	41.8	59.7	61.4
Total Revenue w/o Trackers	3.3	40.8	58.5	60.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	2.6	36.5	51.4	50.4
LCR	0.3	3.6	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	1.8	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	0.9	1.2	1.2
CKY Purchase Receivable	(0.0)	0.4	0.5	0.5
Uncollectibles - NonTracked	(0.0)	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.0	0.3	0.5	0.5
Total Revenue	3.2	43.9	61.6	61.6
Total Revenue w/o Trackers	3.1	43.4	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Base Margin (less LCR)	0.2	(1.7)	(2.2)	(0.1)
LCR	0.0	(0.1)	(0.1)	0.3
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
A) ESS	(0.0)	(0.7)	(0.0)	(0.0)
Regulatory Outcome	-	-	-	0.0
Other OGDR	(0.0)	0.1	0.1	(0.2)
CKY Purchase Receivable	0.0	(0.1)	(0.1)	(0.1)
Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.0)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.5	0.5	(0.0)
Total Variance	0.3	(2.0)	(2.0)	(0.1)
Total Variance w/o Trackers	0.2	(2.5)	(2.4)	(0.1)

Variance Explanations:

A) YTD variance represents fluctuations in Off-System sales assumptions stemming from price volatility.

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Penalty Charges	0.0	0.3	0.4	0.4
Return Check	0.0	0.1	0.2	0.1
Other Fees	0.0	0.5	0.6	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.0	1.0	1.3	1.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.3	0.4	0.4
Other Revenue	0.0	0.1	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	0.0	0.0	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	0.9	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	(0.0)	0.0	0.0	0.0
Return Check	(0.0)	0.0	0.0	0.0
Other Fees	(0.0)	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.1)	(0.2)	(0.2)
Pub Util-Flex	0.0	0.0	0.1	-
Company Use	(0.0)	(0.0)	(0.0)	0.0
Balancing Services	-	-	-	-
Other Misc Income	(0.0)	(0.0)	(0.0)	(0.0)
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	0.1	0.1	(0.2)

Variance Explanations:

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.088	(0.073)
Commercial	0.063	0.209
Total	0.150	0.136

Usage Change	Month	YTD
Residential	0.142	0.330
Commercial	0.551	1.984
Industrial (Non-LCR)	(0.325)	(0.641)
Total	0.368	1.673

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	1.25	47.61
Comm	21.74	377.66
Ind	6,344.63	64,199.24

Budget	Month	YTD
Residential	1.19	47.53
Commercial	19.86	370.65
Industrial	6,701.66	63,861.88

Variance	Month	Mo. %	YTD	YTD %
Residential	0.06	5.2%	0.08	0.2%
Commercial	1.88	9.5%	7.01	1.9%
Industrial	(357.02)	-5.3%	337.37	0.5%

Customer Count

Actual	Month	YTD Avg
Residential	117,792	119,579
Commercial	13,708	13,913
Industrial	177	177
Total	131,677	133,669

Budget	Month	YTD Avg
Residential	117,227	119,436
Commercial	13,547	13,844
Industrial	181	181
Total	130,955	133,461

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	565	0.5%	143	0.1%
Commercial	161	1.2%	69	0.5%
Industrial	(4)	-2.2%	(4)	-2.0%
Total	722	0.6%	209	0.2%

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Labor	0.6	5.4	7.2	7.3
Benefits	0.2	1.7	2.2	1.9
Materials & Supplies	0.1	1.1	1.4	1.5
Outside Services	0.3	3.2	4.2	4.8
Management Fee	1.0	8.5	12.0	12.4
Uncollectibles	0.0	0.2	0.1	0.5
Other *	0.3	2.8	4.0	3.3
Trackers	0.1	0.8	1.0	0.7
Total O&M	2.6	23.7	32.0	32.5
Total O&M w/o Trackers	2.5	23.0	31.0	31.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	5.0	6.6	6.9
Benefits	0.2	1.6	2.0	1.6
Materials & Supplies	0.1	1.2	1.5	1.5
Outside Services	0.5	3.3	4.3	5.0
Management Fee	1.0	8.9	11.9	12.2
Uncollectibles	0.0	0.4	0.5	0.5
Other *	0.3	3.0	3.9	3.4
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.7	23.9	31.6	31.8
Total O&M w/o Trackers	2.7	23.3	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.1	0.4	0.5	0.5
B) Benefits	0.0	0.2	0.1	0.3
Materials & Supplies	(0.0)	(0.0)	(0.0)	(0.0)
Outside Services	(0.2)	(0.2)	(0.1)	(0.2)
C) Management Fee	(0.1)	(0.4)	0.0	0.2
D) Uncollectibles	(0.0)	(0.2)	(0.4)	(0.1)
Other *	(0.1)	(0.1)	0.0	(0.1)
E) Trackers	0.1	0.3	0.2	0.0
Total Change	(0.1)	(0.1)	0.3	0.7
Total Change w/o Trackers	(0.2)	(0.4)	0.1	0.7

Variance Explanations:

- A) YTD & 2012 Yr Var - unfavorable shift in labor allocation (capitalization transfers), with slight offset for select vacancies.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- D) Annual variance due to revisions to the bad debt calculation.
- E) Offset in revenue.

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.6	0.8	0.8
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.3	0.4	0.4
Misc Revenues	(0.0)	(0.2)	(0.2)	(0.2)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	0.1
Auto/Trucks Cleared	0.1	1.0	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M				
	0.3	2.8	4.0	3.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.6	0.9	0.9
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	1.0	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	3.0	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	(0.0)
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	(0.0)	(0.0)	(0.0)	0.0
Company Memberships	0.0	(0.0)	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.2	0.3	0.1
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.1	0.1	(0.0)
I&D Accrual	(0.0)	(0.1)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.1)	(0.1)	-
Auto/Trucks Cleared	(0.0)	(0.1)	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	(0.1)	(0.1)	0.1	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Distribution Ops	0.8	8.4	11.0	11.2
Meter To Cash	0.0	0.4	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.4	0.6	0.7
Presidents	0.1	1.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	8.5	12.0	12.4
Benefits	0.2	1.7	2.2	1.9
Uncollectibles	0.0	0.2	0.1	0.5
Other Corporate *	0.2	2.2	3.1	2.9
Trackers	0.1	0.8	1.0	0.7
Total O&M	2.6	23.7	32.0	32.5
Total O&M w/o Trackers	2.5	23.0	31.0	31.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	1.0	8.3	10.9	11.2
Meter To Cash	0.0	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.4	0.4
Presidents	0.1	1.2	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	8.9	11.9	12.2
Benefits	0.2	1.6	2.0	1.6
Uncollectibles	0.0	0.4	0.5	0.5
Other Corporate *	0.2	2.2	2.9	3.0
Trackers	0.0	0.5	0.8	0.7
Total O&M	2.7	23.9	31.6	31.8
Total O&M w/o Trackers	2.7	23.3	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	(0.2)	0.1	0.1	(0.0)
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	0.0	0.1	0.2	0.3
Presidents	(0.0)	(0.1)	(0.0)	0.0
Other Dept	-	-	-	-
B) Management Fee	(0.1)	(0.4)	0.0	0.2
C) Benefits	0.0	0.2	0.1	0.3
D) Uncollectibles	(0.0)	(0.2)	(0.4)	(0.1)
Other Corporate *	(0.0)	0.0	0.1	(0.1)
D) Trackers	0.1	0.3	0.2	0.0
Total Change	(0.1)	(0.1)	0.3	0.7
Total Change w/o Trackers	(0.2)	(0.4)	0.1	0.7

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj. partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations - primarily revised capitalization transfers.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Annual variance due to revisions to the bad debt calculation.
- E) Offset in revenue.

* See O&M Other Corp Tab

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Other Corporate				
Net Labor	0.0	0.3	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.1
Consulting Fees	0.0	0.1	0.1	0.1
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.6	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	(0.0)	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.2	3.1	2.9

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.3	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.6	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.2	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	0.0	0.0	0.0	(0.0)
Materials/Supplies	(0.0)	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	0.0
Consulting Fees	0.0	0.0	0.1	(0.1)
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	(0.0)
I&D Accrual	(0.0)	(0.1)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	(0.0)	0.0	0.1	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Depreciation	0.6	5.0	6.7	7.0
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.8	2.5	2.7
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes	0.2	2.2	3.0	3.1
Total Other Taxes w/o Trackers	0.2	2.0	2.7	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.6	4.9	6.6	6.9
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.2	1.8	2.4	2.6
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	2.2	2.9	3.1
Total Other Taxes w/o Trackers	0.2	2.2	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.1	0.1	0.1
Other Taxes				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.0	0.1
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.1
Total Change w/o Trackers	(0.0)	(0.2)	(0.2)	0.1

Variance Explanations:

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.0	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.4	0.6	0.4
Total Other Income	0.0	0.5	0.6	0.5
Long-Term Interest Expense	0.4	3.5	4.7	5.0
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	0.1	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.1)
Interest Expense	0.4	3.5	4.8	5.1
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.1
Hedging Interest Income	0.0	0.1	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.5	0.6	0.5
Total Other Income	0.0	0.6	0.7	0.5
Long-Term Interest Expense	0.4	3.5	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	3.5	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	(0.0)	0.0	0.0	0.1
Hedging Interest Income	(0.0)	(0.0)	(0.0)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.1)	(0.0)	(0.1)
Total Other Income	(0.0)	(0.1)	(0.0)	(0.0)
Long-Term Interest Expense	0.0	0.0	0.0	(0.2)
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

2012 9&3	Mo	2012	2013
Assets			
Net Property Plant and Equipment	212.9	212.7	227.5
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.4	-	-
Restricted Cash	2.2	3.3	2.2
Accounts Receivable	39.1	53.0	25.7
Gas Inventory	52.4	45.0	44.9
Unrecovered Purchase Costs	-	-	9.6
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.5	2.4	2.4
Prepayments and Other Assets	1.3	3.0	3.2
Total Current Assets	98.1	106.8	88.3
Price Risk Management Assets	-	-	-
NC Regulatory Assets	16.7	16.4	15.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.0	3.0	3.0
Total Other Assets	19.7	19.4	18.2
Total Assets	331.1	339.4	334.4
Capitalization & Liabilities			
Total Common Stock Equity	90.2	92.0	98.7
Long Term Debt , excluding amounts due within one year	67.3	58.3	87.1
Total Capitalization	157.6	150.3	185.7
Obligations Due in One Year	14.7	28.7	6.3
Accounts Payable	9.5	10.7	11.2
Customer Deposits and AR Credit Balance	14.2	17.7	17.7
Taxes Accrued	3.8	4.7	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	18.9	13.2	-
Price Risk Management Liabilities (Current)	0.8	0.8	0.8
Exchange Gas Payable	14.8	13.4	2.0
Current Regulatory Liabilities	4.4	4.3	4.0
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.3)	(1.3)	2.4
Total Current Liabilities	80.0	92.4	50.0
Price Risk Management Liabilities - NC	0.9	0.9	0.9
Deferred Income Taxes	46.6	49.8	51.3
Deferred Investment Tax Credits	0.5	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.9	25.0	25.3
Accrued Liab for Post Retirement Benefits - NC	9.8	9.6	9.7
Other Non-Current Liabilities	11.0	11.0	11.2
Other NC Liab & Deferred Credits	93.5	96.7	98.7
Total Capitalization & Liabilities	331.1	339.4	334.4

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	208.6	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.6	3.6	-
Accounts Receivable	25.8	39.2	31.4
Gas Inventory	51.9	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.8	2.7	2.7
Prepayments and Other Assets	1.1	2.9	3.1
Total Current Assets	85.2	93.6	82.6
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.7	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.3	19.1	18.4
Total Assets	313.5	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	92.6	94.4	95.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	159.9	152.7	185.3
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	12.4	11.1	11.4
Customer Deposits and AR Credit Balance	15.2	17.7	17.7
Taxes Accrued	1.9	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	7.2	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	5.9	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.8)	(0.8)	(0.7)
Total Current Liabilities	60.9	78.6	42.6
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	46.1	46.8	47.7
Deferred Investment Tax Credits	0.5	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.2	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.8	9.8	10.0
Other NC Liab & Deferred Credits	92.6	93.4	93.2
Total Capitalization & Liabilities	313.5	324.7	321.1

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	4.3	1.1	7.8
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.4	-	-
C) Restricted Cash	(1.4)	(0.3)	2.2
D) Accounts Receivable	13.3	13.9	(5.7)
E) Gas Inventory	0.557	(0.083)	0.295
F) Unrecovered Purchase Costs	-	-	9.1
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	(0.3)	(0.3)	(0.3)
Prepayments and Other Assets	0.2	0.0	0.1
Total Current Assets	12.9	13.2	5.8
Price Risk Management Assets	-	-	-
K) NC Regulatory Assets	(1.0)	(1.0)	(1.6)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
K) Deferred Charges	1.3	1.3	1.3
Total Other Assets	0.4	0.3	(0.3)
Total Assets	17.6	14.6	13.3
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.4)	(2.4)	2.7
G) Long Term Debt , excluding amounts due within one year	-	-	(2.3)
Total Capitalization	(2.4)	(2.4)	0.4
G) Current Portion of Long Term Debt	-	-	6.3
D) Accounts Payable	(2.9)	(0.4)	(0.1)
D) Customer Deposits and AR Credit Balance	(1.0)	0.0	0.0
H) Taxes Accrued	1.9	(0.2)	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	11.7	5.3	-
I) Price Risk Management Liabilities (Current)	0.1	0.1	0.1
J) Exchange Gas Payable	8.9	8.7	(2.7)
Current Regulatory Liabilities	0.8	0.7	0.5
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
K) Other Accruals	(0.5)	(0.5)	3.1
Total Current Liabilities	19.1	13.8	7.4
Price Risk Management Liabilities - NC	(0.2)	(0.2)	(0.2)
H) Deferred Income Taxes	0.5	3.0	3.6
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	(0.3)	(0.3)	(0.3)
Accrued Liab for Post Retirement Benefits - NC	(0.3)	(0.4)	1.2
Other Non-Current Liabilities	1.2	1.2	1.2
Other NC Liab & Deferred Credits	0.9	3.3	5.5
Total Capitalization & Liabilities	17.6	14.6	13.3

Variance Explanations:

- A) Variance due to timing around 2012 In-Service (\$2.1M) and Depreciation (\$600K)
- B) Increase in Money Pool funding
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program. The 2012 variance is due to MF Global bankruptcy (\$483K).
- D) September A/R variance is due to a (\$2.9M) decrease to Account Receivables (\$4.2M) for Choice and (\$1.4M) to Off-Systems Sales, partially offset by increased Tariff receivables of \$3.6M. Additional offsets include increased Money Pool deposits of \$16.2M. The 2012 A/R variance is due to decreased Tariff receivables (\$2.3M), Unbilled receivables (\$2.0M), and Off-Systems Sales (\$1.4M), offset by \$18.8M in Money Pool funding. 2013 A/R variance is driven by decreases to the Money Pool balance. A/P variance is due to decreased payables related to declining Gas Costs: (\$3.7M) for September, (\$400K) for 2012. The \$1.0M Customer Deposits variance is due to adjustments to budget payment plans.
- E) Monthly variance due to Rate Differential and Usage variances of \$931.4K and (\$376.1K) respectively. 2012 annual variance due to Rate Differential and Usage variances of (\$212.4K) and \$128.1K respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$74K and \$220.3K respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to increased federal tax accruals .
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding exchange obligations vs. the 0&12.
- K) 2013 variance due to account reclassifications of Miscellaneous Deferrals; primarily Customer Advances related to capital projects.

2012 9&3	Mo Actual	YTD Actual	2012 9&3	2013 9&3
New Business	1.2	2.6	2.7	4.0
Betterment	0.0	0.3	0.3	0.1
Replacement	1.1	11.0	12.0	15.8
Support Services	0.2	1.1	1.4	2.0
Gross Capital	2.5	15.0	16.4	21.9
Contributions & Reimbursements	0.0	(0.3)	(0.7)	(0.6)
Total NGD	2.5	14.7	15.8	21.3
Infrastructure/AMR	1.1	9.6	9.6	12.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.1	1.0	1.7	1.7
Betterment	0.2	0.9	1.0	0.2
Replacement	0.9	8.1	11.4	11.7
Support Services	0.1	0.5	1.2	1.6
Gross Capital	1.2	10.5	15.3	15.1
Contributions & Reimbursements	(0.2)	(0.5)	(0.7)	(0.7)
Total NGD	1.1	10.0	14.7	14.5
Infrastructure/AMR	0.6	6.8	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	1.1	1.5	1.0	2.3
Betterment	(0.2)	(0.6)	(0.7)	(0.1)
Replacement	0.3	2.9	0.6	4.1
Support Services	0.1	0.6	0.2	0.5
Gross Capital	1.3	4.5	1.1	6.8
Contributions & Reimbursements	0.2	0.2	-	0.1
Total NGD	1.4	4.7	1.1	6.9
Infrastructure/AMR	0.5	2.8	0.5	4.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Net Revenues	4.2	45.1	59.6	60.7
O&M Expense	2.5	25.5	31.3	31.8
Depreciation	0.6	5.5	6.7	7.0
Other Taxes	0.2	2.3	2.7	3.2
Operating Earnings	0.9	11.8	19.0	18.8
Other Income	0.0	0.5	0.6	0.5
Interest Expense	0.4	3.9	4.8	5.1
Net Operating Income	0.5	8.4	14.8	14.2
Income Tax	(0.0)	3.8	6.3	5.5
Net Operating Income	0.5	4.6	8.6	8.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	4.0	47.6	60.9	60.8
O&M Expense	2.5	25.9	30.9	31.1
Depreciation	0.6	5.5	6.6	6.9
Other Taxes	0.2	2.4	2.9	3.1
Operating Earnings	0.7	13.9	20.5	19.8
Other Income	0.0	0.6	0.7	0.5
Interest Expense	0.4	3.9	4.8	5.3
Net Operating Income	0.3	10.5	16.4	15.0
Income Tax	0.1	4.0	6.3	6.0
Net Operating Income	0.2	6.5	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.2	(2.5)	(1.3)	(0.1)
O&M Expense	(0.0)	(0.4)	0.4	0.7
Depreciation	0.0	0.1	0.1	0.1
Other Taxes	0.0	(0.1)	(0.2)	0.1
Operating Earnings	0.2	(2.1)	(1.5)	(1.0)
Other Income	0.0	(0.1)	(0.1)	0.0
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
Net Operating Income	0.2	(2.1)	(1.5)	(0.8)
Income Tax	(0.1)	(0.3)	(0.1)	(0.5)
Net Operating Income	0.3	(1.9)	(1.5)	(0.3)

* net of trackers

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Base Margin (less LCR)	3.5	38.3	50.3	50.4
LCR	0.4	3.9	4.9	5.1
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.2	1.3	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.1	1.3	1.0
CKY Purchase Receivable	0.0	0.3	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.1	1.0	1.1	0.5
Total Revenue	4.4	46.2	61.0	61.4
Total Revenue w/o Trackers	4.2	45.1	59.6	60.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	3.4	40.0	51.4	50.4
LCR	0.4	4.0	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	2.0	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.0	1.2	1.2
CKY Purchase Receivable	0.0	0.4	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.0	0.4	0.5	0.5
Total Revenue	4.1	48.2	61.6	61.6
Total Revenue w/o Trackers	4.0	47.6	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.2	(1.7)	(1.1)	0.1
LCR	(0.0)	(0.1)	(0.1)	0.2
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	0.0	(0.7)	(0.0)	(0.0)
Regulatory Outcome	-	-	-	0.0
Other OGDR	(0.0)	0.1	0.1	(0.2)
CKY Purchase Receivable	(0.0)	(0.1)	(0.1)	(0.1)
Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.0)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.6	0.6	(0.0)
Total Variance	0.3	(1.9)	(0.7)	(0.2)
Total Variance w/o Trackers	0.2	(2.5)	(1.3)	(0.1)

Variance Explanations:

- A) 2012 variance due to approximately \$1.8M in non-operating Weather Letter adjustments, offset by \$700K of decreased operating revenues driven by volumetric declines.
- B) YTD variance represents fluctuations in Off-System sales assumptions stemming from price volatility.

