

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 179
Respondent: S. Mark Katko and Eric Belle

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

179. Budget Variance Reports. Provide for each year 2009 through 2012, 2013 year-to-date and the base & test years, the capital budget variance reports of the Company, and the operating budget variance reports of the Company, in the most detailed format available.

Response: Please refer to Attachment A hereto for the capital budget variance report.

Please refer to Attachment B hereto for the O&M budget variance report; this report does not exist for the base period and forecasted test period.

PSC Case No. 2013-00167
 AG's DR Set 1 No. 179
 Attachment A

Capital Budget Variance Report
 (\$000,000)

<u>Business Class</u>	2009 Dec-YTD Budget	2010 Dec-YTD Budget	2011 Dec-YTD Budget	2012 Dec-YTD Budget	2013 Dec Budget
New Business	4.26	1.80	1.42	1.50	5.09
Betterment	0.18	0.15	0.29	1.00	0.10
Replacement	7.10	6.00	8.43	10.20	15.20
Public Improvement	0.54	1.00	1.28	0.75	2.20
Acquisition	0.00	0.00	0.00	0.00	0.00
Support & AMR	0.34	0.46	0.30	0.55	1.35
Support - IT	0.00	0.50	0.40	0.29	0.39
Corp. IT	0.45	0.34	0.04	0.36	0.29
Total	12.86	10.25	12.16	14.65	24.62

	Dec-YTD Actual	Dec-YTD Actual	Dec-YTD Actual	Dec-YTD Actual	June-YTD Actual
New Business	1.89	1.57	1.77	3.81	0.82
Betterment	0.09	0.06	0.02	0.40	0.14
Replacement	9.16	5.87	10.14	11.87	5.82
Public Improvement	1.19	1.28	1.17	1.24	0.56
Acquisition	0.00	0.00	0.00	0.00	0.00
Support & AMR	0.18	0.25	0.62	0.80	0.55
Support - IT	0.00	1.04	0.46	0.39	0.14
Corp. IT	0.48	0.05	0.18	0.39	0.36
Total	13.00	10.13	14.35	18.90	8.40

	Variance (Fav)/Unfav	Variance (Fav)/Unfav	Variance (Fav)/Unfav	Variance (Fav)/Unfav	June Variance (Fav)/Unfav
New Business	-2.36	-0.23	0.35	2.31	-4.27
Betterment	-0.09	-0.09	-0.27	-0.60	0.04
Replacement	2.06	-0.13	1.71	1.67	-9.38
Public Improvement	0.65	0.28	-0.11	0.49	-1.64
Acquisition	0.00	0.00	0.00	0.00	0.00
Support	-0.16	-0.21	0.32	0.25	-0.81
Support - IT	0.00	0.54	0.05	0.10	-0.25
Corp. IT	0.03	-0.29	0.14	0.03	0.07
Total	0.14	-0.13	2.19	4.25	-16.22
Variance %	1.1%	-1.3%	18.0%	29.0%	-65.9%

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Operating Budget Variance

For Years 2009 through 2012 and 2013 Year-to-Date

<u>COST ELEMENTS</u>	<u>2009 Budget</u>	<u>2009 Actuals</u>	<u>Variance</u>	<u>Variance %</u>
1010 Net Labor	6,495,758	6,851,544	355,786	5.5%
20XX Materials/Supplies	1,490,689	1,349,821	(140,868)	-9.5%
3CXX Consulting Fees	24,500	19,468	(5,032)	-20.5%
3C0X Audit Fees	154,201	161,647	7,446	4.8%
3DXX Legal Fees	-	2,604	2,604	0.0%
3XXX Outside Services	4,482,013	3,822,722	(659,291)	-14.7%
40XX Rents/Leases	178,270	213,210	34,940	19.6%
401X Buildings and Land	115,001	69,831	(45,170)	-39.3%
4500 Corporate Insurance	763,795	758,434	(5,361)	-0.7%
50XX Employee Expenses	277,013	377,850	100,837	36.4%
55XX Company Memberships	68,049	65,482	(2,567)	-3.8%
60XX Utilities	342,334	247,530	(94,804)	-27.7%
8010 Management Services	10,329,746	10,035,953	(293,793)	-2.8%
8011 Accrue Mgt Services	-	1,103,986	1,103,986	0.0%
8099 Management Fees Transfer	(579,542)	(955,997)	(376,455)	65.0%
8510 Uncollectible - Normal	1,358,000	1,361,419	3,419	0.3%
8515 Uncollectible-Bad Debt Tracker	-	138,086	138,086	0.0%
8520 Uncollectible - Special	489,000	474,899	(14,101)	-2.9%
8530 Uncollectible - High Pressure	-	17,227	17,227	0.0%
88XX Misc Revenues	(88,400)	(150,244)	(61,844)	70.0%
8900 Misc and Other Expenses	256,464	322,416	65,952	25.7%
8911 Amortizations	469,140	520,564	51,424	11.0%
8921 Deferred Credits	(250,000)	(55,584)	194,416	-77.8%
8940 landD Accrual	238,000	220,920	(17,080)	-7.2%
9041 Medical	1,191,000	826,666	(364,334)	-30.6%
9042 Dental	84,000	79,238	(4,762)	-5.7%
9043 Group Life	27,000	(31,280)	(58,280)	-215.9%
9044 Long-Term Disability	40,000	125,767	85,767	214.4%
9045 Emp Asslst Program	4,000	15,779	11,779	294.5%
9046 OPEB-Medical	423,000	705,252	282,252	66.7%
9047 OPEB-Life	(74,000)	6,229	80,229	-108.4%
9048 SFAF 106 Amortization	281,712	281,712	-	0.0%
9049 SFAF 112 Amortization	34,356	217,700	183,344	533.7%
9051 Insured Plans-Trsf	(445,644)	(486,118)	(40,474)	9.1%
9061 Pen/Retirement Plan	1,173,000	1,352,976	179,976	15.3%
9071 RIP Transfers	(293,250)	(325,934)	(32,684)	11.2%
9081 Thrift Plan	275,000	302,868	27,868	10.1%
9091 Thrift Plan-Trsf	(67,716)	(65,590)	2,126	-3.1%
9095 Profit Sharing	-	31,097	31,097	0.0%
93XX Advertising	25,000	21,424	(3,576)	-14.3%
9520 Meter Shop Cleared	178,274	253,201	74,927	42.0%
954X Auto/Trucks Cleared	1,163,159	1,038,924	(124,235)	-10.7%
9550 Genl Tools Cleared	61,528	88,032	26,504	43.1%
9580 Fabrication Cleared	-	30	30	0.0%
TOTAL	30,694,450	31,411,761	717,311	2.3%

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Operating Budget Variance
For Years 2009 through 2012 and 2013 Year-to-Date

	2010 Budget	2010 Actuals	Variance	Variance %
<u>COST ELEMENTS</u>				
1010 Net Labor	6,800,976	7,177,299	376,323	5.5%
20XX Materials/Supplies	1,354,253	1,404,863	50,610	3.7%
3CXX Consulting Fees	86,500	42,933	(43,567)	-50.4%
3C0X Audit Fees	145,000	148,952	3,952	2.7%
3DXX Legal Fees	-	439	439	0.0%
3XXX Outside Services	4,008,878	4,092,531	83,653	2.1%
40XX Rents/Leases	220,286	184,444	(35,842)	-16.3%
401X Buildings and Land	117,000	74,039	(42,961)	-36.7%
4500 Corporate Insurance	887,071	448,990	(438,081)	-49.4%
4531 Corporate Insurance I/C	-	403,085	403,085	0.0%
50XX Employee Expenses	284,506	245,570	(38,936)	-13.7%
55XX Company Memberships	73,793	73,560	(233)	-0.3%
60XX Utilities	307,184	294,171	(13,013)	-4.2%
8010 Management Services	12,204,200	10,864,607	(1,339,593)	-11.0%
8011 Accrue Mgt Services	-	1,396,059	1,396,059	0.0%
8099 Management Fees Transfer	(808,643)	(980,627)	(171,984)	21.3%
8510 Uncollectible - Normal	1,947,000	(92,000)	(2,039,000)	-104.7%
8515 Uncollectible-Bad Debt Tracker	-	828,188	828,188	0.0%
8520 Uncollectible - Special	466,000	498,140	32,140	6.9%
8530 Uncollectible - High Pressure	25,000	(4,048)	(29,048)	-116.2%
88XX Misc Revenues	(88,400)	(178,337)	(89,937)	101.7%
8900 Misc and Other Expenses	215,444	430,552	215,108	99.8%
8911 Amortizations	541,624	542,379	755	0.1%
8912 Revenue Trackers	-	237,446	237,446	0.0%
8921 Deferred Credits	(50,000)	(270,183)	(220,183)	440.4%
8940 Land Accrual	91,000	5,323	(85,677)	-94.2%
9041 Medical	1,158,000	913,082	(244,918)	-21.2%
9042 Dental	75,000	76,774	1,774	2.4%
9043 Group Life	25,000	(81,964)	(106,964)	-427.9%
9044 Long-Term Disability	53,000	137,750	84,750	159.9%
9045 Emp Asslst Program	29,000	14,049	(14,951)	-51.6%
9046 OPEB-Medical	482,000	521,558	39,558	8.2%
9047 OPEB-Life	-	(21,924)	(21,924)	0.0%
9048 SFAF 106 Amortization	281,712	281,712	-	0.0%
9049 SFAF 112 Amortization	34,356	218,421	184,065	535.8%
9051 Insured Plans-Trsf	(502,375)	(399,157)	103,218	-20.6%
9061 Pen/Retirement Plan	1,138,000	854,793	(283,207)	-24.9%
9071 RIP Transfers	(266,000)	(204,469)	61,531	-23.1%
9081 Thrift Plan	297,000	309,051	12,051	4.1%
9091 Thrift Plan-Trsf	(73,138)	(64,844)	8,294	-11.3%
9095 Profit Sharing	27,772	88,447	60,675	218.5%
93XX Advertising	25,000	102,234	77,234	308.0%
954X Auto/Trucks Cleared	1,072,767	1,112,719	39,952	3.7%
9550 Genl Tools Cleared	84,119	119,010	34,891	41.5%
TOTAL	32,769,885	31,845,617	(924,268)	-2.8%

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Operating Budget Variance
For Years 2009 through 2012 and 2013 Year-to-Date

	2011 Budget	2011 Actuals	Variance	Variance %
<u>COST ELEMENTS</u>				
1010 Net Labor	7,111,682	6,778,705	(332,977)	-4.7%
20XX Materials/Supplies	1,412,578	1,479,370	66,792	4.7%
3CXX Consulting Fees	37,000	39,194	2,194	5.9%
3C0X Audit Fees	131,400	121,570	(9,830)	-7.5%
3DXX Legal Fees	-	1,427	1,427	0.0%
3XXX Outside Services	3,749,745	4,962,707	1,212,962	32.4%
40XX Rents/Leases	182,246	186,395	4,149	2.3%
401X Buildings and Land	98,269	79,682	(18,587)	-18.9%
4500 Corporate Insurance	490,543	396,746	(93,797)	-19.1%
4531 Corporate Insurance I/C	432,336	402,481	(29,855)	-6.9%
50XX Employee Expenses	277,325	309,576	32,251	11.6%
55XX Company Memberships	86,698	76,902	(9,796)	-11.3%
60XX Utilities	287,167	292,259	5,092	1.8%
8010 Management Services	12,347,658	13,400,685	1,053,027	8.5%
8099 Management Fees Transfer	(1,097,340)	(1,781,532)	(684,192)	62.4%
8510 Uncollectible - Normal	600,000	(632,570)	(1,232,570)	-205.4%
8515 Uncollectible-Bad Debt Tracker	752,000	620,377	(131,623)	-17.5%
8520 Uncollectible - Special	445,000	562,580	117,580	26.4%
8530 Uncollectible - High Pressure	25,000	43,792	18,792	75.2%
88XX Misc Revenues	(98,654)	(214,682)	(116,028)	117.6%
8900 Misc and Other Expenses	276,566	403,677	127,111	46.0%
8911 Amortizations	479,052	479,052	-	0.0%
8912 Revenue Trackers	-	951,103	951,103	0.0%
8921 Deferred Credits	(50,000)	(1,032,473)	(982,473)	1965.0%
8940 Land Accrual	163,000	89,944	(73,056)	-44.8%
9041 Medical	1,097,000	1,035,214	(61,786)	-5.6%
9042 Dental	94,000	62,214	(31,786)	-33.8%
9043 Group Life	28,000	(36,949)	(64,949)	-232.0%
9044 Long-Term Disability	80,000	132,763	52,763	66.0%
9045 Emp Asslst Program	26,000	6,297	(19,703)	-75.8%
9046 OPEB-Medical	403,000	204,279	(198,721)	-49.3%
9047 OPEB-Life	26,000	(23,580)	(49,580)	-190.7%
9048 SFAF 106 Amortization	281,712	281,707	(5)	0.0%
9049 SFAF 112 Amortization	34,356	(171,582)	(205,938)	-599.4%
9051 Insured Plans-Trsf	(456,040)	(407,453)	48,587	-10.7%
9061 Pen/Retirement Plan	1,020,000	582,096	(437,904)	-42.9%
9071 RIP Transfers	(255,000)	(177,872)	77,128	-30.3%
9081 Thrift Plan	329,000	318,189	(10,811)	-3.3%
9091 Thrift Plan-Trsf	(69,090)	(79,931)	(10,841)	15.7%
9095 Profit Sharing	60,112	91,943	31,831	53.0%
93XX Advertising	25,000	157,127	132,127	528.5%
954X Auto/Trucks Cleared	1,065,353	1,199,436	134,083	12.6%
9550 Genl Tools Cleared	93,991	142,818	48,827	52.0%
9580 Fabrication Cleared	-	412	412	0.0%
TOTAL	32,022,665	31,334,095	(688,570)	-2.2%