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Penalty Charges	0.0	0.4	0.4	0.4
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.5	0.6	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	1.1	1.3	1.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.3	0.4	0.4
Other Revenue	0.0	0.2	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	0.0	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	1.0	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	0.0
Return Check	(0.0)	0.0	0.0	0.0
Other Fees	0.0	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.1)	(0.2)	(0.2)
Pub Util-Flex	0.0	0.1	0.1	-
Company Use	(0.0)	(0.0)	(0.0)	(0.0)
Balancing Services	-	-	-	-
Other Misc Income	-	(0.0)	(0.0)	(0.0)
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	0.1	0.1	(0.2)

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.012	0.004
Commercial	0.009	0.029
Total	0.020	0.034

Usage Change	Month	YTD
Residential	0.007	0.040
Commercial	(0.038)	0.161
Industrial (Non-LCR)	0.020	0.034
Total	(0.011)	0.234

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	3.3	50.9
Comm	30.7	408.3
Ind	7,028.2	71,227.5

Budget	Month	YTD
Residential	3.2	50.8
Commercial	32.3	403.0
Industrial	7,071.8	70,933.7

Variance	Month	Mo. %	YTD	YTD %
Residential	0.0	0.8%	0.1	0.2%
Commercial	(1.6)	-5.1%	5.4	1.3%
Industrial	(43.6)	-0.6%	293.8	0.4%

Customer Count

Actual	Month	YTD Avg
Residential	118,363	119,458
Commercial	13,755	13,897
Industrial	177	177
Total	132,295	133,532

Budget	Month	YTD Avg
Residential	117,765	119,269
Commercial	13,585	13,818
Industrial	181	181
Total	131,531	133,268

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	598	0.5%	189	0.2%
Commercial	170	1.3%	79	0.6%
Industrial	(4)	-2.2%	(4)	-2.0%
Total	764	0.6%	264	0.2%

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Labor	0.7	6.1	7.3	7.3
Benefits	0.2	1.9	2.2	1.9
Materials & Supplies	0.1	1.2	1.4	1.5
Outside Services	0.3	3.5	4.2	4.8
Management Fee	0.9	9.5	12.1	12.4
Uncollectibles	(0.0)	0.2	0.1	0.5
Other *	0.3	3.1	3.9	3.3
Trackers	0.2	0.9	1.1	0.7
Total O&M	2.7	26.4	32.3	32.5
Total O&M w/o Trackers	2.5	25.5	31.3	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	5.6	6.6	6.9
Benefits	0.2	1.7	2.0	1.6
Materials & Supplies	0.1	1.3	1.5	1.5
Outside Services	0.3	3.7	4.3	5.0
Management Fee	1.0	9.9	11.9	12.2
Uncollectibles	0.0	0.4	0.5	0.5
Other *	0.3	3.3	3.9	3.4
Trackers	0.0	0.6	0.8	0.7
Total O&M	2.6	26.4	31.6	31.8
Total O&M w/o Trackers	2.5	25.9	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.1	0.5	0.6	0.5
B) Benefits	(0.0)	0.2	0.1	0.3
Materials & Supplies	(0.0)	(0.0)	(0.1)	(0.0)
Outside Services	(0.0)	(0.2)	(0.1)	(0.2)
C) Management Fee	(0.0)	(0.4)	0.2	0.2
D) Uncollectibles	(0.0)	(0.2)	(0.4)	(0.1)
Other *	0.0	(0.2)	(0.1)	(0.1)
E) Trackers	0.1	0.4	0.3	0.0
Total Change	0.1	(0.0)	0.7	0.7
Total Change w/o Trackers	(0.0)	(0.4)	0.4	0.7

Variance Explanations:

- A) YTD & 2012 Yr Var - unfavorable shift in labor allocation / capitalization transfers for corrosion mitigation & leak repair, with slight offset for select vacancies.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised capitalization transfers.
- D) Annual variance due to revisions to the bad debt calculation & accrual.
- E) Offset in revenue.

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.6	0.8	0.8
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.3	0.4	0.4
Misc Revenues	(0.0)	(0.2)	(0.2)	(0.2)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	0.1
Auto/Trucks Cleared	0.1	1.0	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M				
	0.3	3.1	3.9	3.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.3	0.3	0.3
Corporate Insurance	0.1	0.7	0.9	0.9
Employee Expenses	0.0	0.2	0.3	0.4
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.2	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	1.1	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	3.3	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	(0.0)
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	0.0	(0.0)	0.0	0.0
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	0.0	0.0	0.0	-
Deferred Credits	(0.0)	0.1	0.1	(0.0)
I&D Accrual	(0.0)	(0.1)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	(0.1)	(0.1)	-
Auto/Trucks Cleared	(0.0)	(0.1)	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	-	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	0.0	(0.2)	(0.1)	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Distribution Ops	0.9	9.3	11.0	11.2
Meter To Cash	0.1	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.1	0.4	0.6	0.7
Presidents	0.1	1.2	1.6	1.6
Other Dept	-	-	-	-
Management Fee	0.9	9.5	12.1	12.4
Benefits	0.2	1.9	2.2	1.9
Uncollectibles	(0.0)	0.2	0.1	0.5
Other Corporate *	0.3	2.5	3.0	2.9
Trackers	0.2	0.9	1.1	0.7
Total O&M	2.7	26.4	32.3	32.5
Total O&M w/o Trackers	2.5	25.5	31.3	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.9	9.2	10.9	11.2
Meter To Cash	0.0	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.4	0.4
Presidents	0.1	1.3	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	9.9	11.9	12.2
Benefits	0.2	1.7	2.0	1.6
Uncollectibles	0.0	0.4	0.5	0.5
Other Corporate *	0.2	2.4	2.9	3.0
Trackers	0.0	0.6	0.8	0.7
Total O&M	2.6	26.4	31.6	31.8
Total O&M w/o Trackers	2.5	25.9	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	0.0	0.1	0.1	(0.0)
Meter To Cash	0.0	(0.0)	(0.0)	-
Customer Call Center	0.0	(0.0)	(0.0)	-
Integration Center	0.0	0.1	0.2	0.3
Presidents	0.0	(0.1)	(0.0)	0.0
Other Dept	-	-	-	-
B) Management Fee	(0.0)	(0.4)	0.2	0.2
C) Benefits	(0.0)	0.2	0.1	0.3
D) Uncollectibles	(0.0)	(0.2)	(0.4)	(0.1)
Other Corporate *	0.0	0.0	0.1	(0.1)
E) Trackers	0.1	0.4	0.3	0.0
Total Change	0.1	(0.0)	0.7	0.7
Total Change w/o Trackers	(0.0)	(0.4)	0.4	0.7

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj. partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations - primarily revised capitalization transfers.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Annual variance due to revisions to the bad debt calculation & accrual.
- E) Offset in revenue.

* See O&M Other Corp Tab

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Other Corporate				
Net Labor	0.0	0.4	0.5	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.1
Consulting Fees	0.0	0.1	0.1	0.1
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.6	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	2.5	3.0	2.9

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.4	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.7	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.4	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	0.0	0.0	0.0	(0.0)
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	0.0
Consulting Fees	0.0	0.0	0.1	(0.1)
Legal Fees	-	-	-	-
Outside Services	0.0	(0.0)	(0.0)	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.0)	(0.0)
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	0.0	0.0	0.0	-
Deferred Credits	0.0	(0.0)	(0.0)	(0.0)
I&D Accrual	(0.0)	(0.1)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	-	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.0	0.1	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Depreciation	0.6	5.5	6.7	7.0
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	2.1	2.4	2.6
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes	0.2	2.5	3.0	3.1
Total Other Taxes w/o Trackers	0.2	2.3	2.7	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.6	5.5	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	2.0	2.4	2.6
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	2.4	2.9	3.1
Total Other Taxes w/o Trackers	0.2	2.4	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.1	0.1	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.0	0.0	0.0	0.0
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	0.0	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.0
Total Change w/o Trackers	0.0	(0.1)	(0.2)	0.1

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.0	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.5	0.6	0.4
Total Other Income	0.0	0.5	0.6	0.5
Long-Term Interest Expense	0.4	3.9	4.7	5.0
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	0.1	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.1)
Interest Expense	0.4	3.9	4.8	5.1
NET INCOME FROM SUBSIDIARIES	(0.0)	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.1
Hedging Interest Income	0.0	0.1	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.6	0.6	0.5
Total Other Income	0.0	0.6	0.7	0.5
Long-Term Interest Expense	0.4	3.9	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	3.9	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.0	0.1
Hedging Interest Income	(0.0)	(0.0)	(0.1)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	0.0	(0.1)	(0.0)	(0.1)
Total Other Income	0.0	(0.1)	(0.1)	0.0
Long-Term Interest Expense	0.0	0.0	0.0	(0.2)
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.2)
NET INCOME FROM SUBSIDIARIES	(0.0)	0.0	0.0	-

Variance Explanations:

A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

2012 10&2	Mo	2012	2013
Assets			
Net Property Plant and Equipment	215.0	213.7	228.6
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.4	-	-
Restricted Cash	1.8	3.4	1.3
Accounts Receivable	40.3	52.6	26.7
Gas Inventory	53.4	43.2	45.4
Unrecovered Purchase Costs	-	-	9.5
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	1.2	3.0	3.2
Total Current Assets	99.3	104.2	88.3
Price Risk Management Assets	-	-	-
NC Regulatory Assets	16.5	16.3	15.1
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.0	3.0	3.0
Total Other Assets	19.6	19.4	18.1
Total Assets	334.2	337.7	335.4
Capitalization & Liabilities			
Total Common Stock Equity	90.7	92.7	99.4
Long Term Debt , excluding amounts due within one year	67.3	53.3	87.1
Total Capitalization	158.0	146.0	186.4
Obligations Due in One Year	14.7	28.7	4.9
Accounts Payable	9.7	10.4	11.2
Customer Deposits and AR Credit Balance	16.4	17.7	17.7
Taxes Accrued	3.7	4.7	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	16.4	13.0	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	17.3	15.6	3.3
Current Regulatory Liabilities	4.5	4.4	4.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.7)	(0.6)	2.4
Total Current Liabilities	82.8	94.7	49.8
Price Risk Management Liabilities - NC	0.8	0.8	0.8
Deferred Income Taxes	46.5	50.2	51.8
Deferred Investment Tax Credits	0.4	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.9	25.0	25.3
Accrued Liab for Post Retirement Benefits - NC	9.7	9.6	9.7
Other Non-Current Liabilities	11.0	11.1	11.3
Other NC Liab & Deferred Credits	93.4	97.0	99.1
Total Capitalization & Liabilities	334.2	337.7	335.4

	Mo	2012	2013
Assets			
Net Property Plant and Equipment	209.2	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.6	3.6	-
Accounts Receivable	24.4	39.2	31.4
Gas Inventory	53.3	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.7	2.7	2.7
Prepayments and Other Assets	0.9	2.9	3.1
Total Current Assets	85.0	93.6	82.6
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.6	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.3	19.1	18.4
Total Assets	313.9	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	92.8	94.4	95.9
Long Term Debt , excluding amounts due within one year	67.3	58.3	89.3
Total Capitalization	160.1	152.7	185.3
Obligations Due In One Year	14.7	28.7	-
Accounts Payable	11.6	11.1	11.4
Customer Deposits and AR Credit Balance	18.2	17.7	17.7
Taxes Accrued	1.9	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	6.1	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	4.7	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.8)	(0.8)	(0.7)
Total Current Liabilities	60.9	78.6	42.6
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	46.3	46.8	47.7
Deferred Investment Tax Credits	0.4	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.2	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.8	9.8	10.0
Other NC Liab & Deferred Credits	92.9	93.4	93.2
Total Capitalization & Liabilities	313.9	324.7	321.1

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	5.8	2.1	8.9
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.4	-	-
C) Restricted Cash	(1.8)	(0.2)	1.3
D) Accounts Receivable	15.9	13.4	(4.7)
E) Gas Inventory	0.1	(1.9)	0.8
F) Unrecovered Purchase Costs	-	-	9.0
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	(0.8)	(0.8)	(0.8)
Prepayments and Other Assets	0.3	0.0	0.1
Total Current Assets	14.2	10.6	5.7
Price Risk Management Assets	-	-	-
K) NC Regulatory Assets	(1.1)	(1.1)	(1.7)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
L) Deferred Charges	1.4	1.4	1.4
Total Other Assets	0.3	0.3	(0.3)
Total Assets	20.3	13.0	14.3
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.1)	(1.7)	3.4
G) Long Term Debt , excluding amounts due within one year	-	(5.0)	(2.3)
Total Capitalization	(2.1)	(6.7)	1.1
G) Current Portion of Long Term Debt	-	-	4.9
D) Accounts Payable	(2.0)	(0.7)	(0.1)
D) Customer Deposits and AR Credit Balance	(1.8)	0.0	0.0
H) Taxes Accrued	1.8	(0.3)	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	10.3	5.1	-
I) Price Risk Management Liabilities (Current)	(0.1)	(0.1)	(0.1)
J) Exchange Gas Payable	12.6	10.9	(1.4)
K) Current Regulatory Liabilities	0.9	0.8	0.6
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
L) Other Accruals	0.1	0.2	3.1
Total Current Liabilities	21.9	16.1	7.2
Price Risk Management Liabilities - NC	(0.3)	(0.3)	(0.3)
H) Deferred Income Taxes	0.2	3.4	4.0
Deferred Investment Tax Credits	0.0	(0.0)	(0.0)
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	(0.3)	(0.3)	(0.3)
K) Accrued Liab for Post Retirement Benefits - NC	(0.4)	(0.5)	1.2
L) Other Non-Current Liabilities	1.2	1.2	1.2
Other NC Liab & Deferred Credits	0.6	3.6	5.9
Total Capitalization & Liabilities	20.3	13.0	14.3

Variance Explanations:

- A) Variance due to timing around 2012 In-Service and subsequent Depreciation.
- B) Increase in Money Pool funding.
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program. The 2012 variance includes MF Global bankruptcy of (\$483K).
- D) A/R: Month and YTD variances are due primarily due to increased Money Pool funding of \$16.2M. This favorable funding was partially offset by a net decrease in Unaffiliated A/R of approximately (\$2.5M). Components of the A/R variance include unfavorable variances of (\$4.8M) related to Choice / GTS accounts, and (\$1.4M) for Off-Systems Sales, partially offset by increased Tariff receivables of \$3.6M.
A/P: 2012 variance is due to decreased payables related to declining Gas Costs (\$2.2M), offset by decreased A/R and inventory.
Customer Deposits: The \$1.8M variance is due to adjustments to budget payment plans related to declining gas cost and usage; offset by declining A/R.
- E) Monthly variance due to Rate Differential and Usage variances of (\$349K) and \$469K respectively. 2012 annual variance due to Rate Differential and Usage variances of \$323K and (\$2.190M) respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$1.235M and (\$441.4K) respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to changes to the Federal tax payment and accrual calculation(s) .
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding "Park" exchange obligations vs. the 0&12.
- K) Non-current Regulatory Asset variance due to an \$800K change to the hedging program. Current Reg Liab variance due to unfavorable changes to DSM, Uncollectibles, & Other Misc Adjustments of (\$240K), (\$225K), and (\$94K) respectively. Variance to Non-current OPEB liability due to changes in actuarial assumption provided by Corporate at the 7&5.
- L) Other Accruals variance due to approximately \$560K of reductions to misc. other taxes, and reclasses to other accounts of roughly \$1.7M. Variance in Deferred Charges & Other Non-current liabilities is due to Customer Advances stemming from Capital projects.

2012 10&2	Mo Actual	YTD Actual	2012 10&2	2013 10&2
New Business	1.1	3.7	3.7	4.0
Betterment	0.0	0.3	0.3	0.1
Replacement	1.6	12.6	12.0	15.8
Support Services	0.2	1.3	1.4	2.0
Gross Capital	2.9	17.9	17.4	21.9
Contributions & Reimbursements	(0.1)	(0.4)	(0.7)	(0.6)
Total NGD	2.8	17.5	16.8	21.3
Infrastructure/AMR	1.2	10.8	9.6	12.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.2	1.2	1.7	1.7
Betterment	(0.0)	0.9	1.0	0.2
Replacement	0.9	9.0	11.4	11.7
Support Services	0.0	0.5	1.2	1.6
Gross Capital	1.1	11.7	15.3	15.1
Contributions & Reimbursements	(0.0)	(0.6)	(0.7)	(0.7)
Total NGD	1.1	11.1	14.7	14.5
Infrastructure/AMR	0.8	7.6	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.9	2.5	2.0	2.3
Betterment	0.0	(0.6)	(0.7)	(0.1)
Replacement	0.7	3.6	0.6	4.1
Support Services	0.2	0.8	0.2	0.5
Gross Capital	1.8	6.2	2.1	6.8
Contributions & Reimbursements	(0.0)	0.2	-	0.1
Total NGD	1.7	6.4	2.1	6.9
Infrastructure/AMR	0.4	3.2	0.5	4.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Net Revenues	5.8	50.9	58.3	60.7
O&M Expense	3.2	28.6	30.9	31.8
Depreciation	0.6	6.1	6.7	7.0
Other Taxes	0.1	2.5	2.8	3.2
Operating Earnings	2.0	13.7	18.0	18.8
Other Income	0.0	0.5	0.6	0.5
Interest Expense	0.4	4.3	4.7	5.0
Net Operating Income	1.7	9.9	13.8	14.3
Income Tax	0.4	4.2	5.8	5.5
Net Operating Income	1.2	5.7	8.0	8.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Net Revenues	5.6	53.2	60.9	60.8
O&M Expense	2.4	28.3	30.9	31.1
Depreciation	0.6	6.0	6.6	6.9
Other Taxes	0.2	2.7	2.9	3.1
Operating Earnings	2.3	16.2	20.5	19.8
Other Income	0.0	0.6	0.7	0.5
Interest Expense	0.4	4.4	4.8	5.3
Net Operating Income	1.9	12.4	16.4	15.0
Income Tax	0.7	4.8	6.3	6.0
Net Operating Income	1.2	7.6	10.0	9.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.3	(2.3)	(2.6)	(0.1)
O&M Expense	0.7	0.3	(0.0)	0.7
Depreciation	0.0	0.1	0.1	0.1
Other Taxes	(0.2)	(0.1)	(0.1)	0.1
Operating Earnings	(0.3)	(2.5)	(2.5)	(1.1)
Other Income	(0.0)	(0.1)	(0.1)	0.0
Interest Expense	(0.0)	(0.1)	(0.1)	(0.3)
Net Operating Income	(0.3)	(2.6)	(2.5)	(0.7)
Income Tax	(0.3)	(0.6)	(0.5)	(0.5)
Net Operating Income	0.0	(2.0)	(2.0)	(0.2)

* net of trackers

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Base Margin (less LCR)	5.0	43.3	49.8	50.4
LCR	0.5	4.4	4.9	5.1
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
ESS	0.2	1.4	1.5	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.2	1.3	1.0
CKY Purchase Receivable	0.0	0.4	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.2	1.1	1.2	0.5
Total Revenue	6.0	52.2	59.8	61.4
Total Revenue w/o Trackers	5.8	50.9	58.3	60.7

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Base Margin (less LCR)	4.7	44.7	51.4	50.4
LCR	0.5	4.5	5.1	4.9
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.2	2.2	2.4	2.8
Regulatory Outcome	-	-	-	0.6
Other OGDR	0.1	1.1	1.2	1.2
CKY Purchase Receivable	0.1	0.5	0.5	0.5
Uncollectibles - NonTracked	0.0	0.2	0.3	0.4
Uncollectibles - Tracked	0.0	0.2	0.2	0.2
Trackers	0.1	0.4	0.5	0.5
Total Revenue	5.6	53.8	61.6	61.6
Total Revenue w/o Trackers	5.6	53.2	60.9	60.8

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.3	(1.4)	(1.6)	0.1
A) LCR	0.0	(0.1)	(0.1)	0.2
LCR (Prior Dec. True-Up)	-	(0.1)	(0.1)	-
B) ESS	(0.0)	(0.7)	(0.8)	(0.0)
Regulatory Outcome	-	-	-	0.0
Other OGDR	(0.0)	0.1	0.1	(0.2)
CKY Purchase Receivable	(0.0)	(0.1)	(0.1)	(0.1)
Uncollectibles - NonTracked	0.0	0.0	(0.0)	(0.1)
Uncollectibles - Tracked	-	(0.0)	(0.0)	-
Trackers	0.1	0.7	0.7	(0.0)
Total Variance	0.4	(1.5)	(1.9)	(0.2)
Total Variance w/o Trackers	0.3	(2.3)	(2.6)	(0.1)

Variance Explanations:

- A) 2012 variance due to approximately \$1.8M in non-operating Weather Letter adjustments, offset by \$1.5M of decreased operating revenues driven by volumetric declines.
- B) YTD variance represents fluctuations in Off-System sales assumptions stemming from price volatility.

Columbia Gas of Kentucky
 Other Gas Department Revenues - Plan-vs.-Plan
 (\$ millions)

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Penalty Charges	0.0	0.4	0.4	0.4
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.5	0.6	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.1	0.1	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	0.0	0.0
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	1.2	1.3	1.0

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Penalty Charges	0.0	0.3	0.3	0.3
Return Check	0.0	0.1	0.1	0.1
Other Fees	0.0	0.3	0.4	0.4
Other Revenue	0.0	0.2	0.2	0.2
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.1	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	0.0	0.0	0.0
Misc Merchant Revenue	-	-	-	-
Total OGDR	0.1	1.1	1.2	1.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.1	0.1	0.0
Return Check	0.0	0.0	0.0	0.0
Other Fees	0.0	0.2	0.2	(0.0)
Other Revenue	(0.0)	(0.2)	(0.2)	(0.2)
Pub Util-Flex	0.0	0.1	0.1	-
Company Use	(0.0)	(0.0)	(0.0)	(0.0)
Balancing Services	-	-	-	-
Other Misc Income	-	(0.0)	(0.0)	(0.0)
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	(0.0)	0.1	0.1	(0.2)

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.065	0.108
Commercial	0.121	0.416
Total	0.187	0.523

Usage Change	Month	YTD
Residential	0.455	0.857
Commercial	0.349	1.955
Industrial (Non-LCR)	0.187	0.523
Total	0.990	3.335

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	7.6	58.4
Comm	55.3	463.6
Ind	7,437.5	78,665.0

Budget	Month	YTD
Residential	7.4	58.1
Commercial	54.2	457.2
Industrial	7,353.6	78,287.3

Variance	Month	Mo. %	YTD	YTD %
Residential	0.2	2.5%	0.3	0.5%
Commercial	1.0	1.9%	6.4	1.4%
Industrial	83.9	1.1%	377.7	0.5%

Customer Count

Actual	Month	YTD Avg
Residential	119,883	119,465
Commercial	13,909	13,898
Industrial	177	177
Total	133,969	133,541

Budget	Month	YTD Avg
Residential	119,165	119,259
Commercial	13,736	13,811
Industrial	181	181
Total	133,082	133,251

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	718	0.6%	206	0.2%
Commercial	173	1.3%	88	0.6%
Industrial	(4)	-2.2%	(4)	-2.0%
Total	887	0.7%	290	0.2%

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Labor	0.7	6.8	7.4	7.3
Benefits	0.4	2.3	2.4	1.9
Materials & Supplies	0.1	1.4	1.5	1.5
Outside Services	0.5	3.9	4.2	4.8
Management Fee	1.3	10.7	11.5	12.4
Uncollectibles	(0.0)	0.1	0.1	0.5
Other *	0.3	3.5	3.9	3.3
Trackers	0.0	1.1	1.3	0.8
Total O&M	3.2	29.8	32.1	32.5
Total O&M w/o Trackers	3.2	28.6	30.9	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Labor	0.5	6.1	6.6	6.9
Benefits	0.1	1.9	2.0	1.6
Materials & Supplies	0.1	1.4	1.5	1.5
Outside Services	0.3	4.0	4.3	5.0
Management Fee	1.0	10.9	11.9	12.2
Uncollectibles	0.1	0.5	0.5	0.5
Other *	0.3	3.6	3.9	3.4
Trackers	0.1	0.7	0.8	0.7
Total O&M	2.5	28.9	31.6	31.8
Total O&M w/o Trackers	2.437	28.3	30.884	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Labor	0.2	0.7	0.7	0.5
B) Benefits	0.2	0.4	0.4	0.3
Materials & Supplies	0.0	(0.0)	(0.0)	(0.0)
Outside Services	0.1	(0.1)	(0.1)	(0.2)
C) Management Fee	0.2	(0.2)	(0.4)	0.2
D) Uncollectibles	(0.1)	(0.3)	(0.5)	(0.1)
Other *	(0.0)	(0.1)	(0.1)	(0.1)
E) Trackers	(0.1)	0.5	0.5	0.0
Total Change	0.7	0.8	0.5	0.7
Total Change w/o Trackers	0.7	0.3	(0.0)	0.7

Variance Explanations:

- A) YTD & 2012 Yr Var - unfavorable shift in labor allocation / capitalization transfers for corrosion mitigation & leak repair, partially offset by open headcount.
- B) 2012 & 2013 Yr Var - Primarily revised assumptions for active medical, and CIP.
- C) YTD Var - Primarily Legal and NGD Operations. 2012 & 2013 Yr Var - Primarily revised Corp. CIP calculation.
- D) Annual variance due to revisions to the bad debt calculation & accrual.
- E) Offset in revenue.

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.7	0.8	0.8
Employee Expenses	0.0	0.3	0.3	0.4
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.3	0.4	0.4
Misc Revenues	(0.0)	(0.2)	(0.2)	(0.2)
Misc & Other Expenses	0.0	0.2	0.2	0.1
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	0.1
Auto/Trucks Cleared	0.1	1.1	1.2	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M				
	0.3	3.5	3.9	3.3

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other				
Buildings and Land	0.0	0.1	0.1	0.1
Rents/Leases	0.0	0.3	0.3	0.3
Corporate Insurance	0.1	0.8	0.9	0.9
Employee Expenses	0.0	0.3	0.3	0.4
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.3	0.3	0.3
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	(0.0)
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.7)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	1.3	1.4	1.4
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	3.6	3.9	3.4

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Buildings and Land	0.0	(0.0)	(0.0)	(0.0)
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.0)
Employee Expenses	0.0	(0.0)	0.0	0.0
Company Memberships	-	0.0	0.0	0.0
Utilities	(0.0)	0.1	0.1	0.1
Misc Revenues	(0.0)	(0.1)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.2	0.3	0.1
Amortizations *	-	0.0	0.0	-
Deferred Credits	0.0	0.1	0.1	(0.0)
I&D Accrual	0.0	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.1)	(0.1)	-
Auto/Trucks Cleared	(0.0)	(0.1)	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	(0.0)	(0.1)	(0.1)	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Distribution Ops	1.0	10.3	11.0	11.2
Meter To Cash	0.0	0.5	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.1	0.5	0.6	0.7
Presidents	0.1	1.3	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.3	10.7	11.5	12.4
Benefits	0.4	2.3	2.4	1.9
Uncollectibles	(0.0)	0.1	0.1	0.5
Other Corporate *	0.4	2.8	3.1	2.9
Trackers	0.0	1.1	1.3	0.8
Total O&M	3.2	29.8	32.1	32.5
Total O&M w/o Trackers	3.2	28.6	30.9	31.8

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Distribution Ops	0.8	10.0	10.9	11.2
Meter To Cash	0.0	0.6	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.3	0.4	0.4
Presidents	0.1	1.5	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	10.9	11.9	12.2
Benefits	0.1	1.9	2.0	1.6
Uncollectibles	0.1	0.5	0.5	0.5
Other Corporate *	0.2	2.7	2.9	3.0
Trackers	0.1	0.7	0.8	0.7
Total O&M	2.5	28.9	31.6	31.8
Total O&M w/o Trackers	2.4	28.3	30.9	31.1

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
A) Distribution Ops	0.2	0.3	0.1	(0.0)
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	0.0	0.2	0.2	0.3
Presidents	(0.0)	(0.1)	(0.1)	0.0
Other Dept	-	-	-	-
B) Management Fee	0.2	(0.2)	(0.4)	0.2
C) Benefits	0.2	0.4	0.4	0.3
D) Uncollectibles	(0.1)	(0.3)	(0.5)	(0.1)
Other Corporate *	0.1	0.2	0.2	(0.1)
E) Trackers	(0.1)	0.5	0.5	0.0
Total Change	0.7	0.8	0.5	0.7
Total Change w/o Trackers	0.7	0.3	(0.0)	0.7

Variance Explanations:

- A) 2012 Yr Var - Primarily meter reading, maintenance of mains and fleet adj. partially offset by leak repairs.
- B) YTD Var - Primarily Legal and NGD Operations - primarily revised capitalization transfers. 2012 Yr Var - Primarily revised Corp. CIP calculation.
- C) 2012 and 2013 Yr Var - Primarily revised assumptions for active medical, pension, OPEB and capital transfer percentages.
- D) Annual variance due to revisions to the bad debt calculation & accrual.
- E) Offset in revenue.

* See O&M Other Corp Tab

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Other Corporate				
Net Labor	0.2	0.6	0.6	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.2	0.2	0.1
Consulting Fees	0.0	0.1	0.1	0.1
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.2	0.2
Corporate Insurance	0.1	0.7	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.1)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	(0.0)	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	-
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.4	2.8	3.1	2.9

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Other Corporate				
Net Labor	0.0	0.4	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.1	0.1
Consulting Fees	0.0	0.0	0.0	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.1	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.2	0.3	0.3
Corporate Insurance	0.1	0.8	0.9	0.9
Employee Expenses	-	-	-	-
Company Memberships	-	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.2	0.2	0.2
Amortizations *	0.0	0.4	0.5	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.2	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	2.7	2.9	3.0

Variance	Mo Var	YTD Var	2012 Yr Var	2013 Yr Var
Other				
Net Labor	0.1	0.2	0.2	(0.0)
Materials/Supplies	(0.0)	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	0.0
Consulting Fees	0.0	0.0	0.1	(0.1)
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	(0.0)
Buildings and Land	-	-	-	-
Rents/Leases	(0.0)	(0.1)	(0.1)	(0.1)
Corporate Insurance	(0.0)	(0.1)	(0.1)	(0.0)
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.0	0.0
Utilities	0.0	0.1	0.1	0.1
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.0	(0.0)
Amortizations *	-	0.0	0.0	-
Deferred Credits	0.0	(0.0)	(0.0)	(0.0)
I&D Accrual	0.0	(0.0)	(0.0)	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.1	0.2	0.2	(0.1)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Depreciation	0.6	6.1	6.7	7.0
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	2.2	2.4	2.6
Payroll	0.1	0.5	0.6	0.5
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes	0.3	2.7	3.0	3.1
Total Other Taxes w/o Trackers	0.1	2.5	2.8	3.2

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Depreciation	0.6	6.0	6.6	6.9
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	2.2	2.4	2.6
Payroll	0.0	0.4	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.2	2.6	2.9	3.1
Total Other Taxes w/o Trackers	0.2	2.7	2.9	3.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.1	0.1	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	(0.0)	0.0	(0.0)	0.0
Payroll	0.0	0.1	0.1	-
Distribution	-	-	-	-
Other	-	0.0	0.0	-
Total Other Taxes Change	0.0	0.1	0.1	0.0
Total Change w/o Trackers	(0.2)	(0.1)	(0.1)	0.1

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
Miscellaneous	-	-	-	-
AFUDC	(0.0)	0.1	0.1	0.2
Hedging Interest Income	0.0	0.0	0.0	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.5	0.6	0.4
Total Other Income	0.0	0.5	0.6	0.5
Long-Term Interest Expense	0.4	4.3	4.7	5.0
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	-	0.1	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	(0.0)	(0.0)	(0.1)
Interest Expense	0.4	4.3	4.7	5.0
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2012 0&12	Mo Budget	YTD Budget	2012 0&12	2013 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.1	0.1	0.1
Hedging Interest Income	0.0	0.1	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.1)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.6	0.6	0.5
Total Other Income	0.0	0.6	0.7	0.5
Long-Term Interest Expense	0.4	4.3	4.7	5.2
Short-Term Interest Expense	-	-	-	-
Customer Deposits Interest Expense	0.0	0.1	0.2	0.2
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.4	4.4	4.8	5.3
NET INCOME FROM SUBSIDIARIES	-	-	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	(0.0)	0.0	0.0	0.1
Hedging Interest Income	(0.0)	(0.0)	(0.1)	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	0.0	(0.1)	(0.1)	(0.1)
Total Other Income	(0.0)	(0.1)	(0.1)	0.0
Long-Term Interest Expense	(0.0)	0.0	(0.0)	(0.2)
Short-Term Interest Expense	-	-	-	0.0
Customer Deposits Interest Expense	(0.0)	(0.1)	(0.1)	(0.1)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	(0.0)	0.0	(0.0)
Interest Expense	(0.0)	(0.1)	(0.1)	(0.3)
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.

2012 11&1	Mo	2012	2013
Assets			
Net Property Plant and Equipment	215.5	213.6	228.4
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	0.4	-	-
Restricted Cash	2.0	3.5	1.4
Accounts Receivable	48.0	52.9	26.4
Gas Inventory	50.6	43.7	45.3
Unrecovered Purchase Costs	-	-	10.0
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	0.8	3.0	3.2
Total Current Assets	104.1	105.1	88.5
Price Risk Management Assets	-	-	-
NC Regulatory Assets	16.5	16.4	15.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.1	3.1	3.1
Total Other Assets	19.6	19.5	18.3
Total Assets	339.7	338.7	335.6
Capitalization & Liabilities			
Total Common Stock Equity	91.6	92.0	98.8
Long Term Debt , excluding amounts due within one year	67.3	67.3	101.1
Total Capitalization	159.0	159.4	199.8
Obligations Due in One Year	14.7	14.7	(12.0)
Accounts Payable	11.5	10.7	11.2
Customer Deposits and AR Credit Balance	16.8	17.7	17.7
Taxes Accrued	3.8	4.9	5.5
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	12.5	10.8	-
Price Risk Management Liabilities (Current)	0.8	0.8	0.8
Exchange Gas Payable	18.6	16.8	4.5
Current Regulatory Liabilities	4.5	4.4	4.1
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.3)	(0.3)	3.1
Total Current Liabilities	83.0	80.7	35.1
Price Risk Management Liabilities - NC	0.9	0.9	0.9
Deferred Income Taxes	50.6	51.7	53.2
Deferred Investment Tax Credits	0.4	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.8	24.8	25.1
Accrued Liab for Post Retirement Benefits - NC	9.9	9.7	9.9
Other Non-Current Liabilities	11.1	11.1	11.3
Other NC Liab & Deferred Credits	97.7	98.6	100.7
Total Capitalization & Liabilities	339.7	338.7	335.6

2012 0&12	Mo	2012	2013
Assets			
Net Property Plant and Equipment	209.9	211.6	219.7
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.6	3.6	-
Accounts Receivable	32.6	39.2	31.4
Gas Inventory	50.4	45.1	44.6
Unrecovered Purchase Costs	-	-	0.5
Material & Supplies	0.0	0.0	0.0
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.7	2.7	2.7
Prepayments and Other Assets	0.7	2.9	3.1
Total Current Assets	90.1	93.6	82.6
Price Risk Management Assets	-	-	-
NC Regulatory Assets	17.5	17.4	16.8
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	1.7	1.7	1.7
Total Other Assets	19.2	19.1	18.4
Total Assets	319.6	324.7	321.1
Capitalization & Liabilities			
Total Common Stock Equity	94.0	94.4	95.9
Long Term Debt , excluding amounts due within one year	72.3	58.3	89.3
Total Capitalization	166.3	152.7	185.3
Obligations Due in One Year	14.7	28.7	-
Accounts Payable	10.5	11.1	11.4
Customer Deposits and AR Credit Balance	19.6	17.7	17.7
Taxes Accrued	2.3	5.0	5.3
Interest Accrued	0.0	0.0	0.0
Overrecovered Gas and Fuel Costs	4.8	7.9	-
Price Risk Management Liabilities (Current)	0.6	0.6	0.6
Exchange Gas Payable	4.7	4.7	4.7
Current Regulatory Liabilities	3.6	3.6	3.5
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.8)	(0.8)	(0.7)
Total Current Liabilities	60.2	78.6	42.6
Price Risk Management Liabilities - NC	1.1	1.1	1.1
Deferred Income Taxes	46.5	46.8	47.7
Deferred Investment Tax Credits	0.4	0.4	0.4
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.2	25.2	25.5
Accrued Liab for Post Retirement Benefits - NC	10.1	10.0	8.5
Other Non-Current Liabilities	9.8	9.8	10.0
Other NC Liab & Deferred Credits	93.1	93.4	93.2
Total Capitalization & Liabilities	319.6	324.7	321.1

Variance	Mo Var	2012 Var	2013 Var
Assets			
A) Net Property Plant and Equipment	5.5	2.0	8.7
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	0.4	-	-
C) Restricted Cash	(1.6)	(0.1)	1.4
D) Accounts Receivable	15.5	13.7	(5.0)
E) Gas Inventory	0.2	(1.4)	0.6
F) Unrecovered Purchase Costs	-	-	9.5
Material & Supplies	0.1	(0.0)	(0.0)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.0	0.0	0.0
Current Regulatory Assets	(0.7)	(0.7)	(0.7)
Prepayments and Other Assets	0.1	0.0	0.1
Total Current Assets	14.0	11.5	5.9
Price Risk Management Assets	-	-	-
K) NC Regulatory Assets	(1.0)	(1.0)	(1.6)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
L) Deferred Charges	1.5	1.5	1.5
Total Other Assets	0.4	0.4	(0.2)
Total Assets	20.0	14.0	14.5
Capitalization & Liabilities			
G) Total Common Stock Equity	(2.3)	(2.4)	2.8
G) Long Term Debt , excluding amounts due within one year	(5.0)	9.0	11.7
Total Capitalization	(7.3)	6.6	14.6
G) Current Portion of Long Term Debt	-	(14.0)	(12.0)
D) Accounts Payable	1.0	(0.4)	(0.2)
D) Customer Deposits and AR Credit Balance	(2.8)	0.0	0.0
H) Taxes Accrued	1.5	(0.1)	0.2
Interest Accrued	0.0	0.0	0.0
F) Overrecovered Gas and Fuel Costs	7.7	2.9	-
I) Price Risk Management Liabilities (Current)	0.2	0.2	0.2
J) Exchange Gas Payable	13.9	12.1	(0.1)
K) Current Regulatory Liabilities	0.9	0.8	0.6
Accrued Liability for Post Retirement Benefits - Cur	0.0	0.0	0.0
Environmental	-	-	-
L) Other Accruals	0.4	0.5	3.7
Total Current Liabilities	22.8	2.1	(7.5)
Price Risk Management Liabilities - NC	(0.2)	(0.2)	(0.2)
H) Deferred Income Taxes	4.1	4.9	5.5
Deferred Investment Tax Credits	0.0	-	-
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	(0.4)	(0.4)	(0.4)
K) Accrued Liab for Post Retirement Benefits - NC	(0.2)	(0.3)	1.4
L) Other Non-Current Liabilities	1.3	1.3	1.3
Other NC Liab & Deferred Credits	4.6	5.2	7.5
Total Capitalization & Liabilities	20.0	14.0	14.5

Variance Explanations:

- A) Variance due to timing around 2012 In-Service and subsequent Depreciation.
- B) Increase in Money Pool funding.
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program. The 2012 variance includes MF Global bankruptcy of (\$483K).
- D) **A/R:** Month and YTD variances are primarily due to increased Money Pool funding of \$13.6M & \$18.6M respectively. This favorable funding was partially offset by a net decrease in Unaffiliated A/R of approximately (\$2.1M). Components of the A/R variance include unfavorable variances of (\$4.6M) related to Choice / GTS accounts, and (\$1.2M) for Off-Systems Sales, offset by increased Tariff receivables of \$4.8M. Additional month & YTD variance drivers include Tax Receivables of \$3.9M and \$2.4M respectively.
A/P: 2012 variance is due to decreased payables related to declining Gas Costs (\$980K).
Customer Deposits: The \$2.8M variance is due to adjustments to budget payment plans related to declining gas cost and usage; offset by declining A/R.
- E) Monthly variance due to Rate Differential and Usage variances of (\$193K) and \$430K respectively. 2012 annual variance due to Rate Differential and Usage variances of \$277K and (\$1.670M) respectively. 2013 annual variance is due to Rate Differential and Usage variances of \$905K and (\$305K) respectively.
- F) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to changes to the Federal tax payment and accrual calculation(s) .
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding "Park" exchange obligations vs. the 0&12.
- K) **Non-current Regulatory Asset** variance due to an \$1.0M Corporate adjustment to Pension Benefit expense.
Current Reg Liab variance due to unfavorable changes to DSM, Uncollectibles, & Other Misc Adjustments of (\$190K), (\$328K), and (\$280) respectively. **Non-current OPEB liability** variance due to changes in actuarial assumption provided by Corporate at the 7&5.
- L) **Other Accruals** variance primarily due to approximately \$560K of reductions to misc. other taxes, and reclasses to other accounts of roughly \$1.7M.
Deferred Charges & Other Non-current liabilities variances are due to Customer Advances stemming from Capital projects.