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Operating Budget Variance
For Years 2009 through 2012 and 2013 Year-to-Date

	2012 Budget	2012 Actuals	Variance	Variance %
<u>COST ELEMENTS</u>				
1010 Net Labor	6,648,036	7,342,223	694,187	10.4%
20XX Materials/Supplies	1,487,355	1,545,650	58,195	3.9%
3CXX Consulting Fees	77,530	229,096	151,566	195.5%
3C0X Audit Fees	117,396	175,736	58,340	49.7%
3DXX Legal Fees	-	420	420	0.0%
3XXX Outside Services	4,935,220	5,103,202	167,982	3.4%
40XX Rents/Leases	306,706	221,959	(84,747)	-27.6%
401X Buildings and Land	83,469	79,135	(4,334)	-5.2%
4500 Corporate Insurance	462,192	392,701	(69,491)	-15.0%
4531 Corporate Insurance I/C	394,212	376,222	(17,990)	-4.6%
50XX Employee Expenses	299,368	304,478	5,110	1.7%
55XX Company Memberships	82,172	86,775	4,603	5.6%
60XX Utilities	279,803	368,889	89,086	31.8%
8010 Management Services	13,157,557	13,434,191	276,634	2.1%
8099 Management Fees Transfer	(1,222,141)	(1,747,876)	(525,735)	43.0%
8510 Uncollectible - Normal	500,000	78,000	(422,000)	-84.4%
8515 Uncollectible-Bad Debt Tracker	244,000	45,729	(198,271)	-81.3%
8520 Uncollectible - Special	517,548	415,673	(101,875)	-19.7%
8530 Uncollectible - High Pressure	25,000	(4,932)	(29,932)	-119.7%
88XX Misc Revenues	(98,653)	(230,047)	(131,394)	133.2%
8900 Misc and Other Expenses	(34,020)	230,956	264,976	-778.9%
8911 Amortizations	464,228	464,231	3	0.0%
8912 Revenue Trackers	-	1,097,667	1,097,667	0.0%
8921 Deferred Credits	(958,000)	(1,165,801)	(207,801)	21.7%
8940 landD Accrual	126,000	99,798	(26,202)	-20.8%
9041 Medical	964,740	976,190	11,450	1.2%
9042 Dental	86,004	76,827	(9,177)	-10.7%
9043 Group Life	28,000	(20,295)	(48,295)	-172.5%
9044 Long-Term Disability	70,000	101,058	31,058	44.4%
9045 Emp Asslst Program	20,000	3,288	(16,712)	-83.6%
9046 OPEB-Medical	221,000	217,316	(3,684)	-1.7%
9047 OPEB-Life	2,000	38,280	36,280	1814.0%
9048 SFAF 106 Amortization	234,760	234,758	(2)	0.0%
9049 SFAF 112 Amortization	28,630	262,785	234,155	817.9%
9051 Insured Plans-Trsf	(393,600)	(374,101)	19,499	-5.0%
9061 Pen/Retirement Plan	648,000	827,172	179,172	27.7%
9071 RIP Transfers	(182,995)	(194,203)	(11,208)	6.1%
9081 Thrift Plan	335,000	353,972	18,972	5.7%
9091 Thrift Plan-Trsf	(94,608)	(78,189)	16,419	-17.4%
9095 Profit Sharing	57,408	56,254	(1,154)	-2.0%
93XX Advertising	115,000	122,258	7,258	6.3%
954X Auto/Trucks Cleared	1,250,922	1,098,297	(152,625)	-12.2%
9550 Genl Tools Cleared	122,454	121,532	(922)	-0.8%
TOTAL	31,407,693	32,767,174	1,359,481	4.3%

Columbia Gas of Kentucky, Inc.
Case No. 2013-00167
Operating Budget Variance
For Years 2009 through 2012 and 2013 Year-to-Date

	2013 YTD Budget	2013 YTD Actuals	Variance	Variance %
<u>COST ELEMENTS</u>				
1010 Net Labor	3,575,185	3,849,080	273,895	7.7%
20XX Materials/Supplies	674,541	828,882	154,341	22.9%
3CXX Consulting Fees	57,900	375,391	317,491	548.3%
3C0X Audit Fees	87,851	96,639	8,788	10.0%
3DXX Legal Fees	50,000	-	(50,000)	-100.0%
3XXX Outside Services	2,361,666	2,481,369	119,703	5.1%
40XX Rents/Leases	109,430	110,131	701	0.6%
401X Buildings and Land	40,893	36,091	(4,802)	-11.7%
4500 Corporate Insurance	231,875	193,209	(38,666)	-16.7%
4531 Corporate Insurance I/C	182,490	181,458	(1,032)	-0.6%
50XX Employee Expenses	197,168	177,360	(19,808)	-10.1%
55XX Company Memberships	73,779	39,014	(34,765)	-47.1%
60XX Utilities	217,375	257,476	40,101	18.5%
8010 Management Services	7,273,186	7,153,402	(119,784)	-1.7%
8099 Management Fees Transfer	(1,126,100)	(952,727)	173,373	-15.4%
8510 Uncollectible - Normal	234,000	181,000	(53,000)	-22.7%
8515 Uncollectible-Bad Debt Tracker	130,000	(64,433)	(194,433)	-149.6%
8520 Uncollectible - Special	290,457	327,783	37,326	12.9%
8530 Uncollectible - High Pressure	12,500	-	(12,500)	-100.0%
88XX Misc Revenues	(49,327)	(57,861)	(8,534)	17.3%
8900 Misc and Other Expenses	134,511	15,326	(119,185)	-88.6%
8911 Amortizations	195,054	195,054	-	0.0%
8912 Revenue Trackers	-	679,705	679,705	0.0%
8921 Deferred Credits	(801,502)	(932,391)	(130,889)	16.3%
8940 landD Accrual	51,456	24,812	(26,644)	-51.8%
9041 Medical	504,000	526,788	22,788	4.5%
9042 Dental	39,498	41,760	2,262	5.7%
9043 Group Life	13,999	(10,751)	(24,750)	-176.8%
9044 Long-Term Disability	35,501	55,882	20,381	57.4%
9045 Emp Asslst Program	10,001	1,391	(8,610)	-86.1%
9046 OPEB-Medical	49,001	19,925	(29,076)	-59.3%
9047 OPEB-Life	1,999	(4,212)	(6,211)	-310.7%
9049 SFAF 112 Amortization	-	17,182	17,182	0.0%
9051 Insured Plans-Trsf	(210,987)	(171,268)	39,719	-18.8%
9061 Pen/Retirement Plan	508,500	1,482,964	974,464	191.6%
9071 RIP Transfers	(164,048)	(216,520)	(52,472)	32.0%
9081 Thrift Plan	202,500	164,305	(38,195)	-18.9%
9091 Thrift Plan-Trsf	(65,328)	(49,681)	15,647	-24.0%
9095 Profit Sharing	27,096	31,869	4,773	17.6%
93XX Advertising	57,498	10,172	(47,326)	-82.3%
954X Auto/Trucks Cleared	568,879	534,645	(34,234)	-6.0%
9550 Genl Tools Cleared	57,083	10,217	(46,866)	-82.1%
TOTAL	15,839,580	17,640,438	1,800,858	11.4%

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Respondent: Eric T. Belle

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

181. Capital Budget. Provide copies of all operating and capital budget instructions, assumption, directives, manuals, policies and procedures, timelines, and descriptions of budget procedures used for each year 2009 through 2013.

Response:

See Columbia's response to AG Data Request Set One No. 181 Attachment A, B, C, D and E.

POLICY SUBJECT: Gas Distribution Capital Allocation/Authorization Policy

EFFECTIVE DATE: May 5, 2008 (REVISED: September 12, 2008)

NiSource Gas Distribution is committed to making prudent capital investment decisions that are consistent with the corporation's long-term plan for achieving sustainable earnings growth and maximizing shareholder value. To achieve these results, this *Capital Allocation and Authorization Policy* has been adopted for the Gas Distribution operating companies to establish consistent guidelines, while maintaining sufficient flexibility, for project review and approvals across a broad range of capital expenditure levels and management systems.

This policy is aligned with and governed by the Corporate Capital Allocation Policy and supersedes any prior capital authorization policy in its entirety. Each operating company within NiSource Gas Distribution and its employees involved in capital spending and retirement activities are expected to be familiar with and follow this policy.

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Section 1: Definition and Overview

This policy applies to any activity resulting in the creation of a capital asset, recording of a capital expenditure, capital investment, and acquisition or divestiture of an asset.

The capitalization threshold for the purchase of "General Plant" equipment is **\$1,000 per individual unit**. Therefore, any expenditure for an individual unit totaling less than \$1,000 should be charged to the appropriate operating expense account. This threshold will be consistently applied throughout each Gas Distribution operating company.

General Plant consists of the following type of equipment:

- a) Office furniture and equipment (desk, chair, cabinet, table, etc.)
- b) Tools and equipment (paving breaker, leak detector, pipe locator, etc.)
- c) Computers and related equipment (personal computer, printer, monitor, etc.)
- d) Miscellaneous equipment (breathing equipment, refrigerator, card reader, etc.)

The basis for determining whether a purchase of general plant equipment is to be expensed or capitalized should generally be determined by the individual or unit price of the item and not the invoice total¹. Employees should consult with the Controller for any further guidance or clarification regarding the capitalization of a cost or project.

Figure 1 represents a hierarchical relationship between the annual capital program, business classes, and budgets.

Figure 1

Annual Capital Program					
Corporate Level	Growth or Maintenance (Non IT)				
Business Class Level	Growth	Betterment	Public Improvement	Replacement	Support Services
Budget Level	Specific Project Blanket	Specific Project Blanket	Specific Project Blanket	Specific Project Blanket	Specific Project Blanket

*Definitions for business class and budget levels are provided in the following sections.

1.1 Corporate Level

At the corporate level, capital expenditures are divided into either **Growth or Maintenance (Non IT)**. In order to achieve alignment, relevance, and execution across the distribution companies, capital expenditures are further allocated across the five (5) business classes as described in the following section.

¹ For instance, the purchase of 30 flat screen monitors at a unit price of \$400 each is to be expensed even though the invoice totals \$12,000.

1.2 Business Class Levels

1.2.1 Growth (also referred to as "New Business")

Spend in this category will typically be non-discretionary in nature and shall be used for any facilities that are required to serve new tariff mandated customers. It is recognized that on occasion there may also be discretionary spend opportunities for long-term strategic growth initiatives. This category shall also be used for projects that provide increased system capacity to specific new customers and existing customers who are adding load, which may require the replacement of existing facilities that are insufficient (i.e. improvements to upstream distribution facilities).

1.2.2 Betterment ("Capacity" or "Compliance")

Spend in this category may be either discretionary or non-discretionary. This category shall be used for any facilities that are required to improve system reliability or provide additional near-term² capacity for existing customers. Projects to address longer term market growth shall also be included in this category. Finally, this category shall be used for any projects needed to remain compliant with internal or external policies that are not "age and condition" related (e.g. pipeline integrity).

1.2.3 Replacement (also referred to as "Age and Condition")

Spend in this category may be either discretionary or non-discretionary. This category shall be used for any facilities that must be replaced (planned or emergency) due to damage or physical deterioration in situations where repair is not feasible. The majority of projects in this category address aging infrastructure (e.g. bare steel, cast iron, etc.).

However, there are several other project types that are to be included here including regulator station rebuilds, corrosion mitigation, service tie-overs, and small/large volume meter settings to name a few. The Field Engineering Manager should be consulted for further clarification(s).

1.2.4 Public Improvement (also referred to as "Mandatory Relocation")

Spend in this category will typically be non-discretionary in nature and shall be used for any facilities that must be relocated or raised/lowered to meet the requirements of municipal roadway reconstruction projects. Relocation projects that are done to accommodate requests from existing customers or private entities shall also be included in this category.

1.2.5 Support Services

Spend in this category may be either discretionary or non-discretionary. This category shall be used to capture capital expenditures that are not directly related to the installation of distribution facilities. This includes expenditures for

² Near-term is considered 1 to 3 years.

capitalized tools/equipment, buildings/facilities, technology, and communications related infrastructure.