2012 11&1	Mo Actual	YTD Actual	2012 11&1	2013 11&1
New Business	0.3	3.9	3.7	4.0
Betterment	0.0	0.3	0.3	0.1
Replacement	0.7	13.3	12.0	15.8
Support Services	(0.0)	1.3	1.4	2.0
Gross Capital	0.9	18.8	17.4	21.9
Contributions & Reimbursements	(0.1)	(0.4)	(0.7)	(0.6)
Total NGD	0.9	18.4	16.8	21.3
Infrastructure/AMR	0.5	11.3	9.6	12.2

2012 0&12	Mo Budget	YTD	2012 0&12	2013 0&12
New Business	0.2	1.4	1.7	1.7
Betterment	0.1	1.1	1.0	0.2
Replacement	0.9	9.9	11.4	11.7
Support Services	0.1	0.6	1.2	1.6
Gross Capital	1.3	13.0	15.3	15.1
Contributions & Reimbursements	(0.0)	(0.6)	(0.7)	(0.7)
Total NGD	1.3	12.4	14.7	14.5
Infrastructure/AMR	0.7	8.3	9.1	8.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	0.0	2.5	2.0	2.3
Betterment	(0.1)	(0.7)	(0.7)	(0.1)
Replacement	(0.2)	3.3	0.6	4.1
Support Services	(0.1)	0.7	0.2	0.5
Gross Capital	(0.4)	5.8	2.1	6.8
Contributions & Reimbursements	(0.0)	0.2	-	0.1
Total NGD	(0.4)	6.0	2.1	6.9
Infrastructure/AMR	(0.2)	3.0	0.5	4.0

Variance Explanations:

Primarily mild weather and contractor availability.

Plan variances due to additional allocation to NGD: CKY portion.

2013 0&12	2012	2013	2014
Net Revenues	58.5	60.1	60.7
O&M Expense	31.4	31.4	32.2
Depreciation	6.7	7.1	7.6
Other Taxes	2.7	3.1	3.4
Operating Earnings	17.7	18.5	17.5
Other Income	0.5	0.5	0.4
Interest Expense	4.7	5.0	5.2
Net Operating Income	13.5	13.9	12.7
Income Tax	5.6	5.3	6.6
Net Income	8.0	8.7	6.1

2012 7&5	2012	2013	2014
Net Revenues	60.5	60.4	60.9
O&M Expense	31.2	31.8	32.4
Depreciation	6.7	7.0	7.5
Other Taxes	2.7	3.2	3.5
Operating Earnings	19.9	18.4	17.6
Other Income	0.7	0.4	0.3
Interest Expense	4.8	5.1	5.1
Net Operating Income	15.8	13.7	12.7
Income Tax	6.0	5.3	7.2
Net Income	9.7	8.4	5.5

Variance	2012	2013	2014
Net Revenues	(2.1)	(0.3)	(0.2)
O&M Expense	0.2	(0.4)	(0.2)
Depreciation	0.0	0.1	0.1
Other Taxes	(0.1)	(0.1)	(0.1)
Operating Earnings	(2.2)	0.0	(0.1)
Other Income	(0.2)	0.1	0.2
Interest Expense	(0.1)	(0.1)	0.1
Net Operating Income	(2.2)	0.2	(0.0)
Income Tax	(0.4)	(0.1)	(0.6)
Net Income	(1.8)	0.3	0.6

* net of trackers

2013 0&12	2012	2013	2014
Base Margin (less LCR)	50.0	50.4	50.0
LCR	4.9	5.1	5.4
LCR (Prior Dec. True-Up)	(0.1)	-	-
Supply Optimization	1.6	2.1	2.1
Regulatory Outcome	-	0.7	1.4
Other OGDR	1.3	1.0	1.0
CKY Purchase Receivable	0.4	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.3	0.4
Uncollectibles - Tracked	0.2	0.2	0.2
Trackers	1.6	0.5	0.5
Total Revenue	60.3	60.8	61.4
Total Revenue w/o Trackers	58.5	60.1	60.7

2012 7&5	2012	2013	2014
Base Margin (less LCR)	51.3	50.2	49.8
LCR	4.9	5.1	5.4
LCR (Prior Dec. True-Up)	(0.1)	-	-
ESS	2.4	2.8	2.8
Regulatory Outcome	-	0.6	1.1
Other OGDR	1.3	1.0	1.0
CKY Purchase Receivable	0.4	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.4	0.4
Uncollectibles - Tracked	0.2	0.2	0.2
Trackers	0.8	0.5	0.4
Total Revenue	61.6	61.1	61.6
Total Revenue w/o Trackers	60.5	60.4	60.9

Variance	2012	2013	2014
A) Base Margin (less LCR)	(1.3)	0.2	0.2
LCR	(0.0)	-	-
LCR (Prior Dec. True-Up)	-	-	-
B) ESS	(0.8)	(0.7)	(0.7)
Regulatory Outcome	-	0.2	0.3
Other OGDR	0.0	(0.0)	(0.0)
CKY Purchase Receivable	0.0	0.0	0.0
Uncollectibles - Non Tracked	(0.0)	(0.0)	(0.0)
Uncollectibles - Tracked	-	-	-
Trackers	0.7	0.0	0.0
Total Variance	(1.3)	(0.3)	(0.2)
Total Variance w/o Trackers	(2.1)	(0.3)	(0.2)

- A) Variances driven by a slight increase to usage forecasts.
Variance due to downward revisions to Off-System sales forecasts due to declining gas prices
- B) and price volatility

2013 O&M	2012	2013	2014
Labor	7.3	7.2	7.4
Benefits	2.5	1.9	1.9
Materials & Supplies	1.5	1.4	1.4
Outside Services	4.6	4.4	4.2
Management Fee	11.7	12.4	12.7
Uncollectibles	0.1	0.5	0.5
Other *	3.7	3.6	4.1
Trackers	1.6	0.7	0.7
Total O&M	33.0	32.1	32.9
Total O&M w/o Trackers	31.4	31.4	32.2

2012 7&5	2012	2013	2014
Labor	7.0	7.3	7.6
Benefits	2.1	1.9	1.9
Materials & Supplies	1.5	1.5	1.5
Outside Services	4.3	4.3	4.4
Management Fee	12.1	12.4	12.6
Uncollectibles	0.2	0.5	0.5
Other *	4.1	3.8	3.9
Trackers	0.8	0.7	0.7
Total O&M	32.1	32.5	33.1
Total O&M w/o Trackers	31.2	31.8	32.4

Variance	2012	2013	2014
A) Labor	0.3	(0.2)	(0.2)
B) Benefits	0.4	(0.0)	-
Materials & Supplies	0.1	(0.1)	(0.1)
A) Outside Services	0.2	0.2	(0.2)
C) Management Fee	(0.4)	0.0	0.1
Uncollectibles	(0.1)	-	-
D) Other *	(0.4)	(0.3)	0.2
E) Trackers	0.7	(0.1)	(0.1)
Total Change	0.9	(0.4)	(0.2)
Total Change w/o Trackers	0.2	(0.4)	(0.2)

- A) Primarily due to open headcount (LOGI & EGCO), and refinements to Operations workplan.
- B) 2012 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- C) 2012 – Primarily revised assumptions for Administrative Services (IT) and NGD EH&S Distribution partially offset by capital transfers.
- D) Variance due to revisions to Fleet forecast and Operations workplan.
- E) Offset in revenues.

2013 O&M	2012	2013	2014
Other			
Buildings and Land	0.1	0.1	0.1
Rents/Leases	0.2	0.2	0.2
Corporate Insurance	0.8	0.8	0.8
Employee Expenses	0.3	0.4	0.3
Company Memberships	0.1	0.1	0.1
Utilities	0.4	0.4	0.4
Misc Revenues	(0.2)	(0.1)	(0.1)
Misc & Other Expenses	0.2	0.3	0.3
Amortizations *	0.5	0.4	0.4
Deferred Credits	(0.2)	(0.7)	(0.1)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	0.1	0.1	0.1
Auto/Trucks Cleared	1.2	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Below the Line O&M			
	3.7	3.6	4.1

2012 7&5	2012	2013	2014
Other			
Buildings and Land	0.1	0.1	0.1
Rents/Leases	0.2	0.2	0.2
Corporate Insurance	0.8	0.8	0.8
Employee Expenses	0.3	0.4	0.3
Company Memberships	0.1	0.1	0.1
Utilities	0.4	0.4	0.4
Misc Revenues	(0.2)	(0.2)	(0.2)
Misc & Other Expenses	0.2	0.1	0.1
Amortizations *	0.5	0.4	0.4
Deferred Credits	(0.1)	(0.2)	(0.1)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	0.1	0.1	0.1
Auto/Trucks Cleared	1.3	1.3	1.3
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Below the Line O&M			
	4.1	3.8	3.9

Variance	2012	2013	2014
Other			
Buildings and Land	(0.0)	0.0	0.0
Rents/Leases	0.0	0.0	0.0
Corporate Insurance	(0.1)	0.0	0.0
Employee Expenses	(0.0)	0.0	0.0
Company Memberships	(0.0)	(0.0)	(0.0)
Utilities	(0.0)	0.0	0.0
Misc Revenues	(0.1)	0.1	0.1
Misc & Other Expenses	0.0	0.2	0.2
Amortizations *	0.0	-	-
A) Deferred Credits	(0.1)	(0.5)	(0.0)
I&D Accrual	(0.0)	(0.0)	(0.0)
Well/Lease Rent/Royalty	-	-	-
Advertising	0.0	-	-
Auto/Trucks Cleared	(0.1)	(0.1)	(0.1)
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)
Below the Line O&M			
	(0.4)	(0.3)	0.2

A) 2013 variance primarily due to revisions to Customer Program assumptions.

2013 O&M	2012	2013	2014
Distribution Ops	11.4	10.9	11.2
Meter To Cash	0.6	0.6	0.6
Customer Call Center	0.0	0.0	0.0
Integration Center	0.5	0.5	0.5
Presidents	1.5	1.6	1.6
Other Departments	-	-	-
Management Fee	11.7	12.4	12.7
Benefits	2.5	1.9	1.9
Uncollectibles	0.1	0.5	0.5
Other Corporate*	3.2	2.9	3.1
Trackers	1.6	0.7	0.7
Total O&M	33.0	32.1	32.9
Total O&M w/o Trackers	31.4	31.4	32.2

2012 7&5	2012	2013	2014
Distribution Ops	11.1	11.2	11.4
Meter To Cash	0.6	0.6	0.6
Customer Call Center	0.0	0.0	0.0
Integration Center	0.6	0.7	0.7
Presidents	1.6	1.6	1.6
Other Departments	-	-	-
Management Fee	12.1	12.4	12.6
Benefits	2.1	1.9	1.9
Uncollectibles	0.2	0.5	0.5
Other Corporate*	3.0	2.9	3.0
Trackers	0.8	0.7	0.7
Total O&M	32.1	32.5	33.1
Total O&M w/o Trackers	31.2	31.8	32.4

Variance	2012	2013	2014
A) Distribution Ops	0.3	(0.2)	(0.1)
Meter To Cash	(0.0)	0.0	-
Customer Call Center	(0.0)	(0.0)	(0.0)
B) Integration Center	(0.0)	(0.1)	(0.2)
Presidents	(0.1)	(0.0)	(0.0)
Other Departments	-	-	-
C) Management Fee	(0.4)	0.0	0.1
D) Benefits	0.4	(0.0)	-
Uncollectibles	(0.1)	-	-
Other Corporate*	0.1	0.1	0.0
E) Trackers	0.7	(0.1)	(0.1)
Total Change	0.9	(0.4)	(0.2)
Total Change w/o Trackers	0.2	(0.4)	(0.2)

- A) 2012 - Primarily fleet adj., right of way (ROW) clearing and tools and uniforms. 2014-2017 - Primarily fleet adj.
- B) 2013-2018 - Primarily due to allocation percentage revisions.
- C) 2012 - Primarily revised assumptions for Administrative Services (IT) and NGD EH&S Distribution partially offset by capital transfers. 2013 - 2018 driven in large part by revisions to Corporate assumptions including CIP and Audit / IBM charges.
- D) 2012 - Primarily revised assumptions for pension, OPEB, active medical and capital transfer percentages.
- E) Offset in revenues.

2013 0&12	2012	2013	2014
Other Corporate			
Net Labor (CIP)	0.6	0.4	0.4
Materials/Supplies	0.0	0.0	0.0
Audit Fees	0.2	0.2	0.2
Consulting Fees	0.1	0.1	0.2
Legal Fees	-	-	-
Outside Services	0.2	0.2	0.2
Buildings and Land	-	-	-
Rents/Leases	0.2	0.2	0.2
Corporate Insurance	0.8	0.8	0.8
Employee Expenses	-	-	-
Company Memberships	0.1	0.1	0.1
Utilities	0.1	0.2	0.2
Misc Revenues	-	-	-
Misc & Other Expenses	0.2	0.2	0.2
Amortizations *	0.5	0.4	0.4
Deferred Credits	(0.1)	(0.1)	(0.1)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	-	-	-
Auto/Truck Cleared	(0.0)	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Stores Clearing	-	-	-
Below the line O&M	-	-	-
Total Other Corporate	3.2	2.9	3.1

2012 7&5	2012	2013	2014
Other Corporate			
Net Labor (CIP)	0.4	0.4	0.4
Materials/Supplies	0.0	0.0	0.0
Audit Fees	0.2	0.1	0.1
Consulting Fees	0.1	0.1	0.2
Legal Fees	-	-	-
Outside Services	0.2	0.2	0.2
Buildings and Land	-	-	-
Rents/Leases	0.2	0.2	0.2
Corporate Insurance	0.8	0.8	0.8
Employee Expenses	-	-	-
Company Memberships	0.1	0.1	0.1
Utilities	0.1	0.1	0.1
Misc Revenues	-	-	-
Misc & Other Expenses	0.2	0.2	0.2
Amortizations *	0.5	0.4	0.4
Deferred Credits	(0.1)	(0.1)	(0.1)
I&D Accrual	0.1	0.1	0.1
Well/Lease Rent/Royalty	-	-	-
Advertising	-	-	-
Auto/Truck Cleared	-	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2	0.2
Stores Clearing	-	-	-
Below the line O&M	-	-	-
Total Other Corporate	3.0	2.9	3.0

Variance	2012	2013	2014
Other			
Net Labor (CIP)	0.2	0.0	0.0
Materials/Supplies	0.0	-	-
Audit Fees	0.0	0.0	0.0
Consulting Fees	(0.0)	-	-
Legal Fees	-	-	-
Outside Services	0.0	-	-
Buildings and Land	-	-	-
Rents/Leases	0.0	0.0	0.0
Corporate Insurance	(0.1)	0.0	0.0
Employee Expenses	-	-	-
Company Memberships	(0.0)	(0.0)	(0.0)
Utilities	(0.0)	0.0	0.0
Misc Revenues	-	-	-
Misc & Other Expenses	0.0	0.0	0.0
Amortizations *	0.0	-	-
Deferred Credits	(0.0)	-	-
I&D Accrual	(0.0)	(0.0)	(0.0)
Well/Lease Rent/Royalty	-	-	-
Advertising	-	-	-
Auto/Truck Cleared	(0.0)	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-
Below the line O&M	-	-	-
Total Other Corporate	0.1	0.1	0.0

2013 0&12	2012	2013	2014
Depreciation	6.7	7.1	7.6
<u>Other Taxes</u>			
Gross Receipts	-	-	-
Property Tax	2.3	2.7	2.9
Payroll	0.6	0.5	0.5
Distribution	-	-	-
Other	0.0	-	-
Total Other Taxes	2.9	3.1	3.4
Total Other Taxes w/o Trackers	2.7	3.1	3.4

2012 7&5	2012	2013	2014
Depreciation	6.7	7.0	7.5
<u>Other Taxes</u>			
Gross Receipts	-	-	-
Property Tax	2.5	2.7	2.9
Payroll	0.5	0.5	0.5
Distribution	-	-	-
Other	0.0	-	-
Total Other Taxes	3.0	3.1	3.4
Total Other Taxes w/o Trackers	2.7	3.2	3.5

Variance	2012	2013	2014
A) Depreciation Change	0.0	0.1	0.1
<u>Other Taxes</u>			
Gross Receipts	-	-	-
Property Tax	(0.1)	-	0.0
Payroll	0.1	-	-
Distribution	-	-	-
Other	0.0	-	-
Total Other Taxes Change	(0.1)	-	0.0
Total Change w/o Trackers	(0.1)	(0.1)	(0.1)

A) Variance due to increased Capital spend

2013 0&12	2012	2013	2014
Miscellaneous	-	-	-
AFUDC	0.1	0.2	0.2
Hedging Interest Income	0.0	0.1	0.0
UnderCollection Income	-	-	-
Sales Receivable	-	-	-
Customer Tax Contribution	-	-	-
Charitable Contributions	(0.1)	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.5	0.4	0.3
Total Other Income	0.5	0.5	0.4
Long-Term Interest Expense	4.7	5.0	5.2
Short-Term Interest Expense	-	0.0	0.0
Customer Deposits	0.1	0.1	0.1
Rate Refund Expense	-	-	-
OverCollection Interest Expense	0.0	-	-
Loss / Gain on Sales of Asset	-	-	-
Loss on Impairment of Asset	(0.0)	-	-
Other Interest Expense	-	-	-
Carrying Cost Interest Expense	-	-	-
Hedging Interest Expense	-	-	-
PISCC	-	-	-
AFUDC	(0.0)	(0.1)	(0.1)
Interest Expense	4.7	5.0	5.2
Income from Subsidiary	0.0	-	-

2012 7&5	2012	2013	2014
Miscellaneous	-	-	-
AFUDC	0.1	0.2	0.2
Hedging Interest Income	0.0	0.0	-
UnderCollection Income	-	-	-
Sales Receivable	-	-	-
Customer Tax Contribution	-	-	-
Charitable Contributions	(0.1)	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.6	0.3	0.2
Total Other Income	0.7	0.4	0.3
Long-Term Interest Expense	4.7	5.0	5.0
Short-Term Interest Expense	-	0.0	0.0
Customer Deposits	0.1	0.1	0.1
Rate Refund Expense	-	-	-
OverCollection Interest Expense	-	-	-
Loss / Gain on Sales of Asset	-	-	-
Loss on Impairment of Asset	-	-	-
Other Interest Expense	-	-	-
Carrying Cost Interest Expense	-	-	-
Hedging Interest Expense	-	-	-
PISCC	-	-	-
AFUDC	(0.1)	(0.1)	(0.1)
Interest Expense	4.8	5.1	5.1
Income from Subsidiary	0.0	-	-

Variance	2012	2013	2014
Miscellaneous	-	-	-
AFUDC	(0.0)	(0.0)	(0.0)
Hedging Interest Income	(0.0)	0.0	0.0
UnderCollection Income	-	-	-
Sales Receivable	-	-	-
Customer Tax Contribution	-	-	-
Charitable Contributions	(0.0)	-	-
A) Temp Cash Inv Int Inc	(0.1)	0.1	0.2
Total Other Income	(0.2)	0.1	0.2
A) Long-Term Interest Expense	(0.0)	0.0	0.2
A) Short-Term Interest Expense	-	(0.0)	(0.0)
Customer Deposits	(0.1)	(0.1)	(0.1)
Rate Refund Expense	-	-	-
OverCollection Interest Expense	0.0	-	-
Loss / Gain on Sales of Asset	-	-	-
Loss on Impairment of Asset	(0.0)	-	-
Other Interest Expense	-	-	-
Carrying Cost Interest Expense	-	-	-
Hedging Interest Expense	-	-	-
PISCC	-	-	-
AFUDC	0.0	0.0	0.0
Interest Expense	(0.1)	(0.1)	0.1
Income from Subsidiary	0.0	-	-

A) Variance due to changes in Capital structure to maintain appropriate debt / equity percentages

2013 0&12	2012	2013	2014
Assets			
Net Property Plant and Equipment	215.6	231.1	251.0
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	1.8	-	-
Restricted Cash	1.9	2.6	0.8
Accounts Receivable	49.4	27.7	27.4
Gas Inventory	44.1	44.0	43.7
Unrecovered Purchase Costs	-	8.5	6.8
Material & Supplies	0.1	0.1	0.1
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	3.0	3.2	3.6
Total Current Assets	102.4	88.3	84.5
Price Risk Management Assets			
NC Regulatory Assets	19.7	18.5	17.4
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.1	3.1	3.1
Total Other Assets	22.8	21.6	20.5
Total Assets	341.3	341.4	356.5
Capitalization & Liabilities			
Total Common Stock Equity	91.9	98.5	103.1
Long Term Debt , excluding amounts due within c	53.3	86.3	97.3
Total Capitalization	145.2	184.9	200.4
Current Portion of Long Term Debt	28.7	3.3	-
Accounts Payable	12.0	11.4	10.4
Customer Deposits and AR Credit Balance	15.6	17.7	17.7
Taxes Accrued	8.0	5.0	5.6
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	9.6	-	-
Price Risk Management Liabilities (Current)	0.9	0.9	0.9
Exchange Gas Payable	17.1	4.7	4.7
Current Regulatory Liabilities	4.3	3.9	3.9
Accrued Liability for Post Retirement Benefits - C	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.4)	2.9	2.2
Total Current Liabilities	96.0	50.1	45.6
Price Risk Management Liabilities - NC	0.8	0.8	0.8
Deferred Income Taxes	50.0	55.2	59.6
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.7	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.2	13.3	12.5
Other Non-Current Liabilities	11.0	12.0	12.1
Other NC Liab & Deferred Credits	100.0	106.4	110.4
Total Capitalization & Liabilities	341.3	341.4	356.5

2012 7&5	2012	2013	2014
Assets			
Net Property Plant and Equipment	212.7	227.5	247.5
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.2	-	-
Accounts Receivable	48.6	26.2	25.8
Gas Inventory	45.1	45.7	44.4
Unrecovered Purchase Costs	-	8.9	7.8
Material & Supplies	-	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.5	2.5	2.5
Prepayments and Other Assets	3.0	3.2	3.6
Total Current Assets	102.4	86.6	84.2
Price Risk Management Assets			
NC Regulatory Assets	16.5	15.3	14.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.3	3.3	3.3
Total Other Assets	19.9	18.6	17.6
	-	-	-
Total Assets	335.4	333.1	349.7
Capitalization & Liabilities			
Total Common Stock Equity	91.9	98.3	102.6
Long Term Debt , excluding amounts due within c	58.3	87.1	103.1
Total Capitalization	150.2	185.3	205.7
Current Portion of Long Term Debt	28.7	5.3	-
Accounts Payable	10.6	11.4	9.9
Customer Deposits and AR Credit Balance	17.7	17.7	17.7
Taxes Accrued	4.6	5.5	6.1
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	9.7	-	-
Price Risk Management Liabilities (Current)	0.8	0.8	0.8
Exchange Gas Payable	13.2	2.4	2.4
Current Regulatory Liabilities	4.1	3.8	3.8
Accrued Liability for Post Retirement Benefits - C	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(1.4)	1.9	1.8
Total Current Liabilities	88.2	49.0	42.6
Price Risk Management Liabilities - NC	1.0	1.0	1.0
Deferred Income Taxes	49.8	51.4	54.3
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.1	25.4	25.7
Accrued Liab for Post Retirement Benefits - NC	9.6	9.7	8.9
Other Non-Current Liabilities	11.0	11.1	11.3
Other NC Liab & Deferred Credits	96.9	98.9	101.4
	-	-	-
Total Capitalization & Liabilities	335.4	333.1	349.7

Variance	2012	2013	2014
Assets			
Net Property Plant and Equipment	3.0	3.6	3.5
Total Investments	0.0	0.0	0.0
A) Cash and Cash Equivalents	1.8	-	-
B) Restricted Cash	(1.3)	2.6	0.8
C) Accounts Receivable	0.9	1.6	1.7
D) Gas Inventory	(1.0)	(1.7)	(0.7)
E) Unrecovered Purchase Costs	-	(0.4)	(1.0)
Material & Supplies	0.1	0.1	0.1
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.0	0.0	0.0
F) Current Regulatory Assets	(0.5)	(0.5)	(0.5)
Prepayments and Other Assets	(0.0)	(0.0)	(0.0)
Total Current Assets	(0.0)	1.7	0.3
Price Risk Management Assets	(0.8)		
F) NC Regulatory Assets	3.2	3.2	3.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	(0.2)	(0.2)	(0.2)
Total Other Assets	2.9	2.9	2.9
Total Assets	5.9	8.3	6.8
Capitalization & Liabilities			
G) Total Common Stock Equity	0.0	0.3	0.4
G) Long Term Debt , excluding amounts due within c	(5.0)	(0.7)	(5.7)
Total Capitalization	(5.0)	(0.5)	(5.3)
G) Current Portion of Long Term Debt	-	(1.9)	-
C) Accounts Payable	1.4	0.0	0.5
H) Customer Deposits and AR Credit Balance	(2.1)	-	-
I) Taxes Accrued	3.4	(0.4)	(0.5)
Interest Accrued	(0.0)	(0.0)	(0.0)
E) Overrecovered Gas and Fuel Costs	(0.1)	-	-
Price Risk Management Liabilities (Current)	0.1	0.1	0.1
J) Exchange Gas Payable	3.8	2.3	2.3
Current Regulatory Liabilities	0.2	0.1	0.1
Accrued Liability for Post Retirement Benefits - C	0.0	0.0	0.0
Environmental	-	-	-
K) Other Accruals	1.1	1.0	0.4
Total Current Liabilities	7.8	1.2	3.0
Price Risk Management Liabilities - NC	(0.2)	(0.2)	(0.2)
I) Deferred Income Taxes	0.1	3.8	5.4
Deferred Investment Tax Credits	0.0	0.0	0.0
Deferred Credits	-	-	-
L) Noncurrent Regulatory Liabilities	(0.4)	(0.5)	(0.6)
M) Accrued Liab for Post Retirement Benefits - NC	3.6	3.6	3.6
N) Other Non-Current Liabilities	(0.0)	0.9	0.9
Other NC Liab & Deferred Credits	3.1	7.6	9.0
Total Capitalization & Liabilities	5.9	8.3	6.8

Variance Explanations:

- A) 2012 variance due to increased cash flow from the 7&5 forecast.
 B) Variance due to changes to the required reserves related to the Hedging Program, and MF Global bankruptcy (\$1.8M).

C) Annual A/R variance primarily due to chances to Money Pool assumptions:

2012	2013	2014	2015	2016
(1.60)	-	0.63	(0.84)	(0.91)

2012 variance due to increased Gas, Marketer, and Other Miscellaneous expenses of (\$525K),

D)

Year	Volume Variance (\$\$\$)	Rate Variance (\$\$\$)	Total Variance (\$\$\$)
2012	(0.2)	(0.7)	(0.9)
2013	(0.4)	(1.3)	(1.7)
2014	0.4	(1.1)	(0.7)
2015	0.0	(1.3)	(1.3)
2016	(0.4)	(1.2)	(1.6)
2017	(0.5)	(1.2)	(1.7)
2018	(0.1)	(1.1)	(1.2)

- E) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- F) Variances are due to changes to pension funding obligations.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to increases to Customer advances; specifically ColorPoint Greenhouse in Paris, KY.
- I) Variances primarily driven by Federal and State tax liabilities, and Net Operating Loss (NOL) impacts.
- J) Variance due to changes in the number of exchange obligations vs. the 0&12.
- K) Variances primarily driven by changes to CIP (\$499K), Deferred Taxes (\$245K), and Misc. / Other (\$499K).
- L) Variance primarily due to changes the adoption of SFAS 96 regarding the treatment of Deferred Taxes.
- M) Variance due to changes to Accrued Pension costs.
- N) Variance due to changes to adjustments to Customer Advances and OPEB Retirement obligations

Columbia Gas of Kentucky
 Capital Expenditures - Plan-vs.-Plan
 (\$ millions)

FR 16(12)(o)
 Page 230 of 273

2013 0&12	2012	2013	2014
New Business	4.0	4.0	2.6
Betterment	0.4	0.1	0.1
Replacement	13.4	15.8	16.5
Support Services	1.6	2.0	8.5
Gross Capital	19.3	21.9	27.7
Contributions & Reimbursements	(0.4)	(0.6)	(0.6)
Total CKY *	18.9	21.3	27.1
Infrastructure/AMR	11.4	12.2	12.2

2012 7&5	2012	2013	2014
New Business	2.7	4.0	2.6
Betterment	0.3	0.1	0.1
Replacement	12.0	15.8	16.5
Support Services	1.4	2.0	8.5
Gross Capital	16.4	21.9	27.7
Contributions & Reimbursements	(0.7)	(0.6)	(0.6)
Total CKY	15.8	21.3	27.1
Infrastructure/AMR	9.6	12.2	12.2

Variance	2012	2013	2014
New Business	1.3	-	-
Betterment	0.1	-	-
Replacement	1.4	-	-
Support Services	0.2	-	-
Gross Capital	2.9	-	-
Contributions & Reimbursements	0.2	-	-
Total CKY	3.1	-	-
Infrastructure/AMR	1.7	-	-

NGD allotted additional capital after the 7&5R
 Increase in growth activity, favorable weather, and contractor availability for both and
 replacement.

* Note: Total does not include \$(0.1)M in unallocated overheads in 2012.

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Net Revenues	8.4	8.4	60.0	65.1
O&M Expense	2.5	2.5	31.3	32.2
Depreciation	0.6	0.6	7.1	7.6
Other Taxes	0.3	0.3	3.1	3.4
Operating Earnings	5.1	5.1	18.6	21.9
Other Income	0.0	0.0	0.4	0.2
Interest Expense	0.4	0.4	4.1	3.9
Net Operating Income	4.7	4.7	14.9	18.1
Income Tax	2.0	2.0	5.8	5.5
Net Operating Income	2.8	2.8	9.0	12.6

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Net Revenues	8.5	8.5	60.1	60.7
O&M Expense	2.6	2.6	31.4	32.2
Depreciation	0.6	0.6	7.1	7.6
Other Taxes	0.3	0.3	3.1	3.4
Operating Earnings	5.1	5.1	18.5	17.5
Other Income	0.1	0.1	0.5	0.4
Interest Expense	0.4	0.4	5.0	5.2
Net Operating Income	4.7	4.7	13.9	12.7
Income Tax	1.8	1.8	5.3	6.0
Net Operating Income	2.9	2.9	8.7	6.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	(0.1)	(0.1)	(0.0)	4.4
O&M Expense	(0.1)	(0.1)	(0.1)	(0.0)
Depreciation	0.0	0.0	0.0	-
Other Taxes	0.0	0.0	(0.0)	-
Operating Earnings	0.0	0.0	0.1	4.4
Other Income	(0.0)	(0.0)	(0.1)	(0.3)
Interest Expense	(0.0)	(0.0)	(0.9)	(1.2)
Net Operating Income	0.1	0.1	0.9	5.4
Income Tax	0.2	0.2	0.6	(0.5)
Net Operating Income	(0.1)	(0.1)	0.4	5.9

* net of trackers

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Base Margin (less LCR)	7.4	7.4	50.2	49.9
LCR	0.6	0.6	5.2	5.5
LCR (Prior Dec. True-Up)	(0.0)	(0.0)	(0.0)	-
ESS	0.2	0.2	2.1	2.1
Regulatory Outcome	-	-	0.7	1.4
Other OGDR	0.1	0.1	1.0	1.0
CKY Purchase Receivable	0.1	0.1	0.4	0.4
Uncollectibles - NonTracked	0.1	0.1	0.4	0.4
Uncollectibles - Tracked	0.0	0.0	0.2	0.2
Trackers	0.1	0.1	0.5	0.5
Total Revenue	8.5	8.5	60.8	65.8
Total Revenue w/o Trackers	8.4	8.4	60.0	65.1

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Base Margin (less LCR)	7.4	7.4	50.4	49.9
LCR	0.6	0.6	5.1	5.5
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.1	0.1	2.1	2.1
Regulatory Outcome	-	-	0.7	1.4
Other OGDR	0.1	0.1	1.0	1.0
CKY Purchase Receivable	0.1	0.1	0.4	0.4
Uncollectibles - NonTracked	0.1	0.1	0.4	0.4
Uncollectibles - Tracked	0.0	0.0	0.2	0.2
Trackers	0.1	0.1	0.5	0.5
Total Revenue	8.6	8.6	60.8	61.4
Total Revenue w/o Trackers	8.5	8.5	60.1	60.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	(0.1)	(0.1)	(0.2)	0.0
LCR	(0.0)	(0.0)	0.1	-
LCR (Prior Dec. True-Up)	(0.0)	(0.0)	(0.0)	-
ESS	0.0	0.0	0.0	-
Regulatory Outcome	-	-	-	-
Other OGDR	0.0	0.0	0.0	(0.0)
CKY Purchase Receivable	(0.0)	(0.0)	(0.0)	(0.0)
Uncollectibles - NonTracked	(0.0)	(0.0)	0.0	(0.0)
Uncollectibles - Tracked	-	-	-	-
Trackers	0.0	0.0	0.1	-
Total Variance	(0.1)	(0.1)	0.0	4.4
Total Variance w/o Trackers	(0.1)	(0.1)	(0.0)	4.4

Variance Explanations:

- A) Variance due to weather adjustments of \$0.3M

Columbia Gas of Kentucky
 Other Gas Department Revenues - Plan-vs.-Plan
 (\$ millions)

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Penalty Charges	0.0	0.0	0.4	0.4
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.1	0.1	0.4	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	0.0	0.0	0.0	-
Total OGDR	0.1	0.1	1.0	1.0

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Penalty Charges	0.0	0.0	0.4	0.4
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.1	0.1	0.4	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	0.0	0.0	0.0	-
Total OGDR	0.1	0.1	1.0	1.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	0.0	0.0	0.0	0.0
Return Check	0.0	0.0	0.0	0.0
Other Fees	0.0	0.0	0.0	0.0
Other Revenue	-	-	-	-
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	0.0	0.0	(0.0)	(0.0)
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	0.0	0.0	0.0	-
Total OGDR	0.0	0.0	0.0	(0.0)

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.010	0.010
Commercial	0.010	0.010
Total	0.010	0.010

Usage Change	Month	YTD
Residential	0.056	0.056
Commercial	0.037	0.037
Industrial (Non-LCR)	0.017	0.017
Total	0.110	0.110

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	15.3	15.3
Comm	99.8	99.8
Ind	9,226.5	9,226.5

Budget	Month	YTD
Residential	15.0	15.0
Commercial	95.4	95.4
Industrial	9,314.6	9,314.6

Variance	Month	Mo. %	YTD	YTD %
Residential	0.2	1.6%	0.2	1.6%
Commercial	4.3	4.5%	4.3	4.5%
Industrial	(88.1)	-0.9%	(88.1)	-0.9%

Customer Count

Actual	Month	YTD Avg
Residential	120,896	120,896
Commercial	14,073	14,073
Industrial	181	181
Total	135,150	135,150

Budget	Month	YTD Avg
Residential	120,613	120,613
Commercial	13,990	13,990
Industrial	178	178
Total	134,781	134,781

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	283	0.2%	283	0.2%
Commercial	83	0.6%	83	0.6%
Industrial	3	1.7%	3	1.7%
Total	369	0.3%	369	0.3%

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Labor	0.7	0.7	7.2	7.4
Benefits	0.1	0.1	1.7	1.9
Materials & Supplies	0.1	0.1	1.5	1.4
Outside Services	0.3	0.3	4.4	4.2
Management Fee	0.9	0.9	12.5	12.7
Uncollectibles	0.0	0.0	0.5	0.5
Other *	0.3	0.3	3.6	4.1
Trackers	0.1	0.1	0.7	0.7
Total O&M	2.6	2.6	32.0	32.9
	0.0	0.0	0.0	(0.0)
Total O&M w/o Trackers	2.5	2.5	31.3	32.2

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Labor	0.6	0.6	7.2	7.4
Benefits	0.2	0.2	1.9	1.9
Materials & Supplies	0.1	0.1	1.4	1.4
Outside Services	0.4	0.4	4.4	4.2
Management Fee	1.0	1.0	12.4	12.7
Uncollectibles	0.1	0.1	0.5	0.5
Other *	0.3	0.3	3.6	4.1
Trackers	0.1	0.1	0.7	0.7
Total O&M	2.7	2.7	32.1	32.9
	-	-	0.0	0.0
Total O&M w/o Trackers	2.6	2.6	31.4	32.2

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
Labor	0.0	0.0	0.0	0.0
A) Benefits	(0.0)	(0.0)	(0.2)	-
Materials & Supplies	0.1	0.1	0.1	-
Outside Services	(0.1)	(0.1)	(0.0)	(0.0)
B) Management Fee	(0.1)	(0.1)	0.0	0.0
Uncollectibles	(0.0)	(0.0)	-	-
Other *	0.0	0.0	0.0	(0.0)
Trackers	0.0	0.0	0.0	-
Total Change	(0.1)	(0.1)	(0.1)	(0.0)
Total Change w/o Trackers	(0.1)	(0.1)	(0.1)	(0.0)

Variance Explanations:

- B) 2013 Yr Var - Primarily revised assumptions for Pension & OPEB.
- C) Mo & YTD Var - Primarily Administrative Services and NGD Operations.

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.1	0.8	0.8
Employee Expenses	0.0	0.0	0.4	0.3
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.1	0.1	0.5	0.4
Misc Revenues	0.0	0.0	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.0	0.3	0.3
Amortizations *	0.0	0.0	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.7)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.1	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Below the Line O&M				
	0.3	0.3	3.6	4.1

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.1	0.8	0.8
Employee Expenses	0.0	0.0	0.4	0.3
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.0	0.4	0.4
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.0	0.3	0.3
Amortizations *	0.0	0.0	0.4	0.4
Deferred Credits	(0.1)	(0.1)	(0.7)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.1	0.1
Auto/Trucks Cleared	0.1	0.1	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	0.3	3.6	4.1

Variance	Mo Var	YTD Var	2012 Yr Var	2014 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	-
Rents/Leases	0.0	0.0	0.0	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	(0.0)	(0.0)	(0.0)	-
Company Memberships	0.0	0.0	0.0	-
Utilities	0.0	0.0	0.0	-
Misc Revenues	0.0	0.0	0.0	-
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	-
Amortizations *	-	-	-	-
Deferred Credits	0.0	0.0	0.0	-
I&D Accrual	0.0	0.0	0.0	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.0	-
Auto/Trucks Cleared	(0.0)	(0.0)	(0.0)	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	0.0	0.0	0.0	(0.0)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Distribution Ops	0.9	0.9	11.1	11.2
Meter To Cash	0.1	0.1	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.0	0.5	0.5
Presidents	0.1	0.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	0.9	0.9	12.5	12.7
Benefits	0.1	0.1	1.7	1.9
Uncollectibles	0.0	0.0	0.5	0.5
Other Corporate *	0.2	0.2	2.9	3.1
Trackers	0.1	0.1	0.7	0.7
Total O&M	2.6	2.6	32.0	32.9
Total O&M w/o Trackers	2.5	2.5	31.3	32.2

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Distribution Ops	0.9	0.9	10.9	11.2
Meter To Cash	0.1	0.1	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.0	0.5	0.5
Presidents	0.1	0.1	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	1.0	12.4	12.7
Benefits	0.2	0.2	1.9	1.9
Uncollectibles	0.1	0.1	0.5	0.5
Other Corporate *	0.2	0.2	2.9	3.1
Trackers	0.1	0.1	0.7	0.7
Total O&M	2.7	2.7	32.1	32.9
Total O&M w/o Trackers	2.6	2.6	31.4	32.2

Variance	Mo Var	YTD Var	2012 Yr Var	2014 Yr Var
Distribution Ops	0.0	0.0	0.1	-
Meter To Cash	0.0	0.0	0.0	-
Customer Call Center	(0.0)	(0.0)	(0.0)	-
Integration Center	(0.0)	(0.0)	(0.0)	-
Presidents	0.0	0.0	0.0	-
Other Dept	-	-	-	-
A) Management Fee	(0.1)	(0.1)	0.0	0.0
B) Benefits	(0.0)	(0.0)	(0.2)	-
Uncollectibles	(0.0)	(0.0)	-	-
Other Corporate *	(0.0)	(0.0)	(0.0)	(0.0)
Trackers	0.0	0.0	0.0	-
Total Change	(0.1)	(0.1)	(0.1)	(0.0)
Total Change w/o Trackers	(0.1)	(0.1)	(0.1)	(0.0)

Variance Explanations:

- A) Mo & YTD Var - Primarily Administrative Services and NGD Operations.
- B) 2013 Yr Var - Primarily revised assumptions for Pension & OPEB.