Section 2: Other Capital

Spend in this category includes capital that is allocated to administrative services functions at the corporate services level (e.g. IT, Meter-to-Cash, and Facilities). Although these costs pass through to the distribution operating companies, they are not generally managed by local distribution company management. Such costs include strategic automated meter reading (AMR) deployment projects, WMS transformation, and supply chain software solutions.

Investments such as AMR equipment not related to deployment projects, locally sponsored facilities projects (e.g. operations center office renovations), and miscellaneous IT/communications equipment purchases should NOT be included in the Other Capital category and will generally be included in Support Services.

Section 3: Budget Types

To facilitate the budgeting and tracking of capital expenditures within the business classes described in section 1.2 of this policy, the allocation of capital is further refined into three (3) budget levels: **Blanket**, **Project**, and **Specific**.

Because budgeting systems and processes currently vary among the distribution companies, these budget levels and the specific details of how they are defined within the budgeting systems may vary.

3.1 Blanket Budgets

The term *Blanket Budget* is used to designate construction or retirement activity related to the numerous, relatively small, capital projects³ within a given distribution company that are of a routine and recurring nature. Generally, there is no signature approval required prior to the commencement of work for each Blanket Budget work order.

3.2 Project Budgets

The term *Project Budget* is used to designate construction or retirement activity related to a unique project within a given distribution company that generally requires an engineering design and construction work plan. A Project Budget may consist of a collection of related Blanket Budgets and are of a routine and recurring nature. Signature approvals are generally required prior to the commencement of work.

3.3 Specific Budgets

The term *Specific Budget* is similar to Project Budget in that it is used to designate construction or retirement activity related to a unique project within a given distribution company. A Specific Budget may consist of multiple Project and Blanket budgets with a total cost estimate greater than **\$500,000** and generally requires an engineering design accompanied with a construction work plan. Capital costs for related blanket work

³ Example: *Install, Service Lines (New Business)*.

orders shall be used in the economic analysis and business case summary, but the actual work orders do not need be submitted with the Specific Budget.

Signature approvals are required prior to the commencement of work. Once a Specific Budget has been approved, any associated Project Budgets may be subsequently approved subject to the approval levels outlined in section 6 of this policy.

Section 4: Planning and Management Process

As with other business segments, the capital planning and allocation process for Gas Distribution is integral to the overall success of the NiSource corporate planning process. At the business segment level, strategic capital investments and priorities must be defined with clear performance indicators.

In order to ensure the effectiveness of this process, the Capital Management & Analysis⁴ team ("Capital Management") has been established to:

- a) Maintain the Gas Distribution Capital Allocation and Authorization Policy and function as the primary administrator and contact for the capital program.
- b) Facilitate a consistent capital allocation and planning process across Gas Distribution operating companies.
- c) Provide systematic capital prioritization tools to optimize capital spending across Gas Distribution.
- d) Provide long-term facilities planning solutions across all business classes.
- e) Monitor capital expenditures using appropriate forecasting and variance analysis methods/models.
- f) Communicate capital expenditure information to the financial planning, regulated revenue, operations, and corporate planning management teams.

Section 5: Budget Development and Allocation Process

The capital budgeting and planning process for Gas Distribution is a continual management process and includes the following key milestones in preparation for subsequent year capital expenditure programs:

April – May:	Annual Capital Review meetings are held and engineering teams begin developing grass roots budget estimates using a budget template provided by Capital Management.
June:	Budget templates returned to Capital Management.
June – July:	Capital Management merges budget templates into one consolidated plan for the distribution companies.
July – August:	Formal request for capital is presented to the Capital Allocation Group ⁵ ("Capital Allocation") and the Executive Council at the annual corporate capital planning meeting.
September:	Capital budget is finalized by the Executive Council.
October – November:	President and CEO presents final budget request to Board of Directors for approval. Approved capital budget is distributed to distribution company leadership teams and planning organizations.

⁴ This department is part of the NiSource Gas Distribution Engineering organization.

⁵ This department is part of the NiSource Corporate Treasury organization.

5.1 Annual Capital Review

Every year during the months of **April and May**, Capital Management will meet with each of the Engineering teams to discuss, in detail, progress on the current year's capital program as well as any expected capital requirements for the following year. It is understood that capital needs for the following year will be preliminary during this review and that further study will be done before the annual corporate capital planning meeting held in August.

These reviews should include a summary of any material changes in new business activity for the current year as well as any betterment projects resulting from winter operations. Engineering should also be prepared to provide a status update of any infrastructure replacement programs.

5.2 Prioritization and Risk Assessment

Capital prioritization and risk assessment models will be administered by Capital Management to ensure consistency, continuity, and optimization. Maintenance related projects planned for the subsequent year will be reviewed and selected using these assessment models⁶ during the months of April and May.

5.3 Five Year Capital Investment Plan

Preparation of the five year capital investment plan will begin in **April** each year. In order to assemble information in the most consistent format, Capital Management will provide templates to each of the Engineering teams to prepare their formal requests for capital. These templates will include the following:

- a) Categorized line item estimates for each Business Class Level. For instance, the "Replacement" business class will include line items for main replacement, meter installations, service lines, and peak shaving facilities.
- b) Project detail information by business class for Specific Budgets including brief project description/location and program year estimate(s).
- c) Annual estimates for contributions, reimbursements, aids to construction, and refunds.
- d) A consolidated summary showing gross and net capital expenditures by year and business class.
- e) A separate listing of projects that meet the following criteria (net expenditures):
 - I. Maintenance projects/programs greater than \$20MM
 - II. Growth projects greater than \$3MM
 - III. Corporate projects greater than \$1MM
- f) Additional quantitative and qualitative information to support capital requests (e.g. rate case or regulatory tracker impacts).

All submittals will be due in **June**. During the months of **June and July**, Capital Management will combine all templates into a consolidated five year plan and submit to Capital Allocation for further review and approval.

⁶ These models include Optimain® for replacement and the current betterment assessment model (BAM) administered by Gas Systems Planning.

Section 6: Reviews and Approvals

This section includes descriptions of the types of review and approvals covered under this policy, including information related to the documentation required to obtain approvals. Approval may be indicated by either providing a written signature or by electronic approval in a system that has appropriate corporate approved controls.

6.1 Annual Program Approval

In **October/November** of each year, the NiSource Board of Directors approves the following calendar year capital program for all business segments. The approval of the annual program constitutes approval of allocations to business classes, blanket budgets, project budgets, and specific budgets as defined by Engineering. Once approved, each distribution company is responsible for efficiently managing its capital expenditures.

6.2 Project and Specific Budget Approval

Any planned capital project involving the installation or retirement of distribution facilities will have an associated design capital work order⁷. This work order should include a budget quality estimate of the total cost of work to be performed. Project budget review and approval requirements are based on the total capital invested amount over the entire life of the project. Once a work order is approved, any associated costs (i.e. labor/material invoice payments) are implicitly approved.

*Minimum signature approval requirements*⁸ are outlined in **Table 1** on the following page. NiSource Gas Distribution Engineering is primarily responsible for capital project approvals and this table prescribes the level of approval authority for each project type. Any project with a total cost estimate in excess of **\$500,000** is considered a *Specific Budget* (see definition in section 3.3) and requires *minimum* signature approval at the Vice President level.

A standard business case template provided in **Appendix A** must be completed for any Specific Budget. A work order sketch or other applicable design drawing should be attached to the business case when routing it for approval. Templates may be revised by Capital Management as necessary to provide information in the most relevant and accessible format. Capital Management will also provide any needed assistance in completing the specific budget request template.

⁷ This is defined as a single work order with a unique reference number for the work being performed. A work plan, work order sketch, and other necessary information will be included.

⁸ Local distribution company management teams may elect to have additional approvals (e.g. operations center managers, general managers, planning engineers, etc.) if necessary.

Table 1 – Capital Approval Matrix

Project Type	Level of Capital Expenditure and Minimum Required Approvals						
	≤ \$25K	≤ \$50K	≤ \$100K	≤ \$500K	≤ \$3MM	> \$3MM	> \$20MM
Growth	Field Engineering Technician	Field Engineer	Field Engineering Leader	Field Engineering Manager	VP Engineering	Executive Council (Capital Allocation)	
Betterment, Replacement, or Public Improvement	Field Engineering Technician	Field Engineer	Field Engineering Leader	Field Engineering Manager	VP Engineering	VP Engineering	Executive Council Capital Allocation
Support Services	Applicable Manager	Applicable Manager	Applicable Manager	Field Engineering Manager	Applicable VP	Applicable VP	Executive Council Capital Allocation
Corporate Services	Applicable Manager	Applicable Manager	Applicable Manager	Applicable Manager	Applicable VP	Applicable VP	Executive Council Capital Allocation

* Any investment that involves security should be approved by the Corporate Security Manager.

6.3 Additional New Business Approval

In addition to project approvals as described in section 6.2, accompanying signature approvals are required for new business (“growth”) projects. All NiSource distribution companies utilize economic analysis models to evaluate new business project investments and these models are used to calculate minimum financial investment returns as well as the level of any customer contributions to meet such return requirements.

Although each distribution company presently uses different management systems (i.e. NLRs, Microsoft Excel, etc.) to perform economic analyses, Table 2 shown on the following page prescribes the appropriate new business approval levels in addition to the minimum required approvals outlined in Table 1 shown above. The approval matrix provided in Table 2 applies to those distribution companies where the New Business Team⁹ is involved in the project evaluation and approval process

It is recognized that under certain circumstances (i.e. securing an ‘at risk’ load addition or increase), it may be appropriate to either waive a customer contribution requirement or depart from the “standard” economic analysis model. Under these “non-standard” circumstances, new business projects must include a higher level of approval as outlined in Table 2.

⁹ This department is part of the NiSource Gas Distribution Customer Engagement organization.

Table 2 – Additional Signature Approvals for New Business

Project Type	Level of Capital Expenditure and Minimum Required Approvals					
	≤ \$25K	≤ \$50K	≤ \$100K	≤ \$500K	≤ \$3MM	> \$3MM
Growth (Standard)	Inside Sales Reps	Team Leaders	Inside Sales Manager Marketing/Sales Manager	New Business Director	VP Sales	Executive Council Capital Allocation
Project Type	≤ \$10K	≤ \$100K	≤ \$500K		≤ \$3MM	> \$3MM
Growth (Non-Standard)	Team Leaders	Inside Sales Manager Marketing/Sales Manager	New Business Director		VP Sales VP Engineering	Executive Council Capital Allocation

6.4 Corporate Review and Approval

Threshold values that initiate corporate review and approval of a capital project are based on the total capital invested over the entire life of the project and not just the current budget year. Table 3 provides guidelines that trigger this additional approval:

Table 3 – Guidelines for Corporate Review and Approval

Project Status or Type	Project Category	Project Size	Review Form
Included in current Approved Capital Program	Betterment, Replacement, Public Improvement, Support Services	>\$20MM (Ops) >\$3MM (NCS)	Capital Allocation Review Standard Form
	Growth or Regulatory Tracker	>\$3MM (Ops) >\$1MM (NCS)	
Incremental to current Approved Capital Program	Any	<\$3MM (Ops) <\$1MM (NCS)	Capital Allocation Review Short Form
	Any	<\$3MM (Ops) <\$1MM (NCS)	Capital Allocation Review Standard Form
Shift of Capital Dollars between Budgets	Growth to Growth	>\$1MM	Capital Allocation Review Short Form
	Growth to Maintenance		
	Maintenance to Growth		
Merger, Acquisition, Divestiture, or External Investments	With material retained liabilities	<\$3MM	Capital Allocation Review Short Form
	Any	>\$3MM	Capital Allocation Review Standard Form

When a capital project satisfies the criteria for corporate review, the capital allocation review forms (standard and short) referenced in Table 3 must be submitted and may be found in the appendices of the Corporate Capital Allocation Policy. Capital Allocation should be notified and review forms should be submitted at least 30 calendar days prior to making any contractual commitments. Contractual commitments should not be entered into without prior approval of the business case.

All projects subject to corporate review which are greater than \$10MM must be reviewed by the Risk Management Committee (RMC) and all projects greater than \$25MM must be approved by the NiSource Board of Directors. A project which is less than \$25MM may be submitted to the Board of Directors for approval at the discretion of the CEO.

6.5 Engineering Peer Reviews

Gas Distribution Engineering has adopted a peer review process to ensure the most favorable project design alternatives are considered and to validate the necessity of the proposed capital investment. The peer review panel will include cross-functional representatives from across Gas Distribution depending on the type of project under consideration.

Projects subject to a peer review and approval include the following:

- a) All projects requiring Corporate Approval as outlined in section 6.4 of this policy.
- b) All gas transmission class facilities equal to or greater than \$500,000.
- c) Any project as requested by the Field Engineering Manager and/or Vice President of Engineering

Engineering peer reviews are a key part of the 5-year capital planning process and shall be completed prior to all management signature approvals for the project under consideration. The reviews should be done well in advance of any preliminary project expenditures (i.e. right-of-way acquisition, contract bidding, etc.).

Section 7: Completed Project Evaluations

7.1 Cost and Benefit Tracking

A Cost and Benefit Tracking Report must be completed for each project that qualified for corporate review and approval (see section 6.4). The project sponsor should deliver the report to Capital Allocation no later than 60 days from the project in-service date.

Table 4 provides a summary of the necessary information to be included in the report. In some instances, this information may not be applicable to the project and should be noted in the report. In the event that information is not available to answer questions at the time of the report is made, a subsequent review date should be scheduled.

Table 4 – Cost and Benefit Report: Required Information

Information Type	Key Points
Revenue	<ul style="list-style-type: none"> • A comparison of revenues provided in the business case versus revenues expected over the next 60 months. • An explanation of any significant differences between revenues forecasted in the business case and those being provided in the report.
Cost	<ul style="list-style-type: none"> • A comparison of the capital and O&M costs in the business case versus an updated forecast of costs for the next 60 months, if applicable. • Indicate the level of certainty of the forecasted costs at the time of this report and highlight assumptions being used to provide the comparison to the business case costs. • An explanation of any significant differences between costs forecasted in the business case and those being provided in the report.
Timing	<ul style="list-style-type: none"> • An explanation of any significant differences between forecasted project timelines and actual schedules. • If applicable, please indicate any financial impact (favorable or non-favorable) that was incurred by a delay of the project.

7.2 Post Audit Review

Each distribution company may be required to participate in random or targeted post-audit reviews carried out by Capital Allocation and Internal Audit. Projects are subject to post-audit review at any time during or after completion. Any projects qualifying for corporate review and approval (see section 6.4) which vary from budget quality estimates by greater than 15% will be subject to review by Audit. Post audit reviews will also be carried out at the request of Executive Management.

The review may cover any relevant aspect of a project including but not limited to:

- a) Changes in the project nature and scope review.
- b) Variance analysis from the original timeline.
- c) Variance from the originally proposed expenditures and revenues.
- d) Capital allocation changes.
- e) Recalculation of financial models based on changing strategic goals, model input assumptions, cash flows, discount rates, etc.
- f) Risk factors that may have changed since the inception of the project

A Post-Audit Review report will be generated by Internal Audit and Capital Allocation and conveyed to the operating segment and the Executive Council. The review will include audit goals, processes, findings, suggested or required remedies, and notable successes.

Section 8: Budget Variance Explanations

8.1 Program Variance

Each month, Capital Management will lead a capital program review session with key management staff in engineering, budgeting, and financial planning. These sessions will include a review of current month and year-to-date actuals, variance explanations, year-end forecasts, and key management action plans.


8.2 Specific or Project Budget Variance

Level 1 Variance: Once it is known that the cost of an approved Specific or Project budget will vary by greater than +/- 10% or \$5,000 (whichever is greater), the project manager will submit a written explanation outlining the reason for the variance. At a minimum, Level 1 variance explanations should include a summary of changes in the project's nature that significantly impacted the cost such as material increases, unexpected construction challenges, and inclement weather delays.

Level 2 Variance: As soon as it is determined that a Specific or Project budget will vary by greater than 20% or \$50,000 (whichever is greater), the budget must be re-approved according to the approval limits applicable to the new amount. This should be done prior to the completion of the project. A standard template is provided in **Appendix B** and must be completed for any Level 2 variance.

Appendix A

**Specific Budget Business Case Request – Standard Form
Signature Page**

		<u>Specific Budget Request</u>	
Project Information			
Project Name	Project Name		
Project Sponsors	Sponsor Name(s)		
Company	Company Name		
Business Class	Business Class (i.e. Growth, Betterment, Public Improvement, etc.)		
Amount and Term	\$XX million, XX years		
Reference Number:	Specific Budget Number / Project ID / Work Order		
Approval Authority			
		Signature	Date
VP, Distribution Engineering		S. Patterson	
SVP, Customer Engagement <i>(Required for Growth Projects)</i>		C. Fox	
Segment Controller		R. Kriner	
Manager, Field Engineering		Name	
Manager, Capital Mgmt & Analysis		C. Crews	
Additional Conditions			
List conditions placed by sponsors or signatories for project to be authorized.			

Appendix A
(Continued)

**Specific Budget Business Case Request – Standard Form
General Information**

To: Name Vice President, Engineering	cc: Name Mgr, Capital Mgmt & Analysis
From: Sponsor Name and Title	Company: Company Name
Subject: Project Name	Date: DD/MM/YYYY

Project Description & Overview

- Provide a short introduction describing the project's nature and benefits.
- Indicate how investment supports LDC goals and NiSource strategic initiatives.
- List expected project start and completion dates.
- Discuss whether investment is an ongoing project or program.
- Provide high-level financial impact (i.e. annualized costs, NPV, IRR, etc.).
- Offer any other notable information.

Alternative Solutions

- Indicate alternative solutions evaluated and why they were not pursued.
- Describe any bidding process performed and name(s) of bidders involved.
- Discuss analysis performed and tools used (e.g. FeederALL, SynerGEE, etc.).

Risks and Mitigation

- List potential risks and applicable mitigation strategies (i.e. Financial, Operating, Market & Customer, Legal & Regulatory, Environmental, Health & Safety)

Success Criteria

- Performance measures (i.e. output, cost savings, benchmarks, etc.) that define project success.
- Schedule of milestones, expected timing, and any payments due at milestones.

Financial Analysis

- Provide summary of analyses performed and outcomes (e.g. NPV, IRR, etc.)
- Include key assumptions used in creating the financial model
- Sensitivity Analysis - Discuss key project drivers / sensitivities. The sensitivity analysis should also be displayed as a financial table.

Additional Information

- Provide other information or attach other documents, memos, presentations, charts, etc. useful in evaluating the project.

Appendix B

"Level 2" Budget Variance Explanation – Standard Form

Note: If applicable, please attach original Specific Budget Business Case Request – Standard Form and a work order sketch or design drawing detailing the work to be done.

Project Name: _____
 Project Sponsor(s): _____
 Original Budget Amount: _____
 Amount Requested: _____

Budget Variance \$ Amount/ Percentage: \$XX,XXX/ XX%

Brief Project Description

[Provide a short introduction describing the project's nature and benefits]
 [List expected project start and completion dates]

Cost Element Change

	Original (\$)	Current Estimate (\$)
Material		
Contract Labor		
Company Labor		
Overheads		
Right-of-Way		
Other		
Other		
Other		

Reason for Budget Variance

[Provide a summary of key reasons for the budget variance.]
 [Highlight reasons for cost element changes provide above.]
 [Discuss action plans to avoid future reoccurrences.]

Approvals

	Signature	Date
Manager, Field Engineering		
VP, Distribution Engineering		

Appendix C

Gas Distribution Capital Policy Frequently Asked Questions

September 2008

What business classes are considered "Maintenance"? Betterment, Public Improvement, Replacement, and Support Services are all defined as "Maintenance Capital".

Where can I get a copy of the Corporate Capital Allocation Policy? A copy of the corporate policy may be requested from any of the distribution engineering managers and is also available via MySource. From the MySource home page select the following: *Policy and Procedures » Corporate Policies » Finance and Accounting*. From the Finance and Accounting subfolder, launch *Corporate Capital Allocation Policy*.

Why is the capitalization threshold for the purchase of General Plant equipment \$1,000? FERC provides general guidance regarding the capitalization of certain items and specific thresholds are further defined by each company's management team. For NiSource, a \$1,000 capitalization threshold for general plant equipment has been established by NiSource's Corporate Controller to provide consistent guidance across the organization while exercising an appropriate level of fiduciary control.

Many items that we use such as fittings and AMR devices are less than \$1,000 per individual unit and even collectively in certain circumstances. Should these be capitalized or expensed? AMR devices, pipeline fittings, and other items that are attached to capitalized assets such as meters, pipelines, etc. are considered capital asset appurtenances and should be capitalized regardless of cost and quantity. For further clarity on unique purchases, please consult with the Segment Controller.

Are software costs capitalized or expensed? Statements of Position (SOP) have been developed by the American Institute of Certified Public Accountants to provide more detailed accounting instructions for issues that may be handled inconsistently among companies. Accounting for the cost of computer software developed or obtained for internal use is one such issue and guidance can be found in SOP 98-1. More information regarding SOPs can be obtained from Information Technology or Finance & Accounting.

In general, the following guidelines should be used to determine capitalization of software costs:

- Internal and external costs incurred to develop software should be capitalized. Content development is included in this activity.
- Costs to develop or obtain software for access or conversion of old data by new systems should be capitalized.
- Upgrades and enhancements to enable software to perform tasks it was previously incapable of performing and result in additional functionality can be capitalized.

If a gas main is exposed due to shallow depth (i.e. sediment erosion, excavation, etc.) and must be replaced, is this considered Betterment or Replacement? Treatment of this type of project has varied over years and across the companies. From this point forward, any such project should be placed in the Replacement business class as the condition and structural integrity of the facility is compromised under these situations (i.e. age and condition related).

Appendix C (Continued)

Distribution Capital Policy Frequently Asked Questions September 2008

What are examples of project types that should be placed in Betterment "Compliance"? As described in section 1.2, compliance betterment is reserved for those projects that are not of an "age and condition" nature. These projects typically enhance the operation of a system without increasing its capacity. Other projects included here those that are done to fulfill internal/external procedural requirements. Examples include installation of critical valves or SCADA equipment.

In section 6.2, Table 1 shows that only the VP Engineering's signature is required for projects over \$500,000. Is this the only signature approval required? Table 1 provides the "minimum" approvals required. In this case, the VP Engineering is the final approver for investments between \$500,000 and \$3 million. Other signatures are required at this level as outlined on the signature page of the *Specific Budget Business Case Request – Standard Form*. Also, additional signature approvals may be obtained at the discretion of local management (e.g. operations center managers), but is not required under this policy.

In section 8.2, it states that if the "Project" budget variance is \$50,000 or more from the original approved amount, the budget must be re-approved. Does this re-approval mean submitting a project variance form? Yes. This is considered a "Level 2" variance and a standard form must be completed and is provided in Appendix B of this policy.

In section 6.4, Table 3 provides guidelines for corporate approval levels based on "Project Size". What is meant by the terms "Ops" and "NCS"? "Ops" refers to those projects that are sponsored by Gas Distribution and includes investments for business classes defined in section 1.2. "NCS" refers to those projects sponsored by corporate services and are generally included in Other Capital as defined in section 2. The varying levels are based on desired threshold levels defined by Capital Allocation and the Executive Council.

Why are we changing the Specific Budget approval level from \$250,000 to \$500,000? First, the term "Specific Budget" is new for some of our operating companies and its definition may be found in section 3.3. For those companies that are already familiar with the Specific Budget term, the change to \$500,000 is in recognition of increased project sizes and to further drive accountability across the organization as part of our DO operating model philosophy.

What does "budget quality estimate" mean as referenced in section 6.2? A budget quality estimate includes a formal estimate of labor, material, and other costs using defined pricing schedules.

When is the best time to have an engineering peer review? The purpose of an engineering peer review is to determine the best option for a given project. Therefore right-of-way acquisition, material purchases, contract bidding, and other preliminary engineering costs should not be expended until a peer review is completed. Depending on the size of the project, an engineering peer review should be done 12 to 18 months before the anticipated start date of the project.

POLICY SUBJECT: NGD Capital Allocation and Authorization Policy
EFFECTIVE DATE: May 5, 2008
LAST REVISION: January 11, 2010

NiSource Gas Distribution ("NGD") is committed to making prudent capital investment decisions that provide safe, efficient and reliable service to our customers while delivering sustainable earnings growth and value to our shareholders. To achieve these results, this **NGD Capital Allocation and Authorization Policy** has been adopted for the NGD operating companies.

This policy is aligned with and governed by the **Corporate Capital Allocation Policy** and supersedes any prior capital authorization policy for NGD companies in its entirety. Each operating company and its employees involved in capital spending and retirement activities are expected to be familiar with and follow this policy.

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Section 1: Definition and Overview

This policy applies to any activity resulting in the creation of a capital asset, recording of a capital expenditure, capital investment, and acquisition or divestiture of an asset.

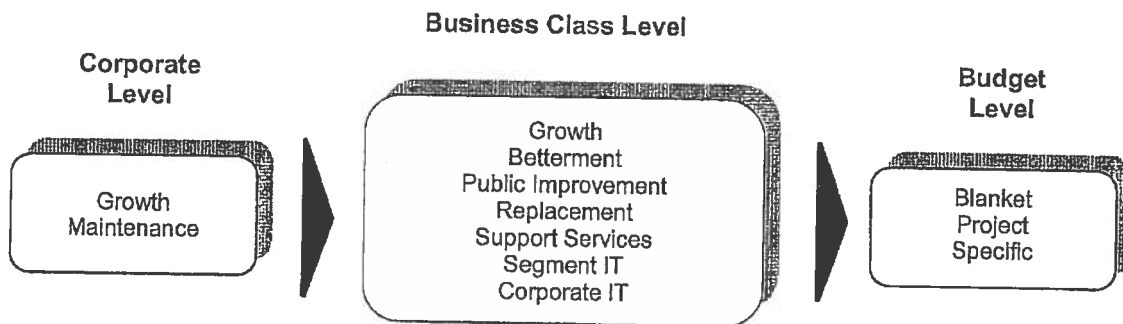
The capitalization threshold for the purchase of "General Plant" equipment is **\$1,000 per individual unit**. Therefore, any expenditure for an individual unit totaling less than \$1,000 should be charged to the appropriate operating expense account. This threshold will be consistently applied throughout each NGD operating company.