* See O&M Other Corp Tab

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Other Corporate				
Net Labor	0.0	0.0	0.5	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.2	0.2
Consulting Fees	0.0	0.0	0.1	0.2
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.1	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	-	-	0.1	0.1
Utilities	0.0	0.0	0.2	0.2
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.0	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	0.2	2.9	3.1

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Other Corporate				
Net Labor	0.0	0.0	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.2	0.2
Consulting Fees	0.0	0.0	0.1	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.1	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	-	-	0.1	0.1
Utilities	0.0	0.0	0.2	0.2
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.0	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.0	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	0.2	2.9	3.1

Variance	Mo Var	YTD Var	2012 Yr Var	2014 Yr Var
Other				
Net Labor	0.0	0.0	0.0	-
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	0.0	0.0	0.0	-
Legal Fees	-	-	-	-
Outside Services	(0.0)	(0.0)	(0.0)	-
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.0	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	-	-	-	-
Utilities	0.0	0.0	0.0	-
Misc Revenues	-	-	-	-
Misc & Other Expenses	(0.0)	(0.0)	(0.0)	-
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	-
I&D Accrual	0.0	0.0	0.0	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	(0.0)	(0.0)	(0.0)	(0.0)

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Depreciation	0.6	0.6	7.1	7.6
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.2	2.7	2.9
Payroll	0.0	0.0	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.3	0.3	3.2	3.4
Total Other Taxes w/o Trackers	0.3	0.3	3.1	3.4

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Depreciation	0.6	0.6	7.1	7.6
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.2	2.7	2.9
Payroll	0.0	0.0	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.3	0.3	3.1	3.4
Total Other Taxes w/o Trackers	0.3	0.3	3.1	3.4

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	0.0	-
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	-	-	-	-
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes Change	0.0	0.0	0.0	-
Total Change w/o Trackers	0.0	0.0	(0.0)	-

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.2	0.2
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.0	0.3	0.1
Total Other Income	0.0	0.0	0.4	0.2
Long-Term Interest Expense	0.4	0.4	4.0	3.8
Short-Term Interest Expense	-	-	0.1	0.1
Customer Deposits Interest Expense	-	-	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	0.4	4.1	3.9
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.2	0.2
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.1	0.4	0.3
Total Other Income	0.1	0.1	0.5	0.4
Long-Term Interest Expense	0.4	0.4	5.0	5.2
Short-Term Interest Expense	-	-	0.0	0.0
Customer Deposits Interest Expense	0.0	0.0	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	0.4	5.0	5.2
NET INCOME FROM SUBSIDIARIES	-	0.0	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	(0.0)	(0.0)	(0.0)	-
Hedging Interest Income	(0.0)	(0.0)	(0.0)	-
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.0)	(0.1)	(0.3)
Total Other Income	(0.0)	(0.0)	(0.1)	(0.3)
B) Long-Term Interest Expense	(0.0)	(0.0)	(1.0)	(1.4)
Short-Term Interest Expense	-	-	0.1	0.1
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.0)	-
Interest Expense	(0.0)	(0.0)	(0.9)	(1.2)
NET INCOME FROM SUBSIDIARIES	0.0	-	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.
- B) Variance due to financing assumptions used to balance rate base

2013 1&11	Mo	2013	2014
Assets			
Net Property Plant and Equipment	215.7	231.1	251.0
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	3.6	-	-
Restricted Cash	1.9	2.6	0.8
Accounts Receivable	61.4	29.0	26.5
Gas Inventory	20.2	31.6	31.3
Unrecovered Purchase Costs	-	4.9	4.9
Material & Supplies	0.1	11.9	11.9
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	1.8	4.2	4.2
Prepayments and Other Assets	14.5	15.1	15.5
Total Current Assets	103.5	99.4	95.1
Price Risk Management Assets	-	-	-
NC Regulatory Assets	19.4	18.2	17.2
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.8	3.8	3.8
Total Other Assets	23.1	22.0	20.9
Total Assets	342.8	352.9	367.5
Capitalization & Liabilities			
Total Common Stock Equity	94.8	99.0	104.2
Long Term Debt , excluding amounts due within one year	73.3	86.3	97.3
Total Capitalization	168.1	185.4	201.5
Obligations Due in One Year	14.0	17.2	12.2
Accounts Payable	13.2	10.9	9.8
Customer Deposits and AR Credit Balance	12.7	17.7	17.7
Taxes Accrued	8.3	5.1	5.6
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	5.9	-	-
Price Risk Management Liabilities (Current)	0.9	0.9	0.9
Exchange Gas Payable	13.9	3.6	3.6
Current Regulatory Liabilities	4.0	3.7	3.7
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	0.5	2.1	2.1
Total Current Liabilities	73.7	61.4	55.9
Price Risk Management Liabilities - NC	0.5	0.5	0.5
Deferred Income Taxes	51.2	55.1	59.6
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.7	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.1	13.2	12.5
Other Non-Current Liabilities	11.1	11.9	12.1
Other NC Liab & Deferred Credits	101.0	106.1	110.1
Total Capitalization & Liabilities	342.8	352.9	367.5

2013 0&12	Mo	2013	2014
Assets			
Net Property Plant and Equipment	217.3	231.1	251.0
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	4.0	2.6	0.8
Accounts Receivable	61.6	27.7	27.4
Gas Inventory	33.7	44.0	43.7
Unrecovered Purchase Costs	-	8.5	6.8
Material & Supplies	0.1	0.1	0.1
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	2.8	3.2	3.6
Total Current Assets	104.3	88.3	84.5
Price Risk Management Assets	-	-	-
NC Regulatory Assets	19.6	18.5	17.4
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.1	3.1	3.1
Total Other Assets	22.7	21.6	20.5
Total Assets	344.7	341.4	356.5
Capitalization & Liabilities			
Total Common Stock Equity	94.7	98.5	103.1
Long Term Debt , excluding amounts due within one year	73.3	86.3	97.3
Total Capitalization	168.0	184.9	200.4
Obligations Due in One Year	14.0	3.3	-
Accounts Payable	12.4	11.4	10.4
Customer Deposits and AR Credit Balance	13.6	17.7	17.7
Taxes Accrued	9.0	5.0	5.6
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	6.3	-	-
Price Risk Management Liabilities (Current)	0.9	0.9	0.9
Exchange Gas Payable	14.9	4.7	4.7
Current Regulatory Liabilities	4.2	3.9	3.9
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.1)	2.9	2.2
Total Current Liabilities	75.4	50.1	45.6
Price Risk Management Liabilities - NC	0.8	0.8	0.8
Deferred Income Taxes	50.4	55.2	59.6
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.7	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.2	13.3	12.5
Other Non-Current Liabilities	11.8	12.0	12.1
Other NC Liab & Deferred Credits	101.3	106.4	110.4
Total Capitalization & Liabilities	344.7	341.4	356.5

Variance	Mo Var	2013 Var	2014 Var
Assets			
A) Net Property Plant and Equipment	(1.6)	0.0	0.0
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	3.6	-	-
C) Restricted Cash	(2.1)	0.0	0.0
D) Accounts Receivable	(0.2)	1.3	(0.9)
E) Gas Inventory	(13.6)	(12.4)	(12.4)
F) Unrecovered Purchase Costs	-	(3.7)	(1.9)
E) Material & Supplies	0.0	11.8	11.8
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	(0.0)	(0.0)	(0.0)
Current Regulatory Assets	(0.2)	2.2	2.2
E) Prepayments and Other Assets	11.8	11.9	11.9
Total Current Assets	(0.8)	11.1	10.7
Price Risk Management Assets	-	-	-
NC Regulatory Assets	(0.2)	(0.2)	(0.2)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
K) Deferred Charges	0.7	0.7	0.7
Total Other Assets	0.4	0.4	0.4
Total Assets	(2.0)	11.5	11.1
Capitalization & Liabilities			
G) Total Common Stock Equity	0.0	0.5	1.1
G) Long Term Debt , excluding amounts due within one year	-	-	-
Total Capitalization	0.0	0.5	1.1
G) Current Portion of Long Term Debt	-	13.8	12.2
D) Accounts Payable	0.8	(0.5)	(0.6)
D) Customer Deposits and AR Credit Balance	(0.8)	-	-
H) Taxes Accrued	(0.7)	0.0	0.0
Interest Accrued	-	-	-
F) Overrecovered Gas and Fuel Costs	(0.4)	-	-
I) Price Risk Management Liabilities (Current)	0.0	0.0	0.0
J) Exchange Gas Payable	(1.0)	(1.0)	(1.0)
Current Regulatory Liabilities	(0.2)	(0.2)	(0.2)
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
K) Other Accruals	0.6	(0.8)	(0.1)
Total Current Liabilities	(1.7)	11.3	10.3
Price Risk Management Liabilities - NC	(0.2)	(0.2)	(0.2)
H) Deferred Income Taxes	0.8	(0.0)	(0.0)
Deferred Investment Tax Credits	(0.0)	0.0	0.0
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	(0.0)	0.0	0.0
Accrued Liab for Post Retirement Benefits - NC	(0.1)	(0.0)	(0.0)
K) Other Non-Current Liabilities	(0.7)	(0.0)	(0.0)
Other NC Liab & Deferred Credits	(0.3)	(0.3)	(0.3)
Total Capitalization & Liabilities	(2.0)	11.5	11.1

Variance Explanations:

- A) Variance due to timing around 2013 In-Service and subsequent Depreciation.
- B) Increase in Money Pool funding.
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program.
- D) A/R: 2013 variance is primarily due to increase in off-system sales.
A/P: 2014 variance is due to decreased payables related to declining Gas Costs (\$520K).
- E) Monthly variance due to Usage variances of (\$1.8M) respectively. 2013 variance due to Rate differential of (\$507K) along with include reclassification entries between the Inventory and Material & Supply accounts and the prepayment accounts to accurately state the LIFO inventory balance; which was \$11.8M as of January 30th
- F) 2013 & 2014 Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to changes to the Federal tax payment and accrual calculation(s) .
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding exchange obligations vs. the 0&12.
- K) Deferred Charges & Other Non-current liabilities variances are due to Customer Advances stemming from Capital projects.

2013 1&11	Mo Actual	YTD Actual	2013 1&11	2014 1&11
New Business	0.2	0.2	4.0	2.6
Betterment	0.1	0.1	0.1	0.1
Replacement	0.6	0.6	15.8	16.5
Support Services	0.1	0.1	2.0	8.5
Gross Capital	1.0	1.0	21.9	27.7
Contributions & Reimbursements	(0.6)	(0.6)	(0.6)	(0.6)
Total NGD	0.4	0.4	21.3	27.1
Infrastructure/AMR	0.5	0.5	12.2	12.2

2013 0&12	Mo Budget	YTD	2013 0&12	2014 0&12
New Business	0.4	0.4	4.0	2.6
Betterment	0.0	0.0	0.1	0.1
Replacement	1.0	1.0	15.8	16.5
Support Services	0.1	0.1	2.0	8.5
Gross Capital	1.5	1.5	21.9	27.7
Contributions & Reimbursements	(0.0)	(0.0)	(0.6)	(0.6)
Total NGD	1.5	1.5	21.3	27.1
Infrastructure/AMR	0.7	0.7	12.2	12.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	(0.2)	(0.2)	-	-
Betterment	0.1	0.1	-	-
Replacement	(0.3)	(0.3)	-	-
Support Services	(0.0)	(0.0)	-	-
Gross Capital	(0.5)	(0.5)	-	-
Contributions & Reimbursements	(0.6)	(0.6)	-	-
Total NGD	(1.1)	(1.1)	-	-
Infrastructure/AMR	(0.2)	(0.2)	-	-

Variance Explanations:

Primarily unfavorable weather.
 Note: 2014 AMR program of \$7M shown in support services.

2013 2&10	2013	2014
Net Revenues	60.8	61.0
O&M Expense	32.3	32.8
Depreciation	7.1	7.7
Other Taxes	3.1	3.4
Operating Earnings	18.2	17.0
Other Income	0.5	0.3
Interest Expense	5.2	5.3
Net Operating Income	13.5	12.0
Income Tax	5.4	6.7
Net Income	8.1	5.4

2013 0&12	2013	2014
Net Revenues	60.1	60.7
O&M Expense	31.4	32.2
Depreciation	7.1	7.6
Other Taxes	3.1	3.4
Operating Earnings	18.5	17.5
Other Income	0.5	0.4
Interest Expense	5.0	5.2
Net Operating Income	13.9	12.7
Income Tax	5.3	6.6
Net Income	8.7	6.1

Variance	2013	2014
Net Revenues	0.8	0.3
O&M Expense	1.0	0.6
Depreciation	0.0	0.1
Other Taxes	0.0	0.0
Operating Earnings	(0.2)	(0.4)
Other Income	(0.0)	(0.1)
Interest Expense	0.1	0.2
Net Operating Income	(0.4)	(0.7)
Income Tax	0.2	0.1
Net Income	(0.6)	(0.8)

* net of trackers

2013 2&10	2013	2014
Base Margin (less LCR)	50.9	50.2
LCR	5.2	5.5
LCR (Prior Dec. True-Up)	(0.0)	-
Supply Optimization	2.1	2.1
Regulatory Outcome	0.9	1.4
Other OGDR	1.0	1.0
CKY Purchase Receivable	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.6	0.5
Total Revenue	61.7	61.7
Total Revenue w/o Trackers	60.8	61.0

2013 0&12	2013	2014
Base Margin (less LCR)	50.4	50.0
LCR	5.1	5.4
LCR (Prior Dec. True-Up)	-	-
ESS	2.1	2.1
Regulatory Outcome	0.7	1.4
Other OGDR	1.0	1.0
CKY Purchase Receivable	0.4	0.4
Uncollectibles - Non Tracked	0.3	0.4
Uncollectibles - Tracked	0.2	0.2
Trackers	0.5	0.5
Total Revenue	60.8	61.4
Total Revenue w/o Trackers	60.1	60.7

Variance	2013	2014
A) Base Margin (less LCR)	0.5	0.2
LCR	0.1	0.1
LCR (Prior Dec. True-Up)	(0.0)	-
ESS	0.0	-
Regulatory Outcome	0.1	-
Other OGDR	0.0	(0.0)
CKY Purchase Receivable	(0.0)	(0.0)
Uncollectibles - Non Tracked	(0.0)	(0.0)
Uncollectibles - Tracked	(0.0)	-
Trackers	0.2	-
Total Variance	0.9	0.3
Total Variance w/o Trackers	0.8	0.3

- A) 2013 Variance driven by a slight increase to usage forecasts and change in plan assumptions o
2014 Variance driven by a slight increase to usage forecasts and change in plan assumptions o

2013 2&10	2013	2014
Labor	7.2	7.6
Benefits	2.7	2.1
Materials & Supplies	1.4	1.4
Outside Services	4.4	4.3
Management Fee	12.4	12.7
Uncollectibles	0.4	0.5
Other *	3.7	4.2
Trackers	0.8	0.7
Total O&M	33.2	33.5
Total O&M w/o Trackers	32.3	32.8

2013 0&12	2013	2014
Labor	7.2	7.4
Benefits	1.9	1.9
Materials & Supplies	1.4	1.4
Outside Services	4.4	4.2
Management Fee	12.4	12.7
Uncollectibles	0.5	0.5
Other *	3.6	4.1
Trackers	0.7	0.7
Total O&M	32.1	32.9
Total O&M w/o Trackers	31.4	32.2

Variance	2013	2014
A) Labor	0.1	0.2
B) Benefits	0.8	0.2
Materials & Supplies	(0.0)	-
Outside Services	(0.1)	0.1
Management Fee	0.0	0.0
Uncollectibles	(0.0)	-
C) Other *	0.2	0.2
D) Trackers	0.1	-
Total Change	1.1	0.6
Total Change w/o Trackers	1.0	0.6

- A) 2013 & 2014 Primarily due to additional headcount due to incremental DIMP spend.
- B) 2013 & 2014 - Primarily revised assumptions for pension, OPEB, and capital transfer percentages.
- C) 2013 & 2014 - Primarily \$0.2M increase in public awareness advertising.
- D) Offset in revenues.

2013 2&10	2013	2014
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	0.4	0.3
Company Memberships	0.1	0.1
Utilities	0.5	0.4
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	0.3	0.3
Amortizations *	0.4	0.4
Deferred Credits	(0.6)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.3	0.3
Auto/Trucks Cleared	1.2	1.3
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	3.7	4.2

2013 0&12	2013	2014
Other		
Buildings and Land	0.1	0.1
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	0.4	0.3
Company Memberships	0.1	0.1
Utilities	0.4	0.4
Misc Revenues	(0.1)	(0.1)
Misc & Other Expenses	0.3	0.3
Amortizations *	0.4	0.4
Deferred Credits	(0.7)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.1
Auto/Trucks Cleared	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.2	0.2
Below the Line O&M		
	3.6	4.1

Variance	2013	2014
Other		
Buildings and Land	(0.0)	-
Rents/Leases	0.0	-
Corporate Insurance	(0.0)	-
Employee Expenses	(0.0)	0.0
Company Memberships	0.0	-
Utilities	0.0	-
Misc Revenues	(0.0)	-
Misc & Other Expenses	(0.0)	-
Amortizations *	-	-
A) Deferred Credits	0.1	0.0
I&D Accrual	0.0	-
Well/Lease Rent/Royalty	-	-
Advertising	0.1	0.2
Auto/Trucks Cleared	0.0	0.0
O&M Reclass - Regulatory to GAAP	-	-
Below the Line O&M		
	0.2	0.2

A) 2013 variance primarily due to revisions to Customer Program assumptions.

2013 2&10	2013	2014
Distribution Ops	11.2	11.7
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.5	0.5
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	12.4	12.7
Benefits	2.7	2.1
Uncollectibles	0.4	0.5
Other Corporate*	2.9	3.1
Trackers	0.8	0.7
Total O&M	33.2	33.5
Total O&M w/o Trackers	32.3	32.8

2013 0&12	2013	2014
Distribution Ops	10.9	11.2
Meter To Cash	0.6	0.6
Customer Call Center	0.0	0.0
Integration Center	0.5	0.5
Presidents	1.6	1.6
Other Departments	-	-
Management Fee	12.4	12.7
Benefits	1.9	1.9
Uncollectibles	0.5	0.5
Other Corporate*	2.9	3.1
Trackers	0.7	0.7
Total O&M	32.1	32.9
Total O&M w/o Trackers	31.4	32.2

Variance	2013	2014
A) Distribution Ops	0.2	0.4
Meter To Cash	(0.0)	-
Customer Call Center	(0.0)	-
Integration Center	(0.0)	-
Presidents	0.0	(0.0)
Other Departments	-	-
Management Fee	0.0	0.0
B Benefits	0.8	0.2
Uncollectibles	(0.0)	-
Other Corporate*	(0.0)	0.0
C) Trackers	0.1	-
Total Change	1.1	0.6
Total Change w/o Trackers	1.0	0.6

- A) 2013 & 2014 - Primarily incremental DIMP spend for right of way (ROW) and Regulator Station clearing
- B) 2013 & 2014 - Primarily revised assumptions for pension, OPEB, and capital transfer percentages.
- C) Offset in revenues.