General Plant consists of the following type of equipment:

- a) Office furniture and equipment (desk, chair, cabinet, table, etc.)
- b) Tools and equipment (paving breaker, leak detector, pipe locator, etc.)
- c) Computers and related equipment (personal computer, printer, scanner, etc.)
- d) Miscellaneous equipment (breathing equipment, refrigerator, card reader, etc.)

The basis for determining whether a purchase of general plant equipment is to be expensed or capitalized should generally be determined by the individual or unit price of the item and not the invoice total¹. Employees should consult with the Controller for any further guidance or clarification regarding the capitalization of a cost or project.

Figure 1 represents a hierarchical relationship among the corporate, business class, and budget levels.



1.1 Corporate Level

At the corporate level, capital expenditures are divided into either **Growth** or **Maintenance**. In order to achieve alignment, relevance, and execution across the NGD operating companies, capital expenditures are further allocated across seven (7) business classes as described in the following section.

¹ For instance, the purchase of 30 flat screen monitors at a unit price of \$400 each is to be expensed even though the invoice totals \$12,000.

1.2 Business Class Levels

MRS

1.2.1 Growth (also referred to as “New Business”)

Spend in this category will typically be non-discretionary in nature and shall be used for any facilities that are required to serve new tariff mandated customers. It is recognized that on occasion there may also be discretionary spend opportunities for long-term strategic growth initiatives.

This category shall also be used for **Growth Betterment**, which are capital investments that provide increased system capacity to specific new customers and/or existing customers who are adding load that require the new installation or replacement of existing facilities that are insufficient (i.e. improvements to upstream distribution facilities).

1.2.2 Betterment (“Capacity” or “Compliance”)

Spend in this category may be either discretionary or non-discretionary. This category shall be used for any facilities that are required to improve system reliability or provide additional capacity for existing customers. Projects to address long-term market growth shall also be included in this category.

Finally, this category shall be used for any projects needed to remain compliant with internal or external policies that are not “age and condition” related (e.g. pipeline integrity). This is referred to as “Compliance Betterment”.

1.2.3 Replacement (also referred to as “Age and Condition”)

Spend in this category is typically non-discretionary and shall be used for any facilities that must be replaced (planned or emergency) due to damage or physical deterioration in situations where repair is not feasible. The majority of projects in this category address aging infrastructure.

However, there are several other project types that are to be included here such as regulator station rebuilds, corrosion mitigation, and small/large volume meter settings. Engineering should be consulted for further clarification(s).

1.2.4 Public Improvement (also referred to as “Mandatory Relocation”)

Spend in this category is typically non-discretionary and shall be used for any facilities that must be relocated or raised/lowered to meet the requirements of municipal roadway reconstruction projects. Relocation projects that are done to accommodate requests from existing customers or private entities shall also be included in this category.

1.2.5 Support Services

Spend in this category may be either discretionary or non-discretionary. This category shall be used to capture capital expenditures that are not directly related to the installation of distribution facilities. This includes expenditures for

capitalized tools/equipment and small facility improvements (e.g. operations center office renovations).

1.2.6 Segment IT

Spend in this category may be either discretionary or non-discretionary and includes capital investments in information technology that is *specifically identified and sponsored by the NGD management team*. These costs will typically be charged directly to NGD operating companies and will be managed by applicable NGD business units with assistance from NiSource Corporate IT.

1.2.7 Corporate IT

Spend in this category may be either discretionary or non-discretionary and includes capital investments in information technology that is *allocated to NGD and the other NiSource business segments*. These costs will typically pass through the NGD operating companies as NCS expenditures and will be managed by NiSource Corporate IT with assistance from applicable NGD business units.

1.2.8 Automated Meter Reading (AMR)

Spend in this category is of a strategic nature and include the cost of targeted AMR deployment programs for the NGD operating companies. Spend is captured in this category for regulatory and planning purposes and should not include investments in AMR equipment not related to deployment programs.

Section 2: Budget Types

To facilitate the budgeting and tracking of capital expenditures within the business classes described in section 1.2 of this policy, the allocation of capital is further refined into three (3) budget levels: **Blanket**, **Project**, and **Specific**:

Blanket Budget is used to designate construction or retirement activity related to the numerous and relatively small capital activities² that are of a routine and recurring nature. Generally, there is no signature approval required prior to the commencement of work for each work order.

Project Budget is used to designate construction or retirement activity related to a unique project that generally requires an engineering design and construction work plan. A Project Budget is typically routine and recurring in nature and may consist of a collection of related Blanket Budgets. Signature approvals are generally required prior to the commencement of work.

Specific Budget is used to designate construction or retirement activity related to a unique project that has a total cost estimate greater than \$500,000³ and generally requires an engineering design accompanied with a construction work

² Example: *Install, Service Lines (New Business)*.

³ Gross basis (not including any aid to construction or customer deposits)

plan. Capital costs for related blanket work orders shall be used in the economic analysis and business case summary, but the actual work orders do not need be submitted with the Specific Budget.

Signature approvals are required prior to the commencement of work. Once a Specific Budget has been approved, any associated Project Budgets may be subsequently approved subject to the approval levels outlined in section 5.

Section 3: Planning and Management Process

As with other business segments, the capital planning and allocation process for NGD is integral to the overall success of the NiSource corporate planning process. In order to ensure the effectiveness of this process, the Capital Program Management⁴ team has been established to:

- a) Maintain the NGD Capital Allocation and Authorization Policy and function as the primary administrator and contact for the capital program.
- b) Facilitate a consistent capital allocation and planning process across NGD.
- c) Provide capital prioritization tools to optimize capital spending across NGD.
- d) Provide long-term facilities planning solutions across all business classes.
- e) Monitor capital expenditures using appropriate forecasting and variance analysis methods/models.
- f) Communicate capital expenditure information to the financial planning, regulated revenue, operations, and corporate planning management teams.

Section 4: Budget Development and Allocation Process

The capital budgeting and planning process for NGD is a continual management process and includes the following key milestones in preparation for subsequent year capital expenditure programs:

April – May:	Annual Capital Review meetings are held and engineering teams begin developing grass roots budget estimates using a budget template provided by the Director, Capital Program Management.
June:	Budget templates returned to Director, Capital Program Management.
June – July:	Director, Capital Program Management merges budget templates into one consolidated plan for the distribution companies.
July – August:	Formal request for capital is presented to the Capital Allocation Group ⁵ ("Capital Allocation") and the Executive Council at the annual corporate capital planning meeting (timing and location to be determined each year).
September – October:	Capital budget is finalized by the Executive Council.
November – December:	President and CEO presents final budget request to Board of Directors for approval. Approved capital budget is distributed to distribution company leadership teams and planning organizations.

⁴ This team is part of the NGD Engineering & Operations Logistics organization.

⁵ This team is part of the NiSource Financial Planning & Analysis organization.

4.1 Annual Capital Review

Every year during the months of **April and May**, the Director, Capital Program Management will facilitate meetings with each of the Engineering teams to discuss, in detail, progress on the current year's capital program as well as any expected capital requirements for the following year. It is understood that capital needs for the following year will be preliminary during this review and that further study will be done before the annual corporate capital planning meeting held in July/August.

These reviews should include a summary of any material changes in new business activity for the current year as well as any betterment projects resulting from winter operations. Engineering should also be prepared to provide a status update of any infrastructure replacement programs.

4.2 Prioritization and Risk Assessment

Capital prioritization and risk assessment models will be administered by Engineering to ensure consistency, continuity, and optimization. Maintenance related projects planned for the subsequent year will be reviewed and selected using these assessment models⁶ during the months of April and May.

4.3 Long Range Capital Investment Plan

Preparation of the multi-year capital investment plan will begin in **April** each year. In order to assemble information in the most consistent format, the Director, Capital Program Management will provide templates to each of the Engineering teams to prepare their formal requests for capital. These templates will include the following:

- a) Categorized line item estimates for each Business Class Level. For instance, the "Replacement" business class will include line items for main replacement, meter installations, service lines, and peak shaving facilities.
- b) Project detail information by business class for Specific Budgets including brief project description/location and program year estimate(s).
- c) Annual estimates for contributions, reimbursements, aids to construction, and refunds.
- d) A consolidated summary showing gross and net capital expenditures by year and business class.
- e) A separate listing of projects that meet the following criteria (gross expenditures):
 - I. Maintenance projects/programs greater than \$20MM
 - II. Growth projects greater than \$3MM
 - III. Corporate projects greater than \$1MM
- f) Additional quantitative and qualitative information to support capital requests (e.g. rate case or regulatory tracker impacts).

All submittals will be generally due in **June**. During the months of **June and July**, templates will be consolidated into multi-year plan and submitted to Capital Allocation for further review and approval.

⁶ These models include Optimain DS ® for replacement and the current betterment assessment model (BAM) administered by Gas Systems Planning.

Section 5: Reviews and Approvals

This section includes descriptions of the types of review and approvals covered under this policy, including information related to the documentation required to obtain approvals. Approval may be indicated by either providing a written signature or by electronic approval in a system that has appropriate corporate approved controls.

5.1 Annual Program Approval

During **November or December** of each year, the NiSource Board of Directors approves the following fiscal year capital program for all business segments. The approval of the annual program constitutes approval of allocations to business classes and budgets as defined by Engineering. Once approved, each distribution company is responsible for efficiently managing its capital expenditures.

5.2 Project and Specific Budget Approval

Any planned capital project involving the installation or retirement of distribution facilities will have an associated design capital work order⁷. This work order should include a budget quality estimate of the total cost of work to be performed. Project budget review and approval requirements are based on the total capital invested amount over the entire life of the project. Once a work order is approved, any associated costs (i.e. labor/material invoice payments) are implicitly approved.

Capital approval and authorization levels are outlined in **Table 1** on the following page. Please note that these are the *minimum* signatures required for approval and local management teams may elect to have additional approvals (e.g. operations center managers, general managers, etc.). NGD Engineering is primarily responsible for capital project approvals and this table prescribes the level of approval authority for each project type. Any project with a total cost estimate in excess of **\$500,000⁸** is considered a *Specific Budget* (see definition in section 3.3) and requires *minimum* signature approval at the Director level.

A standard business case template provided in **Appendix A** must be completed for any Specific Budget. A work order sketch or other applicable design drawing should be attached to the business case when routing it for approval. Templates may be revised as necessary to provide information in the most relevant and accessible format. Capital Program Management will also provide any needed assistance in completing the specific budget request template.

⁷ Defined as a single work order with a unique reference number for the work being performed accompanied by a work plan, work order sketch, and other necessary information

⁸ Gross basis (does not include any aid to construction or customer deposit)

Table 1 – Capital Approval Matrix

Approval Level	Level of Capital Expenditure and Minimum Required Approvals				
	Growth	Betterment Replacement Public Improvement	Support Services	Segment IT and Corporate IT	AMR
≤ \$25K	Field Engineering Technician		Applicable Manager	NCS IT Manager	Manager Revenue Transactions
≤ \$50K	Field Engineer				
≤ \$100K	Field Engineering Leader				
≤ \$500K	Manager Engineering				
≤ \$1MM	Director Engineering				
≤ \$3MM	VP Engineering & Operations Logistics				
> \$3MM	Executive Council	VP Engineering & Operations Logistics			
> \$20MM	Executive Council Risk Management Committee (if >\$10MM) NI Board of Directors Approval (if > \$25MM)				

5.3 Additional New Business Approval

In addition to project approvals as described in section 5.2, accompanying signature approvals are required for new business (“growth”) projects. **Table 2** shown on the following page prescribes the appropriate new business approval levels in addition to the minimum required approvals outlined in **Table 1** shown above. The approvals provided in **Table 2** apply to those distribution companies where the New Business team⁹ is involved in the project evaluation and approval process.

It is recognized that under certain circumstances (i.e. securing an ‘at risk’ load addition or increase), it may be appropriate to either waive a customer contribution requirement or depart from the “standard” economic analysis model. Under these “non-standard” circumstances, new business projects must include a higher level of approval as outlined in **Table 2**.

Finally, a business case must be submitted along with any other approvals (i.e. NLRs approvals for Columbia companies) for any new business project with gross estimated capital expenditures greater than **\$500,000**. The standard business case template provided in **Appendix A** should be used for these instances.

⁹ These teams are part of the NGD Customer Engagement organization.