2013 2&10	2013	2014
Other Corporate		
Net Labor (CIP)	0.5	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.2	0.2
Consulting Fees	0.1	0.2
Legal Fees	-	-
Outside Services	0.1	0.2
Buildings and Land	-	-
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	-	-
Company Memberships	0.0	0.1
Utilities	0.2	0.2
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.4	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.1

2013 0&12	2013	2014
Other Corporate		
Net Labor (CIP)	0.4	0.4
Materials/Supplies	0.0	0.0
Audit Fees	0.2	0.2
Consulting Fees	0.1	0.2
Legal Fees	-	-
Outside Services	0.2	0.2
Buildings and Land	-	-
Rents/Leases	0.2	0.2
Corporate Insurance	0.8	0.8
Employee Expenses	-	-
Company Memberships	0.1	0.1
Utilities	0.2	0.2
Misc Revenues	-	-
Misc & Other Expenses	0.2	0.2
Amortizations *	0.4	0.4
Deferred Credits	(0.1)	(0.1)
I&D Accrual	0.1	0.1
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	0.2	0.2
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	2.9	3.1

Variance	2013	2014
Other		
Net Labor (CIP)	0.0	0.0
Materials/Supplies	0.0	-
Audit Fees	0.0	-
Consulting Fees	0.0	-
Legal Fees	-	-
Outside Services	(0.0)	-
Buildings and Land	-	-
Rents/Leases	0.0	-
Corporate Insurance	(0.0)	-
Employee Expenses	-	-
Company Memberships	(0.0)	-
Utilities	0.0	-
Misc Revenues	-	-
Misc & Other Expenses	(0.0)	-
Amortizations *	-	-
Deferred Credits	(0.0)	-
I&D Accrual	0.0	-
Well/Lease Rent/Royalty	-	-
Advertising	-	-
Auto/Truck Cleared	-	-
O&M Reclass - Regulatory to GAAP	-	-
Stores Clearing	-	-
Below the line O&M	-	-
Total Other Corporate	(0.0)	0.0

2013 2&10	2013	2014
Depreciation	7.1	7.7
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.7	3.0
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	3.2	3.5
Total Other Taxes w/o Trackers	3.1	3.4

2013 0&12	2013	2014
Depreciation	7.1	7.6
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	2.7	2.9
Payroll	0.5	0.5
Distribution	-	-
Other	-	-
Total Other Taxes	3.1	3.4
Total Other Taxes w/o Trackers	3.1	3.4

Variance	2013	2014
A) Depreciation Change	0.0	0.1
<u>Other Taxes</u>		
Gross Receipts	-	-
Property Tax	-	0.0
Payroll	0.0	-
Distribution	-	-
Other	-	-
Total Other Taxes Change	0.0	0.0
Total Change w/o Trackers	0.0	0.0

A) Variance due to increased Capital spend

2013 2&10	2013	2014
Miscellaneous	-	-
AFUDC	0.2	0.2
Hedging Interest Income	0.1	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.3	0.2
Total Other Income	0.452	0.340

Long-Term Interest Expense	5.2	5.4
Short-Term Interest Expense	0.0	0.0
Customer Deposits	0.1	0.1
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Loss / Gain on Sales of Asset	-	-
Loss on Impairment of Asset	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
PISCC	-	-
AFUDC	(0.1)	(0.1)
Interest Expense	5.2	5.3
Income from Subsidiary	-	-

2013 0&12	2013	2014
Miscellaneous	-	-
AFUDC	0.2	0.2
Hedging Interest Income	0.1	0.0
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.1)	(0.1)
Temp Cash Inv Int Inc	0.4	0.3
Total Other Income	0.5	0.4

Long-Term Interest Expense	5.0	5.2
Short-Term Interest Expense	0.0	0.0
Customer Deposits	0.1	0.1
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Loss / Gain on Sales of Asset	-	-
Loss on Impairment of Asset	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
PISCC	-	-
AFUDC	(0.1)	(0.1)
Interest Expense	5.0	5.2
Income from Subsidiary	-	-

Variance	2013	2014
Miscellaneous	-	-
AFUDC	0.0	(0.0)
Hedging Interest Income	(0.0)	-
UnderCollection Income	-	-
Sales Receivable	-	-
Customer Tax Contribution	-	-
Charitable Contributions	(0.0)	-
A) Temp Cash Inv Int Inc	(0.1)	(0.1)
Total Other Income	(0.0)	(0.1)

A) Long-Term Interest Expense	0.1	0.2
A) Short-Term Interest Expense	0.0	0.0
Customer Deposits	(0.0)	(0.0)
Rate Refund Expense	-	-
OverCollection Interest Expense	-	-
Loss / Gain on Sales of Asset	-	-
Loss on Impairment of Asset	-	-
Other Interest Expense	-	-
Carrying Cost Interest Expense	-	-
Hedging Interest Expense	-	-
PISCC	-	-
AFUDC	(0.0)	0.0
Interest Expense	0.1	0.2
Income from Subsidiary	-	-

A) Variance due to changes in Capital structure to maintain appropriate debt / equity percentages

2013 2&10	2013	2014
Assets		
Net Property Plant and Equipment	233.5	253.3
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	2.6	0.8
Accounts Receivable	28.1	25.7
Gas Inventory	26.6	26.3
Unrecovered Purchase Costs	3.5	3.6
Material & Supplies	-	-
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	-	-
Current Regulatory Assets	3.7	3.7
Prepayments and Other Assets	21.1	21.4
Total Current Assets	85.647	81.542
Price Risk Management Assets		
NC Regulatory Assets	16.9	15.7
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	3.8	3.8
Total Other Assets	20.661	19.422
Total Assets	340.266	354.673
Capitalization & Liabilities		
Total Common Stock Equity	98.2	105.8
Long Term Debt , excluding amounts due within one ye:	93.3	93.3
Total Capitalization	191.5	199.2
Current Portion of Long Term Debt	3.1	5.5
Accounts Payable	11.0	9.9
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	5.1	5.7
Interest Accrued	0.1	0.1
Overrecovered Gas and Fuel Costs	-	-
Price Risk Management Liabilities (Current)	0.9	0.9
Exchange Gas Payable	1.8	1.8
Current Regulatory Liabilities	3.2	3.2
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	1.2	1.3
Total Current Liabilities	44.132	46.094
Price Risk Management Liabilities - NC	0.3	0.3
Deferred Income Taxes	54.7	59.4
Deferred Investment Tax Credits	0.4	0.3
Deferred Credits	-	-
Noncurrent Regulatory Liabilities	24.5	24.3
Accrued Liab for Post Retirement Benefits - NC	13.3	13.1
Other Non-Current Liabilities	11.5	12.0
Other NC Liab & Deferred Credits	104.636	109.396
Total Capitalization & Liabilities	340.266	354.673

2013 0&12	2013	2014
Assets		
Net Property Plant and Equipment	231.1	251.0
Total Investments	0.4	0.4
Cash and Cash Equivalents	-	-
Restricted Cash	2.6	0.8
Accounts Receivable	27.7	27.4
Gas Inventory	44.0	43.7
Unrecovered Purchase Costs	8.5	6.8
Material & Supplies	0.1	0.1
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	0.1	0.1
Current Regulatory Assets	2.0	2.0
Prepayments and Other Assets	3.2	3.6
Total Current Assets	88.3	84.5
Price Risk Management Assets		
NC Regulatory Assets	18.5	17.4
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	3.1	3.1
Total Other Assets	21.6	20.5
Total Assets	341.4	356.5
Capitalization & Liabilities		
Total Common Stock Equity	98.5	103.1
Long Term Debt, excluding amounts due within one ye:	86.3	97.3
Total Capitalization	184.9	200.4
Current Portion of Long Term Debt	3.3	-
Accounts Payable	11.4	10.4
Customer Deposits and AR Credit Balance	17.7	17.7
Taxes Accrued	5.0	5.6
Interest Accrued	0.1	0.1
Overrecovered Gas and Fuel Costs	-	-
Price Risk Management Liabilities (Current)	0.9	0.9
Exchange Gas Payable	4.7	4.7
Current Regulatory Liabilities	3.9	3.9
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1
Environmental	-	-
Other Accruals	2.9	2.2
Total Current Liabilities	50.1	45.6
Price Risk Management Liabilities - NC	0.8	0.8
Deferred Income Taxes	55.2	59.6
Deferred Investment Tax Credits	0.4	0.3
Deferred Credits	-	-
Noncurrent Regulatory Liabilities	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.3	12.5
Other Non-Current Liabilities	12.0	12.1
Other NC Liab & Deferred Credits	106.4	110.4
Total Capitalization & Liabilities	341.4	356.5

Variance	2013	2014
Assets		
A) Net Property Plant and Equipment	2.4	2.2
Total Investments	0.0	0.0
Cash and Cash Equivalents	-	-
Restricted Cash	0.0	0.0
B) Accounts Receivable	0.4	(1.7)
C) Gas Inventory	(17.4)	(17.4)
D) Unrecovered Purchase Costs	(5.1)	(3.2)
C) Material & Supplies	(0.1)	(0.1)
Price Risk Management Assets	-	-
Exchange Gas Receivables & Reserve	(0.1)	(0.1)
E) Current Regulatory Assets	1.8	1.8
C) Prepayments and Other Assets	17.8	17.8
Total Current Assets	(2.6)	(2.9)
Price Risk Management Assets	-	-
E) NC Regulatory Assets	(1.6)	(1.8)
Intangible Assets	-	-
Post Retirement Benefits NC Assets	-	-
Other Receivables Affiliated	-	-
Deferred Charges	0.7	0.7
Total Other Assets	(0.9)	(1.1)
Total Assets	(1.1)	(1.8)
Capitalization & Liabilities		
F) Total Common Stock Equity	(0.4)	2.8
F) Long Term Debt, excluding amounts due within one year	7.0	(4.0)
Total Capitalization	6.6	(1.2)
F) Current Portion of Long Term Debt	(0.2)	5.5
B) Accounts Payable	(0.4)	(0.5)
B) Customer Deposits and AR Credit Balance	-	-
G) Taxes Accrued	0.0	0.1
Interest Accrued	-	-
D) Overrecovered Gas and Fuel Costs	-	-
Price Risk Management Liabilities (Current)	(0.0)	(0.0)
H) Exchange Gas Payable	(2.9)	(2.9)
Current Regulatory Liabilities	(0.8)	(0.8)
Accrued Liability for Post Retirement Benefits - Current	-	-
Environmental	-	-
I) Other Accruals	(1.7)	(1.0)
Total Current Liabilities	(6.0)	0.5
Price Risk Management Liabilities - Non-Current	(0.4)	(0.4)
J) Deferred Income Taxes	(0.5)	(0.2)
Deferred Investment Tax Credits	0.0	0.0
Deferred Credits	-	-
L) Noncurrent Regulatory Liabilities	(0.4)	(0.8)
K) Accrued Liability for Post Retirement Benefits - Non-Current	0.0	0.6
Other Non-Current Liabilities	(0.5)	(0.2)
Other NC Liab & Deferred Credits	(1.8)	(1.0)
Total Capitalization & Liabilities	(1.1)	(1.8)

Variance Explanations:

- A) Variance due to increase in capital spend.
- B) **A/R:** 2013-2014 variance is primarily due to increase in off-system sales.
A/P: 2014 - variance is due to decreased payables related to declining Gas Costs (\$520K).
- C) 2013-2014 variance due to Rate differential of (\$350K) along with include reclassification entries between the Inventory and Material & Supply accounts and the prepayment accounts to accurately state the LIFO inventory balance; which was \$17.2M as of February 28th.
- D) Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- E) Variances are due to changes to pension funding obligations.
- F) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- G) Variances primarily driven by Federal and State tax liabilities, and Net Operating Loss (NOL) impacts.
- H) Variance due to changes in the number of exchange obligations vs. the 0&12.
- I) **Deferred Charges & Other Non-current liabilities** variances are due to Customer Advances stemming from Capital projects.
- J) Variance primarily due to changes the adoption of SFAS 96 regarding the treatment of Deferred Taxes.
- K) Variance due to changes to Accrued Pension and OPEB costs.

2013 2&10	2013	2014
New Business	5.3	2.6
Betterment	0.1	0.1
Replacement	17.8	16.5
Support Services	2.0	8.5
Gross Capital	25.2	27.7
Contributions & Reimbursements	(0.6)	(0.6)
Total CKY *	24.6	27.1
Infrastructure/AMR	14.2	12.2

2013 0&12	2013	2014
New Business	4.0	2.6
Betterment	0.1	0.1
Replacement	15.8	16.5
Support Services	2.0	8.5
Gross Capital	21.9	27.7
Contributions & Reimbursements	(0.6)	(0.6)
Total CKY	21.3	27.1
Infrastructure/AMR	12.2	12.2

Variance	2013	2014
New Business	1.3	-
Betterment	-	-
Replacement	2.0	-
Support Services	(0.0)	-
Gross Capital	3.3	-
Contributions & Reimbursements	-	-
Total CKY	3.3	-
Infrastructure/AMR	2.0	-

NGD allotted additional capital after the 7&5R

Increase in growth activity, favorable weather, and contractor availability for both and replacement.

* Note: Total does not include \$(0.1)M in unallocated overheads in 2012.

2013 2&10 - Additional \$100M NGD incremental - CKY portion is \$1.3M Growth and \$2.0M IRP

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Net Revenues	6.2	22.5	61.309	61.0
O&M Expense	4.1	9.1	32.321	32.8
Depreciation	0.6	1.7	7.126	7.7
Other Taxes	0.3	0.8	3.101	3.4
Operating Earnings	1.3	10.8	18.761	17.1
Other Income	0.0	0.1	0.4	0.3
Interest Expense	0.4	1.2	5.2	5.4
Net Operating Income	0.9	9.7	14.0	12.0
Income Tax	0.4	3.7	5.3	6.7
Net Operating Income	0.6	6.0	8.7	5.4

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Net Revenues	6.1	21.9	60.1	60.7
O&M Expense	2.6	7.8	31.4	32.2
Depreciation	0.6	1.7	7.1	7.6
Other Taxes	0.3	0.8	3.1	3.4
Operating Earnings	2.6	11.6	18.5	17.5
Other Income	0.1	0.2	0.5	0.4
Interest Expense	0.4	1.3	5.0	5.2
Net Operating Income	2.2	10.5	13.9	12.7
Income Tax	0.9	4.0	5.3	6.6
Net Operating Income	1.4	6.4	8.7	6.1

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Net Revenues	0.2	0.6	1.2	0.3
O&M Expense	1.4	1.4	0.9	0.6
Depreciation	0.0	0.0	0.0	0.1
Other Taxes	0.0	0.0	(0.0)	0.0
Operating Earnings	(1.3)	(0.8)	0.3	(0.3)
Other Income	(0.0)	(0.1)	(0.1)	(0.1)
Interest Expense	(0.0)	(0.0)	0.1	0.2
Net Operating Income	(1.3)	(0.8)	0.1	(0.7)
Income Tax	(0.5)	(0.3)	0.0	0.1
Net Operating Income	(0.8)	(0.5)	0.0	(0.8)

* net of trackers

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Base Margin (less LCR)	5.4	19.6	51.2	50.1
LCR	0.5	1.5	5.3	5.5
LCR (Prior Dec. True-Up)	-	(0.0)	(0.0)	-
ESS	0.1	0.4	2.1	2.1
Regulatory Outcome	-	-	0.9	1.4
Other OGDR	0.1	0.5	1.1	1.0
CKY Purchase Receivable	0.1	0.3	0.5	0.5
Uncollectibles - NonTracked	0.1	0.2	0.4	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.2	0.6	0.8	0.5
Total Revenue	6.452	23.092	62.326	61.7
Total Revenue w/o Trackers	6.2	22.5	61.309	61.0

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Base Margin (less LCR)	5.2	19.0	50.4	49.9
LCR	0.5	1.6	5.1	5.5
LCR (Prior Dec. True-Up)	-	-	-	-
ESS	0.1	0.4	2.1	2.1
Regulatory Outcome	-	-	0.7	1.4
Other OGDR	0.1	0.4	1.0	1.0
CKY Purchase Receivable	0.1	0.3	0.4	0.4
Uncollectibles - NonTracked	0.0	0.2	0.4	0.4
Uncollectibles - Tracked	0.0	0.1	0.2	0.2
Trackers	0.1	0.2	0.5	0.5
Total Revenue	6.1	22.2	60.8	61.4
Total Revenue w/o Trackers	6.1	21.9	60.1	60.7

Variance	Mo Var	YTD Var	Yr Var	Yr Var
A) Base Margin (less LCR)	0.1	0.6	0.9	0.3
LCR	(0.0)	(0.0)	0.2	-
LCR (Prior Dec. True-Up)	-	(0.0)	(0.0)	-
ESS	(0.0)	(0.0)	0.0	-
Regulatory Outcome	-	-	0.1	-
Other OGDR	0.0	0.1	0.1	0.0
CKY Purchase Receivable	0.0	0.0	0.0	0.0
Uncollectibles - NonTracked	0.0	0.0	0.0	0.0
Uncollectibles - Tracked	-	-	-	-
Trackers	0.2	0.3	0.3	-
Total Variance	0.3	0.9	1.6	0.3
Total Variance w/o Trackers	0.2	0.6	1.2	0.3

Variance Explanations:

- A) 2013 YTD & Yr Var driven by slight increase to usage forecasts and change in plan assumptions of \$291K.
2014 Variance driven by a slight increase to usage forecasts and change in plan assumptions of \$471K.

Columbia Gas of Kentucky
 Other Gas Department Revenues - Plan-vs.-Plan
 (\$ millions)

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Penalty Charges	0.0	0.2	0.4	0.4
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.0	0.2	0.4	0.4
Other Revenue	0.0	0.0	0.1	0.1
Pub Util-Flex	0.0	0.0	0.1	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.1	0.5	1.1	1.0

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Penalty Charges	0.1	0.2	0.4	0.4
Return Check	0.0	0.0	0.1	0.1
Other Fees	0.0	0.2	0.4	0.4
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.0	0.0	0.0
Company Use	0.0	0.0	0.1	0.1
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.131	0.4	1.0	1.0

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Penalty Charges	(0.0)	0.0	0.0	0.0
Return Check	0.0	0.0	0.0	0.0
Other Fees	(0.0)	(0.0)	(0.0)	(0.0)
Other Revenue	0.0	0.0	0.0	0.0
Pub Util-Flex	0.0	0.0	0.0	-
Company Use	-	0.0	(0.0)	-
Balancing Services	-	-	-	-
Other Misc Income	-	-	-	-
Misc Merchant Revenue	-	0.0	0.0	-
Total OGDR	0.0	0.1	0.1	0.0

Customer & Usage Change (\$ million)

Customer Change	Month	YTD
Residential	0.016	0.034
Commercial	0.003	0.019
Total	0.019	0.053

Usage Change	Month	YTD
Residential	0.130	0.326
Commercial	0.083	0.284
Industrial (Non-LCR)	0.013	0.033
Total	0.225	0.643

Normalized UPC (Mmcf)

Actual	Month	YTD
Residential	9.3	37.1
Comm	62.5	249.5
Ind	8,039.2	25,395.6

Budget	Month	YTD
Residential	8.7	35.7
Commercial	59.4	232.0
Industrial	8,038.9	25,796.7

Variance	Month	Mo. %	YTD	YTD %
Residential	0.6	6.5%	1.4	3.9%
Commercial	3.1	5.2%	17.5	7.5%
Industrial	0.3	0.0%	(401.1)	-1.6%

Customer Count

Actual	Month	YTD Avg
Residential	121,084	121,019
Commercial	14,070	14,080
Industrial	181	180
Total	135,335	135,279

Budget	Month	YTD Avg
Residential	120,554	120,656
Commercial	14,005	14,005
Industrial	180	178
Total	134,739	134,839

Variance	Month	Mo. %	YTD Avg	YTD %
Residential	530	0.4%	363	0.3%
Commercial	65	0.5%	75	0.5%
Industrial	1	0.6%	2	1.1%
Total	596	0.4%	440	0.3%

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Labor	0.6	1.9	7.2	7.6
Benefits	1.3	1.6	2.7	2.1
Materials & Supplies	0.2	0.4	1.4	1.4
Outside Services	0.4	1.1	4.4	4.3
Management Fee	1.2	3.1	12.4	12.7
Uncollectibles	0.0	0.1	0.4	0.5
Other *	0.3	0.9	3.7	4.2
Trackers	0.2	0.6	1.0	0.7
Total O&M	4.291	9.766	33.278	33.483
	-	-	-	-
Total O&M w/o Trackers	4.1	9.1	32.3	32.8

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Labor	0.6	1.8	7.2	7.4
Benefits	0.2	0.5	1.9	1.9
Materials & Supplies	0.1	0.3	1.4	1.4
Outside Services	0.4	1.0	4.4	4.2
Management Fee	1.0	3.1	12.4	12.7
Uncollectibles	0.0	0.2	0.5	0.5
Other *	0.3	0.9	3.6	4.1
Trackers	0.1	0.3	0.7	0.7
Total O&M	2.7	8.1	32.1	32.9
	-	-	0.0	0.0
Total O&M w/o Trackers	2.6	7.8	31.4	32.2

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
Labor	0.1	0.1	(0.0)	0.2
A) Benefits	1.1	1.1	0.8	0.2
Materials & Supplies	0.0	0.1	0.0	-
Outside Services	0.1	0.0	(0.0)	0.1
Management Fee	0.1	0.0	0.0	0.0
Uncollectibles	(0.0)	(0.1)	(0.0)	-
Other *	0.0	0.0	0.2	0.2
B) Trackers	0.2	0.3	0.3	-
Total Change	1.6	1.6	1.2	0.6
	-	-	-	-
Total Change w/o Trackers	1.4	1.4	0.9	0.6

Variance Explanations:

- A) 2013 Mo & YTD Var - Primarily \$1.1M pension settlement entry in March business
2013 Yr Var - Change in Pension and OPEB assumptions.
- B) Offset in Revenue

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.2	0.8	0.8
Employee Expenses	0.1	0.1	0.4	0.3
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.5	0.4
Misc Revenues	0.0	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	(0.0)	0.0	0.2	0.3
Amortizations *	0.0	0.1	0.4	0.4
Deferred Credits	(0.0)	(0.1)	(0.6)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.0	0.2	0.3
Auto/Trucks Cleared	0.1	0.3	1.2	1.3
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M				
	0.3	0.9	3.7	4.2

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Other				
Buildings and Land	0.0	0.0	0.1	0.1
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.2	0.8	0.8
Employee Expenses	0.0	0.1	0.4	0.3
Company Memberships	0.0	0.0	0.1	0.1
Utilities	0.0	0.1	0.4	0.4
Misc Revenues	(0.0)	(0.0)	(0.1)	(0.1)
Misc & Other Expenses	0.0	0.1	0.3	0.3
Amortizations *	0.0	0.1	0.4	0.4
Deferred Credits	(0.1)	(0.2)	(0.7)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	0.0	0.1	0.1	0.1
Auto/Trucks Cleared	0.1	0.3	1.2	1.2
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Below the Line O&M	-	-	-	-
	0.3	0.9	3.6	4.1