Table 2 – Additional Signature Approvals for New Business

Approval Level	Growth (Standard)	Approval Level	Growth (Non-Standard)
≤ \$25K	Inside Sales Rep	≤ \$10K	Team Leaders
≤ \$50K	Team Leader		
≤ \$100K	Inside Sales Manager Marketing/Sales Manager	≤ \$100K	Inside Sales Manager Marketing/Sales Manager
≤ \$1MM	Director New Business	≤ \$1MM	Director New Business Director Sales
≤ \$3MM	SVP Customer Engagement	≤ \$3MM	SVP Customer Engagement
> \$3MM	Executive Council	> \$3MM	Executive Council

5.4 Corporate Review and Approval

Threshold values that initiate corporate review and approval of a capital project are based on the total capital invested over the entire life of the project and not just the current budget year. **Table 3** provides guidelines that trigger this additional approval:

Table 3 – Guidelines for Corporate Review and Approval

Project Status or Type	Project Category	Project Size	Review Form
Included in current Approved Capital Program	Betterment, Replacement, Public Improvement, Support Services	>\$20MM (Ops) >\$3MM (NCS)	Capital Allocation Review Standard Form
	Growth or Regulatory Tracker	>\$3MM (Ops) >\$1MM (NCS)	
Incremental to current Approved Capital Program	Any	<\$3MM (Ops) <\$1MM (NCS)	Capital Allocation Review Short Form
	Any	>\$8MM (Ops) >\$1MM (NCS)	Capital Allocation Review Standard Form
Shift of Capital Dollars between Budgets	Growth to Growth	>\$1MM	Capital Allocation Review Short Form
	Growth to Maintenance		
	Maintenance to Growth		
Merger, Acquisition, Divestiture, or External Investments	With material retained liabilities	<\$3MM	Capital Allocation Review Short Form
	Any	>\$3MM	Capital Allocation Review Standard Form

When a capital project satisfies the criteria for corporate review, the capital allocation review forms (standard and short) referenced in **Table 3** must be submitted and may be found in the appendices of the **Corporate Capital Allocation Policy**. Capital Allocation should be notified and review forms should be submitted at least 30 calendar days prior to making any contractual commitments. Contractual commitments should not be entered into without prior approval of the business case.

All projects subject to corporate review which are greater than **\$10MM** must be reviewed by the *Risk Management Committee (RMC)* and all projects greater than **\$25MM** must be approved by the NiSource Board of Directors. A project which is less than \$25MM may be submitted to the Board of Directors for approval at the discretion of the CEO.

5.5 Engineering Peer Reviews

NGD Engineering has adopted a peer review process to ensure the most favorable project design alternatives are considered and to validate the necessity of the proposed capital investment. The peer review panel will include cross-functional representatives from across NGD depending on the type of project under consideration.

Projects subject to a peer review and approval include the following:

- a) All projects requiring Corporate Approval as outlined in section 5.4 of this policy.
- b) All gas transmission class facilities equal to or greater than **\$500,000**¹⁰.
- c) Any project as requested by the Director Engineering

Engineering peer reviews are a key part of the long range capital planning process and shall be completed prior to all management signature approvals for the project under consideration. The reviews should be done once the conceptual design is complete and well in advance of any preliminary project expenditures (i.e. right-of-way acquisition, contract bidding, etc.).

5.6 Project Management Team

In order to effectively manage large construction projects, the Project Management team has been developed within the NGD Engineering organization. In coordination with field engineering, construction, supply chain, and other key groups, this team is responsible for managing growth and maintenance projects meeting the following criteria¹¹:

- a) All transmission class pipelines
- b) All point of delivery stations
- c) Any large diameter steel pipeline and/or large footage steel pipeline project(s)
- d) Projects requiring significant oversight such as environmental concerns, right-of-way acquisition, and increased public and political awareness
- e) Any project as requested by the Director Engineering

5.7 Pre-Construction Review

The most effective project management team is one that consists of multiple disciplines (e.g. Operations, Engineering, Regulatory, Accounting, Supply Chain, etc.) working together to ensure that proper financial and process controls are in place. This is critically important for major construction projects or when dealing with complex operational and/or financial issues. With this in mind, an integrated project management team shall be formed to complete a pre-construction review during the earliest planning phase for capital investments **exceeding \$3MM** (on a gross basis).

The project manager responsible for assembling the review team will be appointed by the NGD Engineering Director. The project manager will be responsible for working with key business partners such as accounting and internal audit to develop a project template along with necessary control documents to ensure that proper accounting

¹⁰ Gross basis (does not include aid to construction or customer deposit)

¹¹ With approval of NGD Manager, Engineering for the operating company

procedures are followed to capture complete and accurate project costs. Project management controls will also be developed for critical project and contract administrative activities prior to project construction. Finally, these control documents will be reviewed and approved by the project management team prior to exiting the project initiation phase.

Section 6: Completed Project Evaluations

6.1 Cost and Benefit Tracking

A Cost and Benefit Tracking Report must be completed for each project that qualified for corporate review and approval (see section 5.4). The project sponsor should deliver the report to Capital Allocation no later than 60 calendar days from the project in-service date.

Table 5 provides a summary of the necessary information to be included in the report. In some instances, this information may not be applicable to the project and should be noted in the report. In the event that information is not available to answer questions at the time of the report is made, a subsequent review date should be scheduled.

Table 5 – Cost and Benefit Report: Required Information

Information Type	Key Points
Revenue	<ul style="list-style-type: none"> A comparison of revenues provided in the business case versus revenues expected over the next 60 months. An explanation of any significant differences between revenues forecasted in the business case and those being provided in the report.
Cost	<ul style="list-style-type: none"> A comparison of the capital and O&M costs in the business case versus an updated forecast of costs for the next 60 months if applicable. Indicate the level of certainty of the forecasted costs at the time of this report and highlight assumptions being used to provide the comparison to the business case costs. An explanation of any significant differences between costs forecasted in the business case and those being provided in the report.
Timing	<ul style="list-style-type: none"> An explanation of any significant differences between forecasted project timelines and actual schedules. If applicable, please indicate any financial impact (favorable or non-favorable) that was incurred by a delay of the project.

6.2 Post Audit Review

Each distribution company may be required to participate in random or targeted post-audit reviews carried out by Capital Allocation and Internal Audit. Projects are subject to post-audit review at any time during or after completion. Any projects qualifying for corporate review and approval (see section 6.4) which vary from budget quality estimates by greater than 15% will be subject to review by Audit. Post audit reviews will also be carried out at the request of Executive Management.

The review may cover any relevant aspect of a project including but not limited to:

- Changes in the project nature and scope review.

- b) Variance analysis from the original timeline.
- c) Variance from the originally proposed expenditures and revenues.
- d) Capital allocation changes.
- e) Recalculation of financial models based on changing strategic goals, model input assumptions, cash flows, discount rates, etc.
- f) Risk factors that may have changed since the inception of the project

A Post-Audit Review report will be generated by Internal Audit and Capital Allocation and conveyed to the operating segment and the Executive Council. The review will include audit goals, processes, findings, suggested or required remedies, and notable successes.

Section 7: Budget Variance Explanations

7.1 Program Variance

Each month, Capital Program Management will lead a capital program review session with key management staff in engineering, budgeting, regulatory, and financial planning. These sessions will include a review of current month and year-to-date actuals, variance explanations, year-end forecasts, and key management action plans.


7.2 Specific or Project Budget Variance

Level 1 Variance: Once it is known that the cost of an approved Specific or Project budget will vary by greater than +/- 10% or \$5,000 (whichever is greater), the project manager will submit a written explanation outlining the reason for the variance. At a minimum, Level 1 variance explanations should include a summary of changes in the project's nature that significantly impacted the cost such as material increases, unexpected construction challenges, and inclement weather delays.

Level 2 Variance: As soon as it is determined that a Specific or Project budget will vary by greater than 20% or \$50,000 (whichever is greater), the budget must be re-approved according to the approval limits applicable to the new amount. This should be done prior to the completion of the project. A standard template is provided in **Appendix B** and must be completed for any Level 2 variance.

Appendix A

Specific Budget Business Case Request – Standard Form Signature Page

	<u>Specific Budget Request</u>	
Project Information		
Project Name	Project Name	
Project Sponsors	Sponsor Name(s)	
Company	Company Name	
Business Class	Business Class (i.e. Growth, Betterment, Public Improvement, etc.)	
Amount and Term	\$XX million, XX years	
Reference Number:	Specific Budget Number / Project ID / Work Order	
Approval Authority		
	Signature	Date
*VP Engineering & Operations Logistics	C. Shafer	
*SVP Customer Engagement (Required for Growth Projects)	S. Patterson	
*NGD Chief Financial Officer	S. Sagun	
Director Engineering	D. Roy	
Director Capital Program Management	C. Crews	
Manager Engineering	Name	
* Signatures only required if gross capital investment over \$1 Million		
Additional Conditions		
List conditions placed by sponsors or signatories for project to be authorized.		

Appendix A (Continued)

Specific Budget Business Case Request – Standard Form General Information

To: David A. Roy Director Engineering	cc: Charles C. Crews Director Capital Program Management
From: Sponsor Name and Title	Company: Company Name
Subject: Project Name	Date: DD/MM/YYYY

Project Description & Overview

- Provide a short introduction describing the project's nature and benefits.
- Indicate how investment supports LDC goals and NiSource strategic initiatives.
- List expected project start and completion dates.
- Discuss whether investment is an ongoing project or program.
- Provide high-level financial impact (i.e. annualized costs, NPV, IRR, etc.).
- Offer any other notable information.

Alternative Solutions

- Indicate alternative solutions evaluated and why they were not pursued.
- Describe any bidding process performed and name(s) of bidders involved.
- Discuss analysis performed and tools used (e.g. Optimain, SynerGEE, etc.).

Risks and Mitigation

- List potential risks and applicable mitigation strategies (i.e. Financial, Operating, Market & Customer, Legal & Regulatory, Environmental, Health & Safety)

Success Criteria

- Performance measures (i.e. output, cost savings, benchmarks, etc.) that define project success.
- Schedule of milestones, expected timing, and any payments due at milestones.

Financial Analysis

- Provide summary of analyses performed and outcomes (e.g. NPV, IRR, etc.)
- Include key assumptions used in creating the financial model
- Sensitivity Analysis - Discuss key project drivers / sensitivities. The sensitivity analysis should also be displayed as a financial table.

Additional Information

Provide other information or attach other documents, memos, presentations, charts, etc. useful in evaluating the project.

Appendix B

“Level 2” Budget Variance Explanation – Standard Form

Note: If applicable, please attach original Specific Budget Business Case Request – Standard Form and a work order sketch or design drawing detailing the work to be done.

Project Name: _____
 Project Sponsor(s): _____
 Original Budget Amount: _____
 Amount Requested: _____

Budget Variance \$ Amount / Percentage: \$XX,XXX / XX%

Brief Project Description

[Provide a short introduction describing the project's nature and benefits]
 [List expected project start and completion dates]

Cost Element Change

	Original (\$)	Current Estimate (\$)
Material		
Contract Labor		
Company Labor		
Overheads		
Right-of-Way		
Other		
Other		
Other		

Reason for Budget Variance

[Provide a summary of key reasons for the budget variance.]
 [Highlight reasons for cost element changes provide above.]
 [Discuss action plans to avoid future reoccurrences.]

Approvals

	Signature	Date
Leader, Field Engineering	_____	_____
Manager, Field Engineering	_____	_____
Director Engineering	_____	_____

Appendix C

NGD Capital Policy Frequently Asked Questions

Where can I get a copy of the Corporate Capital Allocation Policy? A copy of the corporate policy is available via MySource from the Gas Distribution Engineering portal.

Why is the capitalization threshold for the purchase of General Plant equipment \$1,000? FERC provides general guidance regarding the capitalization of certain items and specific thresholds are further defined by each company's management team. For NiSource, a \$1,000 capitalization threshold for general plant equipment has been established by NiSource's Corporate Controller.

Many items that we use such as fittings and AMR devices are less than \$1,000 per individual unit and even collectively in certain circumstances. Should these be capitalized or expensed? AMR devices, pipeline fittings, and other items that are attached to capitalized assets such as meters, pipelines, etc. are considered capital asset appurtenances and should be capitalized regardless of cost and quantity. For further clarity on unique purchases, please consult with the Segment Controller.

Are software costs capitalized or expensed? Statements of Position (SOP) have been developed by the American Institute of Certified Public Accountants to provide more detailed accounting instructions for costs handled inconsistently across companies. Accounting for computer software costs can be found in SOP 98-1, which can be found via MySource in the Gas Distribution Engineering Portal.

If a gas main is exposed due to shallow depth (i.e. sediment erosion, excavation, etc.) and must be replaced, is this considered Betterment or Replacement? Projects such as this should be placed in the Replacement business class as the condition and structural integrity of the facility is compromised under these situations (i.e. age and condition related).

What are examples of project types that should be placed in "Compliance" Betterment? Compliance betterment is reserved for those projects that are not of an "age and condition" nature. Such projects typically improve the operation of a system without increasing its capacity. Other projects included here those that are done to fulfill Internal/external procedural requirements. Examples include installation of critical valves or SCADA equipment.