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
Other				
Buildings and Land	(0.0)	(0.0)	(0.0)	-
Rents/Leases	(0.0)	0.0	(0.0)	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	0.0	0.0	0.0	0.0
Company Memberships	0.0	0.0	0.0	-
Utilities	0.0	0.0	0.0	-
Misc Revenues	0.0	(0.0)	(0.0)	-
Misc & Other Expenses	(0.0)	(0.0)	(0.1)	-
Amortizations *	-	-	-	-
Deferred Credits	0.1	0.1	0.1	0.0
I&D Accrual	0.0	0.0	0.0	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	(0.0)	(0.0)	0.1	0.2
Auto/Trucks Cleared	(0.0)	(0.0)	0.0	0.0
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Below the Line O&M	-	-	-	-
	0.0	0.0	0.2	0.2

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Distribution Ops	1.2	3.0	11.1	11.7
Meter To Cash	0.1	0.2	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.1	0.5	0.5
Presidents	0.1	0.4	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.2	3.1	12.4	12.7
Benefits	1.3	1.6	2.7	2.1
Uncollectibles	0.0	0.1	0.4	0.5
Other Corporate *	0.3	0.750	2.9	3.1
Trackers	0.2	0.6	1.0	0.7
Total O&M	4.291	9.766	33.278	33.483
Total O&M w/o Trackers	4.1	9.1	32.3	32.8

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Distribution Ops	0.9	2.7	10.9	11.2
Meter To Cash	0.1	0.2	0.6	0.6
Customer Call Center	0.0	0.0	0.0	0.0
Integration Center	0.0	0.1	0.5	0.5
Presidents	0.1	0.4	1.6	1.6
Other Dept	-	-	-	-
Management Fee	1.0	3.1	12.4	12.7
Benefits	0.2	0.5	1.9	1.9
Uncollectibles	0.0	0.2	0.5	0.5
Other Corporate *	0.2	0.7	2.9	3.1
Trackers	0.1	0.3	0.7	0.7
Total O&M	2.7	8.1	32.1	32.9
Total O&M w/o Trackers	2.6	7.8	31.4	32.2

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
A) Distribution Ops	0.2	0.3	0.2	0.4
Meter To Cash	(0.0)	(0.0)	(0.0)	-
Customer Call Center	0.0	(0.0)	(0.0)	-
Integration Center	(0.0)	(0.0)	(0.0)	-
Presidents	(0.0)	(0.0)	(0.0)	(0.0)
Other Dept	-	-	-	-
Management Fee	0.1	0.0	0.0	0.0
B) Benefits	1.1	1.1	0.8	0.2
Uncollectibles	(0.0)	(0.1)	(0.0)	-
Other Corporate *	0.0	0.0	0.0	0.0
C) Trackers	0.2	0.3	0.3	-
Total Change	1.6	1.6	1.2	0.6
Total Change w/o Trackers	1.4	1.4	0.9	0.6

Variance Explanations:

- A) 2013 Mo & YTD Var - Primarily new employee training and increased meter service.
2013 Yr Var - Primarily incremental DIMP expense along with right of way (ROW) and regulator station clearing.
2014 - Incremental DIMP expense.
- B) 2013 Mo & YTD Var - Primarily \$1.1M pension settlement entry in March business
2013 Yr Var - Change in Pension and OPEB assumptions.
- C) Offset in Revenue

* See O&M Other Corp Tab

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.1	0.2	0.2
Consulting Fees	0.0	0.1	0.1	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.1	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.1	0.2	0.2
Corporate Insurance	0.1	0.2	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	0.0	0.0	0.0	0.1
Utilities	0.0	0.1	0.2	0.2
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.0	0.2	0.2
Amortizations *	0.0	0.1	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.3	0.7	2.9	3.1

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Other Corporate				
Net Labor	0.0	0.1	0.4	0.4
Materials/Supplies	0.0	0.0	0.0	0.0
Audit Fees	0.0	0.0	0.2	0.2
Consulting Fees	0.0	0.0	0.1	0.2
Legal Fees	-	-	-	-
Outside Services	0.0	0.0	0.2	0.2
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.2	0.2
Corporate Insurance	0.1	0.2	0.8	0.8
Employee Expenses	-	-	-	-
Company Memberships	-	0.0	0.1	0.1
Utilities	0.0	0.0	0.2	0.2
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	0.1	0.2	0.2
Amortizations *	0.0	0.1	0.4	0.4
Deferred Credits	(0.0)	(0.0)	(0.1)	(0.1)
I&D Accrual	0.0	0.0	0.1	0.1
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	0.0	0.1	0.2	0.2
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.2	0.7	2.9	3.1

Variance	Mo Var	YTD Var	2013 Yr Var	2014 Yr Var
Other				
Net Labor	(0.0)	0.0	0.0	0.0
Materials/Supplies	0.0	0.0	0.0	-
Audit Fees	0.0	0.0	0.0	-
Consulting Fees	0.0	0.0	0.0	-
Legal Fees	-	-	-	-
Outside Services	0.0	(0.0)	(0.0)	-
Buildings and Land	-	-	-	-
Rents/Leases	0.0	0.0	0.0	-
Corporate Insurance	(0.0)	(0.0)	(0.0)	-
Employee Expenses	-	-	-	-
Company Memberships	0.0	(0.0)	(0.0)	-
Utilities	0.0	0.0	0.0	-
Misc Revenues	-	-	-	-
Misc & Other Expenses	0.0	(0.0)	(0.0)	-
Amortizations *	-	-	-	-
Deferred Credits	(0.0)	(0.0)	(0.0)	-
I&D Accrual	0.0	0.0	0.0	-
Well/Lease Rent/Royalty	-	-	-	-
Advertising	-	-	-	-
Auto/Truck Cleared	-	-	-	-
O&M Reclass - Regulatory to GAAP	(0.0)	(0.0)	(0.0)	(0.0)
Stores Clearing	-	-	-	-
Below the line O&M	-	-	-	-
Total Other Corporate	0.0	0.0	0.0	0.0

Variance Explanations:

(*) Amortizations: IBM and Call Center Costs, Severance Costs, Rate Case Expenses

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Depreciation	0.6	1.7	7.1	7.7
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.7	2.6	3.0
Payroll	0.0	0.1	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.263	0.802	3.161	3.464
Total Other Taxes w/o Trackers	0.265	0.813	3.101	3.428

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Depreciation	0.6	1.7	7.1	7.6
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	0.2	0.7	2.7	2.9
Payroll	0.0	0.1	0.5	0.5
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes	0.3	0.8	3.1	3.4
Total Other Taxes w/o Trackers	0.3	0.8	3.1	3.4

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Depreciation Change	0.0	0.0	0.0	0.1
<u>Other Taxes</u>				
Gross Receipts	-	-	-	-
Property Tax	-	-	(0.0)	0.0
Payroll	0.0	0.0	0.0	-
Distribution	-	-	-	-
Other	-	-	-	-
Total Other Taxes Change	0.0	0.0	0.0	0.0
Total Change w/o Trackers	0.0	0.0	(0.0)	0.0

Variance Explanations:

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.2	0.2
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.0	0.1	0.3	0.2
Total Other Income	0.044	0.1	0.4	0.3
Long-Term Interest Expense	0.4	1.2	5.2	5.4
Short-Term Interest Expense	-	-	0.1	0.1
Customer Deposits Interest Expense	-	-	0.0	0.0
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	1.2	5.2	5.4
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

2013 0&12	Mo Budget	YTD Budget	2013 0&12	2014 0&12
Miscellaneous	-	-	-	-
AFUDC	0.0	0.0	0.2	0.2
Hedging Interest Income	0.0	0.0	0.1	0.0
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	(0.0)	(0.0)	(0.1)	(0.1)
Temp Cash Investment Interest Income	0.1	0.2	0.4	0.3
Total Other Income	0.1	0.2	0.5	0.4
Long-Term Interest Expense	0.4	1.2	5.0	5.2
Short-Term Interest Expense	-	-	0.0	0.0
Customer Deposits Interest Expense	0.0	0.0	0.1	0.1
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	(0.0)	(0.0)	(0.1)	(0.1)
Interest Expense	0.4	1.3	5.0	5.2
NET INCOME FROM SUBSIDIARIES	-	0.0	-	-

Variance	Mo Var	YTD Var	Yr Var	Yr Var
Miscellaneous	-	-	-	-
AFUDC	(0.0)	(0.0)	0.0	(0.0)
Hedging Interest Income	(0.0)	(0.0)	(0.0)	-
Under-Collection Interest Income	-	-	-	-
Sale Receivables	-	-	-	-
Customer Tax Contribution	-	-	-	-
Charitable Contributions	0.0	0.0	(0.0)	-
A) Temp Cash Investment Interest Income	(0.0)	(0.1)	(0.1)	(0.1)
Total Other Income	(0.0)	(0.1)	(0.1)	(0.1)
B) Long-Term Interest Expense	0.0	(0.0)	0.1	0.2
Short-Term Interest Expense	-	-	0.0	0.0
Customer Deposits Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)
Rate Refund Interest Expense	-	-	-	-
Over-Collection Interest Expense	-	-	-	-
Other Interest Expense	-	-	-	-
Carrying Cost Interest Expense	-	-	-	-
Hedging Interest Expense	-	-	-	-
PISCC	-	-	-	-
Interest Expense on Plant Investment	0.0	0.0	(0.0)	0.0
Interest Expense	(0.0)	(0.0)	0.1	0.2
NET INCOME FROM SUBSIDIARIES	0.0	0.0	0.0	-

Variance Explanations:

- A) Variance represents changes to the interest earned on operating cash sent to Corp. Money Pool.
- B) Variance due to financing assumptions used to balance rate base

2013 3&9	Mo	2013	2014
Assets			
Net Property Plant and Equipment	218.9	233.5	253.3
Total Investments	0.5	0.5	0.5
Cash and Cash Equivalents	2.8	-	-
Restricted Cash	0.9	2.7	0.8
Accounts Receivable	67.1	27.0	24.7
Gas Inventory	1.4	32.0	32.1
Unrecovered Purchase Costs	-	5.0	4.0
Material & Supplies	0.1	-	-
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	1.0	0.8	0.8
Current Regulatory Assets	1.2	2.8	2.8
Prepayments and Other Assets	16.8	17.8	18.2
Total Current Assets	91.3	88.2	83.4
Price Risk Management Assets	0.0	0.0	0.0
NC Regulatory Assets	17.1	15.8	14.5
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.8	3.8	3.8
Total Other Assets	20.9	19.6	18.4
Total Assets	331.6	341.7	355.5
Capitalization & Liabilities			
Total Common Stock Equity	96.6	98.2	105.9
Long Term Debt , excluding amounts due within one year	73.3	93.3	93.3
Total Capitalization	169.9	191.5	199.2
Obligations Due in One Year	14.0	7.1	9.1
Accounts Payable	14.2	10.7	9.9
Customer Deposits and AR Credit Balance	8.7	17.7	17.7
Taxes Accrued	7.6	5.0	5.6
Interest Accrued	(0.0)	(0.0)	(0.0)
Overrecovered Gas and Fuel Costs	3.6	-	-
Price Risk Management Liabilities (Current)	0.7	0.7	0.7
Exchange Gas Payable	7.7	1.0	1.0
Current Regulatory Liabilities	3.0	2.6	2.6
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	(0.3)	1.3	0.9
Total Current Liabilities	59.3	46.3	47.6
Price Risk Management Liabilities - NC	0.0	0.0	0.0
Deferred Income Taxes	52.5	55.0	59.8
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	25.5	24.5	24.3
Accrued Liab for Post Retirement Benefits - NC	12.6	12.4	12.2
Other Non-Current Liabilities	11.2	11.6	12.1
Other NC Liab & Deferred Credits	102.4	103.9	108.7
Total Capitalization & Liabilities	331.6	341.7	355.5

2013 0&12	Mo	2013	2014
Assets			
Net Property Plant and Equipment	219.4	231.1	251.0
Total Investments	0.4	0.4	0.4
Cash and Cash Equivalents	-	-	-
Restricted Cash	3.6	2.6	0.8
Accounts Receivable	65.0	27.7	27.4
Gas Inventory	18.2	44.0	43.7
Unrecovered Purchase Costs	1.4	8.5	6.8
Material & Supplies	0.1	0.1	0.1
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.1	0.1	0.1
Current Regulatory Assets	2.0	2.0	2.0
Prepayments and Other Assets	2.3	3.2	3.6
Total Current Assets	92.6	88.3	84.5
Price Risk Management Assets	-	-	-
NC Regulatory Assets	19.4	18.5	17.4
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
Deferred Charges	3.1	3.1	3.1
Total Other Assets	22.5	21.6	20.5
Total Assets	334.9	341.4	356.5
Capitalization & Liabilities			
Total Common Stock Equity	97.8	98.5	103.1
Long Term Debt , excluding amounts due within one year	73.3	86.3	97.3
Total Capitalization	171.1	184.9	200.4
Obligations Due in One Year	14.0	3.3	-
Accounts Payable	10.3	11.4	10.4
Customer Deposits and AR Credit Balance	10.6	17.7	17.7
Taxes Accrued	9.7	5.0	5.6
Interest Accrued	0.1	0.1	0.1
Overrecovered Gas and Fuel Costs	-	-	-
Price Risk Management Liabilities (Current)	0.9	0.9	0.9
Exchange Gas Payable	11.4	4.7	4.7
Current Regulatory Liabilities	4.0	3.9	3.9
Accrued Liability for Post Retirement Benefits - Cur	0.1	0.1	0.1
Environmental	-	-	-
Other Accruals	0.5	2.9	2.2
Total Current Liabilities	61.6	50.1	45.6
Price Risk Management Liabilities - NC	0.8	0.8	0.8
Deferred Income Taxes	51.3	55.2	59.6
Deferred Investment Tax Credits	0.4	0.4	0.3
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	24.7	24.9	25.1
Accrued Liab for Post Retirement Benefits - NC	13.2	13.3	12.5
Other Non-Current Liabilities	11.8	12.0	12.1
Other NC Liab & Deferred Credits	102.2	106.4	110.4
Total Capitalization & Liabilities	334.9	341.4	356.5

Variance	Mo Var	2013 Var	2014 Var
Assets			
A) Net Property Plant and Equipment	(0.5)	2.4	2.2
Total Investments	0.0	0.0	0.0
B) Cash and Cash Equivalents	2.8	-	-
C) Restricted Cash	(2.6)	0.1	0.0
D) Accounts Receivable	2.1	(0.8)	(2.7)
E) Gas Inventory	(16.7)	(12.0)	(11.6)
F) Unrecovered Purchase Costs	(1.4)	(3.6)	(2.8)
E) Material & Supplies	0.0	(0.1)	(0.1)
Price Risk Management Assets	-	-	-
Exchange Gas Receivables & Reserve	0.8	0.7	0.7
Current Regulatory Assets	(0.8)	0.9	0.9
E) Prepayments and Other Assets	14.4	14.6	14.6
Total Current Assets	(1.3)	(0.1)	(1.0)
Price Risk Management Assets	0.0	0.0	0.0
NC Regulatory Assets	(2.3)	(2.7)	(2.9)
Intangible Assets	-	-	-
Post Retirement Benefits NC Assets	-	-	-
Other Receivables Affiliated	-	-	-
K) Deferred Charges	0.7	0.7	0.7
Total Other Assets	(1.6)	(2.0)	(2.2)
Total Assets	(3.3)	0.4	(0.9)
Capitalization & Liabilities			
G) Total Common Stock Equity	(1.2)	(0.3)	2.8
G) Long Term Debt , excluding amounts due within one year	-	7.0	(4.0)
Total Capitalization	(1.2)	6.7	(1.2)
G) Current Portion of Long Term Debt	-	3.8	9.1
D) Accounts Payable	3.9	(0.7)	(0.5)
D) Customer Deposits and AR Credit Balance	(1.9)	-	-
H) Taxes Accrued	(2.1)	(0.0)	(0.0)
Interest Accrued	(0.1)	(0.1)	(0.1)
F) Overrecovered Gas and Fuel Costs	3.6	-	-
I) Price Risk Management Liabilities (Current)	(0.2)	(0.2)	(0.2)
J) Exchange Gas Payable	(3.7)	(3.7)	(3.7)
Current Regulatory Liabilities	(1.1)	(1.4)	(1.4)
Accrued Liability for Post Retirement Benefits - Cur	-	-	-
Environmental	-	-	-
K) Other Accruals	(0.7)	(1.6)	(1.3)
Total Current Liabilities	(2.3)	(3.8)	2.0
Price Risk Management Liabilities - NC	(0.7)	(0.7)	(0.7)
H) Deferred Income Taxes	1.3	(0.1)	0.2
Deferred Investment Tax Credits	(0.0)	0.0	0.0
Deferred Credits	-	-	-
Noncurrent Regulatory Liabilities	0.8	(0.4)	(0.8)
Accrued Liab for Post Retirement Benefits - NC	(0.6)	(0.9)	(0.3)
K) Other Non-Current Liabilities	(0.6)	(0.4)	(0.1)
Other NC Liab & Deferred Credits	0.2	(2.5)	(1.7)
Total Capitalization & Liabilities	(3.3)	0.4	(0.9)

Variance Explanations:

- A) Variance due to timing around 2013 In-Service and subsequent Depreciation.
- B) Increase in Money Pool funding.
- C) Monthly and 2013 annual variances are due to changes to the required reserves related to the Hedging Program.
- D) A/R: March variance is primarily due to increase in money pool funding of \$2.4M offset by decrease in off system sales.
A/P: March variance is due to increased payables related to increased Gas Costs (\$2M).
- E) Monthly variance due to Usage variances of (\$2.0M) respectively. 2013 variance due to Rate differential of \$700K along with include reclassification entries between the Inventory and Material & Supply accounts and the prepayment accounts to accurately state the LIFO inventory balance; which was \$14.5M as of March 31st.
- F) 2013 Mo & Yr Variance due to timing differences between gas purchases vs. gas recoveries. Asset position indicates a temporary under-recovery of costs, while a liability position indicates an over-recovery of costs. These variances are primarily due to downward modification to Gas Cost and Balance Adjustment rates. These positions will be factored into future PGA filings and either collected or passed back to the customers.
- G) Variance due to changes necessary to maintain target debt to equity ratio of 48% / 52%, and to balance total capitalization with rate base.
- H) Variance due to changes to the Federal tax payment and accrual calculation(s).
- I) Variance due to changes in the Hedging obligations.
- J) Variances are due to changes in the number of outstanding exchange obligations vs. the 0&12.
- K) Deferred Charges & Other Non-current liabilities variances are due to Customer Advances stemming from Capital projects..

2013 3&9	Mo Actual	YTD Actual	2013 3&9	2014 3&9
New Business	0.3	0.8	5.3	2.6
Betterment	0.0	0.1	0.1	0.1
Replacement	1.4	2.7	17.8	16.5
Support Services	0.3	0.5	2.0	8.5
Gross Capital	2.0	4.2	25.2	27.7
Contributions & Reimbursements	(0.0)	(0.6)	(0.6)	(0.6)
Total NGD	2.0	3.5	24.6	27.1
Infrastructure/AMR	1.1	2.2	14.2	12.2

2013 0&12	Mo Budget	YTD	2013 0&12	2014 0&12
New Business	0.3	1.0	4.0	2.6
Betterment	0.0	0.0	0.1	0.1
Replacement	1.3	3.4	15.8	16.5
Support Services	0.1	0.3	2.0	8.5
Gross Capital	1.8	4.9	21.9	27.7
Contributions & Reimbursements	(0.1)	(0.2)	(0.6)	(0.6)
Total NGD	1.6	4.6	21.3	27.1
Infrastructure/AMR	0.7	2.0	12.2	12.2

Variance	Mo Var	YTD Var	Yr Var	Yr Var
New Business	(0.0)	(0.3)	1.3	-
Betterment	(0.0)	0.1	-	-
Replacement	0.1	(0.7)	2.0	-
Support Services	0.2	0.2	-	-
Gross Capital	0.3	(0.7)	3.3	-
Contributions & Reimbursements	0.1	(0.4)	-	-
Total NGD	0.4	(1.1)	3.3	-
Infrastructure/AMR	0.4	0.2	2.0	-

Variance Explanations:

Actuals variance primarily unfavorable weather.
 Plan variance due to incremental capital for increased growth forecast and IRP request.
 Note: 2014 AMR program of \$7M shown in support services.