When is the best time to have an engineering peer review? An engineering peer review should be done once the conceptual design of the project is complete. Depending on the size of the project, this may be 12 to 18 months before the anticipated start date of the project.

Appendix D

Use of Optimain DS® for Maintenance Capital Prioritization

Introduction

OpvanteK's Optimain DS® ("Optimain") has been implemented for the NGD operating companies to establish consistent guidelines and processes for prioritizing the replacement of aging infrastructure. This application will be the primary tool used by Engineering to support infrastructure replacement programs.

Optimain is a gas main predictive failure software application that utilizes NiSource legacy work management and customer information systems. It provides a complete risk evaluation for each priority pipe main segment within the gas distribution system that has experienced a leak. This solution identifies and ranks projects based on risk, consequence and economics to enable better capital allocation decisions for NGD.

System Maintenance and Administration

Optimain will be maintained and administered by the Leader, Capital Allocation and Asset Management ("Capital Allocation Leader"). These activities include but are not limited to the following:

- a) Coordinating quarterly updates of all data from the aforementioned legacy systems with the first quarterly update to be completed in early-February each calendar year.
- b) Running batch processes to create new or update all existing projects
- c) Coordinating the appropriate local Engineering review of all High Priority projects
- d) Providing support with training or system troubleshooting
- e) Facilitating monthly reviews of system performance and utilization including checking for invalid projects, leaks without projects, or other anomalies possibly created by user error.
- f) Requesting, developing, and evaluating necessary system enhancements from OpvanteK
- g) Uploading all High Priority Projects into Envista™¹² where appropriate to capture repaving and coordination savings opportunities from public improvement projects

Capital Budgeting and Allocation

The infrastructure replacement program (IRP) capital budgeting and planning process for NGD is a continual management process and includes the following key milestones:

Feb-15 - Mar-31:	Using Optimain to identify riskiest segments, Field Engineering teams should review and update any previously designed Combo Projects and High Priority Single projects and finalize the estimates for program submission.
April:	Field Engineering Leaders from each state and the Capital Allocation Leader will review IRP submissions for consistency and appropriate prioritization.
April - May:	Capital Allocation Leader and Field Engineering Leaders will generate state by state metrics and analyses of proposed projects (e.g. Total Risk, \$/Risk, O&M Savings Projections) for support of their IRP submissions.
May - June:	Field Engineering Managers will review and approve IRP projects for submittal as part of their overall Capital Budget.

¹² Envista™ is a web based, map-driven solution for the exchange and coordination of construction and maintenance projects between utilities and municipal agencies

Appendix D **(Continued)**

Use of Optimain DS® for Maintenance Capital Prioritization

Using Optimain to Identify Combo and High Risk Single Projects

Field Engineering should take ownership and generate a ranking of their area's high priority segments and review each project to look for opportunities to create IRPs including as many highest risk segments as practical. All adjacent segments which are being considered and have an Optimain single project created should be included to capture the entire Combo risk value.

Field Engineering should also perform a preliminary review of all remaining High Priority single projects to further assess any risk mitigation or replacement activities which may be recommended in addition to any IRP recommendations. Comments and/or actions taken should be added to the design notes area in Optimain.

Reports and Analysis

Metrics for each IRP and high risk single projects being submitted should include Total Risk, Capital \$\$ per Risk, Projected O&M Savings and any other compelling reason to approve the project. The Optimain project report should be submitted as well. State goals should include these metrics in addition to the total retired pipe footage.

The Capital Allocation Leader will work with the Engineering Managers to roll these reports into a statewide report and comparison to be reviewed by the Director Engineering, Director Capital Program Management, and Vice President Engineering & Operations Logistics.

Quarterly Reviews and Activities

After each Optimain DS update, Field Engineers who own Optimain projects should review their project list to determine if any projects can be completed or if some should be prioritized differently. Predefined filters will easily separate any projects which have been created or modified. Suspected areas of active corrosion should also be identified using predefined filters and further evaluated.

After Optimain has been updated, the Director Capital Program Management will lead a program review session with key management staff in engineering regarding the latest month and year-to-date actuals on metrics and year-end forecasts. Key management action plans about any variances or reallocations of capital will be made at that time.

Appendix E

CDC Construction and Retirement Standard Blanket Budget Definitions

The following is a list of "distribution" and "general" construction and retirement standard blanket budget definitions for the Columbia companies. For a complete list that includes definitions for 'production' and "storage" capital investments, please visit the Gas Distribution Engineering portal on MySource.

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Acquisition or Sale of Gas Plant in Service: Non-Affiliated Companies To provide for the purchase or sale of gas plant in service (including the price of associated land) to or from non-affiliated parties.	543	544	Support Services
Acquisition or Sale of Gas Plant in Service: Affiliated Companies To provide for the purchase or sale of gas plant in service (including the price of associated land) to or from an affiliated Columbia System Company.	545	546	Support Services
Electronic Flow Computers/Correctors To provide for the installation and retirement of Electronic Flow Computers/Correctors for electronic correction of volume data for GMB (excess pressure) meters where pressure, temperature and super compressibility correction is necessary	547	548	Betterment
Automatic Meter Reading Devices To provide for the installation and retirement of automatic meter reading devices on residential, commercial and industrial meters. (Automatic meter reading devices are associated with low pressure meter applications only where no pressure and temperature correction is necessary)	549	550	AMR
Mains - New Business Extensions to distribution lines to serve new customers.	555	--	Growth
Mains - Leakage Elimination Replacement and retirement of distribution lines which are found to be leaking and beyond the state of economical repair.	557	558	Replacement
Mains - Service Improvement Replacement, retirement or addition of distribution lines in order to improve service to customers.	559	560	Betterment
Mains - Street Improvement Replacement and retirement of distribution lines due to street highway construction or requirement of others.	561	562	Public Improvement
Service Lines - New Installation of any category of new company owned service line to supply service to new customers.	563	--	Growth

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Service Lines - Replacement Replacement and retirement of any category of company owned service line due to condition, insufficient capacity, changes in operations, etc.	565	566	Replacement
Meters¹³ Purchase and retirement of all meters regardless of size both for new customers and replacement fro meters to be retired. This budget to include only the cost of meters plus stores expense and testing expense.	567	568	Growth Replacement
Meter Installations - New Installation of all low pressure meter settings to serve new domestic, commercial and industrial customers.	569	- -	Growth
House Regulators - New Includes the cost of the regulators and installation required to serve new customers. A house regulator is defined as one with fewer than two inch connection.	571	- -	Growth
Plant Regulators - New Purchase and installation of town plant regulators.	573	- -	Growth
Regulator Sites Cost of securing or retiring regulator sites including price of the land.	575	576	Growth
Regulator Structures - New Structures required to house new regulation equipment.	577	- -	Growth
Meter Installations - Replacement Replacement and retirement of existing low pressure meter settings for all domestic, commercial and industrial customers.	579	580	Replacement
House Regulators - Replacement Includes the cost of replacement and retirement of existing house regulators and installation. A house regulator is defined as one with fewer than two inch connection.	581	582	Replacement
Plant Regulators - Replacement Replacement and retirement of town plant regulators.	583	584	Replacement
Regulator Structures - Replacement Replacement and retirement of structures required to house regulation equipment.	585	586	Replacement
Large Volume Excess Pressure Measuring Station Installations Installation of equipmt (additions, retirements and replacements) for all excess pressure measuring stations.	587	588	Growth Replacement
Service Regulators - New Purchase and installation of regulation equipment with two inch connections and over for new customers.	593	- -	Growth
Corrosion Mitigation Installations Provide for the installation and retirement of all types of distribution cathodic protection systems.	595	596	Replacement

¹³ Percent allocation between growth and replacement varies by NGD operating company

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Service Regulators – Replacement Replacement and retirement of regulation equipment with two-inch connections and above.	597	598	Replacement
Office Furniture and Equipment To provide necessary office furniture and equipment to properly carry on the utility's operations and to replace or retire obsolete equipment upon which maintenance has become excessive.	901	902	Support Services
General Structures To provide for the additions, retirements or replacements to structures and equipment of sundry gas properties not provided for elsewhere.	903	904	Support Services
Miscellaneous Buildings Equipment To provide for essential equipment required for general use to carry on operations economically and efficiently and to replace or retire obsolete equipment with more modern and efficient equipment.	905	906	Support Services
Miscellaneous Motorized Equipment To provide for essential non-licensed and numbered general tool equipment required for general use to carry on operations economically and efficiently and to replace or retire obsolete equipment with more modern and efficient equipment.	907	908	Support Services
Communications Equipment To provide for additions, replacements, retirement and alterations to microwave, telephone, telemetering, remote control, and other distribution communication equipment.	909	910	Support Services
Electronic Data Processing (EDP) Equipment To provide for additions, replacements and retirement of all EDP-related equipment.	911	912	Segment IT
Electronic Data Processing (EDP) Software To provide for EDP software used for operation of EDP networks pertaining to operations where capitalization is deemed applicable.	913	914	Segment IT
Miscellaneous To provide for the purchase, replacement and retirement of miscellaneous minor distribution items not otherwise provided for.	915	916	Support Services
Alternative Fuel Vehicle Equipment To provide for the purchase, replacement or retirement of fueling equipment for natural gas, propane, methanol or other alternative vehicle fuels.	917	918	Support Services
Inter-Company Transfers: GDC To provide for the purchase or sale of equipment, including meters, to or from a Columbia Distribution Company.	998	999	Support Services

POLICY SUBJECT: NGD Capital Allocation and Authorization Policy

EFFECTIVE DATE: May 5, 2008

LAST REVISION: March 1, 2011

NiSource Gas Distribution ("NGD") is committed to making prudent capital investment decisions that provide safe, efficient and reliable service to our customers while delivering sustainable earnings growth and value to our shareholders. To achieve these results, this **NGD Capital Allocation and Authorization Policy** has been adopted for the NGD operating companies.

This policy is aligned with and governed by the **Corporate Capital Allocation Policy** and supersedes any prior capital authorization policy for NGD companies in its entirety. Each operating company and its employees involved in capital spending and retirement activities are expected to be familiar with and follow this policy.

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Section 1: Definition and Overview

This policy applies to any activity resulting in the creation of a capital asset, recording of a capital expenditure, capital investment, and acquisition or divestiture of an asset.

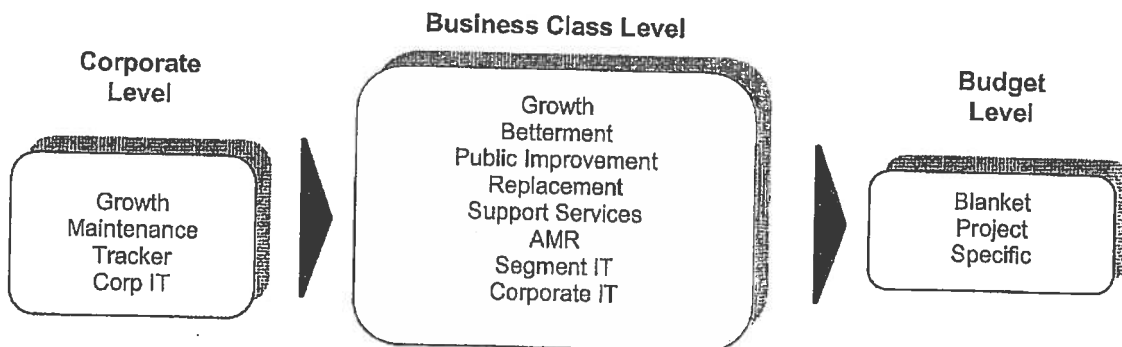
The capitalization threshold for the purchase of "General Plant" equipment is **\$1,000 per individual unit**. Therefore, any expenditure for an individual unit totaling less than \$1,000 should be charged to the appropriate operating expense account. This threshold will be consistently applied throughout each NGD operating company.

General Plant consists of the following type of equipment:

- a) Office furniture and equipment (desk, chair, cabinet, table, etc.)
- b) Tools and equipment (paving breaker, leak detector, pipe locator, etc.)
- c) Computers and related equipment (personal computer, printer, scanner, etc.)
- d) Miscellaneous equipment (breathing equipment, refrigerator, card reader, etc.)

The basis for determining whether a purchase of general plant equipment is to be expensed or capitalized should generally be determined by the individual or unit price of the item and not the invoice total¹. Employees should consult with the Controller for any further guidance or clarification regarding the capitalization of a cost or project.

Figure 1 represents a hierarchical relationship among the corporate, business class, and budget levels.



¹ For instance, the purchase of 30 flat screen monitors at a unit price of \$400 each is to be expensed even though the invoice totals \$12,000.

1.1 Corporate Level

At the corporate level, capital expenditures are divided into **Growth, Maintenance, Tracker or Corporate IT**. In order to achieve alignment, relevance, and execution across the NGD operating companies, capital expenditures are further allocated across eight (8) business classes as described in the following section.

1.2 Business Class Levels

1.2.1 Growth (also referred to as "New Business")

Spend in this category will typically be non-discretionary in nature and shall be used for any facilities that are required to serve new tariff mandated customers. It is recognized that on occasion there may also be discretionary spend opportunities for long-term strategic growth initiatives.

This category shall also be used for **Growth Betterment**, which are capital investments that provide increased system capacity to specific new customers and/or existing customers who are adding load that require the new installation or replacement of existing facilities that are insufficient (i.e. improvements to upstream distribution facilities).

1.2.2 Betterment ("Capacity" or "Compliance")

Spend in this category may be either discretionary or non-discretionary. This category shall be used for any facilities that are required to improve system reliability or provide additional capacity for existing customers. Projects to address long-term market growth shall also be included in this category.

Finally, this category shall be used for any projects needed to remain compliant with internal or external policies that are not "age and condition" related (e.g. pipeline integrity). This is referred to as "Compliance Betterment".

1.2.3 Replacement (also referred to as "Age and Condition")

Spend in this category is typically non-discretionary and shall be used for any facilities that must be replaced (planned or emergency) due to damage or physical deterioration in situations where repair is not feasible. The majority of projects in this category address aging infrastructure.

However, there are several other project types that are to be included here such as regulator station rebuilds, corrosion mitigation, and small/large

volume meter settings. Engineering should be consulted for further clarification(s).

1.2.4 *Public Improvement (also referred to as "Mandatory Relocation")*

Spend in this category is typically non-discretionary and shall be used for any facilities that must be relocated or raised/lowered to meet the requirements of municipal roadway reconstruction projects. Relocation projects that are done to accommodate requests from existing customers or private entities shall also be included in this category.

1.2.5 *Support Services*

Spend in this category may be either discretionary or non-discretionary. This category shall be used to capture capital expenditures that are not directly related to the installation of distribution facilities. This includes expenditures for capitalized tools/equipment and small facility improvements (e.g. operations center office renovations).

1.2.6 *Segment IT*

Spend in this category may be either discretionary or non-discretionary and includes capital investments in information technology that is *specifically identified and sponsored by the NGD management team*. These costs will typically be charged directly to NGD operating companies and will be managed by applicable NGD business units with assistance from NiSource Corporate IT.

1.2.7 *Corporate IT*

Spend in this category may be either discretionary or non-discretionary and includes capital investments in information technology that is *allocated to NGD and the other NiSource business segments*. These costs will typically pass through the NGD operating companies as NCS expenditures and will be managed by NiSource Corporate IT with assistance from applicable NGD business units.

1.2.8 *Automated Meter Reading (AMR)*

Spend in this category is of a strategic nature and include the cost of targeted AMR deployment programs for the NGD operating companies.

Section 2: Budget Types

To facilitate the budgeting and tracking of capital expenditures within the business classes described in section 1.2 of this policy, the allocation of capital is further refined into three (3) budget levels: **Blanket**, **Project**, and **Specific**:

Blanket Budget is used to designate construction or retirement activity related to the numerous and relatively small capital activities² that are of a routine and recurring nature. Generally, there is no signature approval required prior to the commencement of work for each work order.

Project Budget is used to designate construction or retirement activity related to a unique project that generally requires an engineering design and construction work plan. A Project Budget is typically routine and recurring in nature and may consist of a collection of related Blanket Budgets. Signature approvals are generally required prior to the commencement of work; however, verbal and/or electronic approvals are also acceptable.

Specific Budget is used to designate construction or retirement activity related to a unique project that has a total cost estimate greater than \$1,000,000³ and generally requires an engineering design accompanied with a construction work plan. Capital costs for related blanket work orders shall be used in the economic analysis and business case summary, but the actual work orders do not need be submitted with the Specific Budget.

Signature approvals are generally required prior to the commencement of work; however, verbal and/or electronic approvals are also acceptable. Once a Specific Budget has been approved, any associated job orders may be subsequently approved subject to the approval levels outlined in section 5.

Section 3: Planning and Management Process

As with other business segments, the capital planning and allocation process for NGD is integral to the overall success of the NiSource corporate planning process. In order to ensure the effectiveness of this process, the Capital Program Management⁴ team has been established to:

- a) Maintain the NGD Capital Allocation and Authorization Policy and function as the primary administrator and contact for the capital program.
- b) Facilitate a consistent capital allocation and planning process across NGD.

² Example: *Install, Service Lines (New Business)*.

³ Gross basis (not including any aid to construction or customer deposits)

⁴ This team is part of the NGD Engineering & Operations Logistics organization.

- c) Provide capital prioritization tools to optimize capital spending across NGD.
- d) Provide long-term facilities planning solutions across all business classes.
- e) Monitor capital expenditures using appropriate forecasting and variance analysis methods/models.
- f) Communicate capital expenditure information to the financial planning, regulated revenue, operations, and corporate planning management teams.

Section 4: Budget Development and Allocation Process

The capital budgeting and planning process for NGD is a continual management process and includes the following key milestones in preparation for subsequent year capital expenditure programs:

April – May:	Annual Capital Review meetings are held and engineering begins developing grass roots budget estimates using a budget template provided by the Director, Capital Program Management.
June:	Budget templates returned to Director, Capital Program Management.
June – July:	Director, Capital Program Management merges budget templates into one consolidated plan for the distribution companies.
July – August:	Formal request for capital is presented to the Capital Allocation Group ⁵ ("Capital Allocation") and the Executive Council at the annual corporate capital planning meeting (timing and location to be determined each year).
September – October:	Capital budget is finalized by the Executive Council.
November – December:	President and CEO presents final budget request to Board of Directors for approval. Approved capital budget is distributed to distribution company leadership teams and planning organizations.

4.1 Annual Capital Review

Every year during the months of **April and May**, the Director, Capital Program Management will facilitate meetings with the Engineering Department to discuss, in detail, progress on the current year's capital program as well as any expected capital requirements for the following year. It is understood that capital needs for the following year will be preliminary during this review and that further study will be done before the annual corporate capital planning meeting held in July/August.

These reviews should include a summary of any material changes in new business activity for the current year as well as any betterment projects resulting from winter operations. Engineering should also be prepared to provide a status update of any infrastructure replacement programs.

⁵ This team is part of the NiSource Financial Planning & Analysis organization.

4.2 *Prioritization and Risk Assessment*

Capital prioritization and risk assessment models will be administered by Engineering to ensure consistency, continuity, and optimization. Maintenance related projects planned for the subsequent year will be reviewed and selected using these assessment models⁶ during the months of April and May.

4.3 *Long Range Capital Investment Plan*

Preparation of the multi-year capital investment plan will begin in **April** each year. In order to assemble information in the most consistent format, the Director, Capital Program Management will provide templates to the Engineering Department to prepare their formal requests for capital. These templates will include the following:

- a) Categorized line item estimates for each Business Class Level. For instance, the "Replacement" business class will include line items for main replacement, meter installations, service lines, and peak shaving facilities.
- b) Project detail information by business class for Specific Budgets including brief project description/location and program year estimate(s).
- c) Annual estimates for contributions, reimbursements, aids to construction, and refunds.
- d) A consolidated summary showing gross and net capital expenditures by year and business class.
- e) A separate listing of projects that meet the following criteria (gross expenditures):
 - Maintenance projects/programs greater than \$20MM
 - Growth projects greater than \$3MM
 - Corporate projects greater than \$1MM
- f) Additional quantitative and qualitative information to support capital requests (e.g. rate case or regulatory tracker impacts).

All submittals will be generally due in **June**. During the months of **June and July**, templates will be consolidated into multi-year plan and submitted to Capital Allocation for further review and approval.

Section 5: Reviews and Approvals

This section includes descriptions of the types of review and approvals covered under this policy, including information related to the documentation required to obtain approvals. Approval may be indicated by either providing a written

⁶ These models include Optmain DS ® for replacement and the current betterment assessment model (BAM) administered by Gas Systems Planning.

signature or by electronic approval in a system that has appropriate corporate approved controls.

5.1 Annual Program Approval

During **November or December** of each year, the NiSource Board of Directors approves the following fiscal year capital program for all business segments. The approval of the annual program constitutes approval of allocations to business classes and budgets as defined by Engineering. Once approved, each distribution company is responsible for efficiently managing its capital expenditures.

5.2 Project and Specific Budget Approval

Any planned capital project involving the installation or retirement of distribution facilities will have an associated design capital work order⁷. This work order should include a budget quality estimate of the total cost of work to be performed. Project budget review and approval requirements are based on the total capital invested amount over the entire life of the project. Once a work order is approved, any associated costs (i.e. labor/material invoice payments) are implicitly approved.

Capital approval and authorization levels are outlined in **Table 1** on the following page. Please note that these are the *minimum* signatures required for approval and local management teams may elect to have additional approvals (e.g. operations center managers, general managers, etc.). NGD Engineering is primarily responsible for capital project approvals and this table prescribes the level of approval authority for each project type. Any project with a total cost estimate in excess of **\$1,000,000⁸** is considered a *Specific Budget* (see definition in section 2) and requires *minimum* signature approval at the Director level.

A standard business case template provided in **Appendix A** must be completed for any Specific Budget. An alternate template provided in Appendix AA may be used for priority pipe replacement projects. A work order sketch or other applicable design drawing should be attached to the business case when routing it for approval. Templates may be revised as necessary to provide information in the most relevant and accessible format. Capital Program Management will also provide any needed assistance in completing the specific budget request template.

⁷ Defined as a single work order with a unique reference number for the work being performed accompanied by a work plan, work order sketch, and other necessary information

⁸ Gross basis (does not include any aid to construction or customer deposit)

Table 1 – Capital Approval Matrix

Approval Level	Level of Capital Expenditure and Minimum Required Approvals				
	Growth	Betterment Replacement Public Improvement	Support Services	Segment IT and Corporate IT	AMR
≤ \$25K	Field Engineering Technician				
≤ \$50K	Field Engineer		Applicable Manager	NGS Manager	IT Manager AMR/AMI Programs
≤ \$100K	Field Engineering Leader				
≤ \$500K	Manager Engineering				
≤ \$1MM	Director Engineering		Director Capital Program Management		
≤ \$3MM	VP Planning & Engineering				
> \$3MM	NGD Sr. VP & Sr. Operations Officer NGD Chief Financial Officer				
> \$>3MM	For Projects greater than \$3 Million refer to table 3 for Corporate Approval Requirements				

5.3 Additional New Business Approval

In addition to project approvals as described in section 5.2, accompanying signature approvals are required for new business (“growth”) projects.

Table 2 shown on the following page prescribes the appropriate new business approval levels in addition to the minimum required approvals outlined in **Table 1** shown above. The approvals provided in **Table 2** apply to those distribution companies where the New Business team⁹ is involved in the project evaluation and approval process.

It is recognized that under certain circumstances (i.e. securing an ‘at risk’ load addition or increase), it may be appropriate to either waive a customer contribution requirement or depart from the “standard” economic analysis model. Under these “non-standard” circumstances, new business projects must include a higher level of approval as outlined in **Table 2**.

⁹ These teams are part of the NGD Customer Engagement organization.

Finally, a business case must be submitted along with any other approvals (i.e. NLRS approvals for Columbia companies) for any new business project with gross estimated capital expenditures greater than **\$1,000,000**. The standard business case template provided in **Appendix A** should be used for these instances.

Table 2 – Additional Signature Approvals for New Business

Approval Level	Growth
≤ \$25K	New Business Rep
≤ \$50K	Team Leader or Development Manager
≤ \$100K	New Business Services or Sales Manager
≤ \$1MM	Director New Business or Director Sales
≤ \$3MM	VP Sales
> \$3MM	Executive Council

5.4 Corporate Review and Approval

Threshold values that initiate corporate review and approval of a capital project are based on the total capital invested over the entire life of the project and not just the current budget year. **Table 3** provides guidelines that trigger this additional approval:

Table 3 – Guidelines for Corporate Review and Approval

Project Status or Type	Project Category	Project Size	Review Form
Included in current Approved Capital Program	Betterment, Replacement, Public Improvement, Support Services	>\$20MM (Ops) >\$3MM (NCS)	Capital Allocation Review Standard Form
	Growth or Regulatory Tracker	>\$3MM (Ops) >\$1MM (NCS)	
Incremental to current Approved Capital Program	Any	<\$3MM (Ops) <\$1MM (NCS)	Capital Allocation Review Short Form
		>\$3MM (Ops) >\$1MM (NCS)	Capital Allocation Review Standard Form
Shift of Capital Dollars between Budgets	Growth to Growth	>\$ 1MM	Capital Allocation Review Short Form
	Growth to Maintenance		
	Maintenance to Growth		
Merger, Acquisition, Divestiture, or External Investments	With material retained liabilities	≤\$3MM	Capital Allocation Review Short Form
	Any	>\$3MM	Capital Allocation Review Standard Form

When a capital project satisfies the criteria for corporate review, the capital allocation review forms (standard and short) referenced in **Table 3** must be submitted and may be found in the appendices of the **Corporate Capital Allocation Policy**. Capital Allocation should be notified and review forms should be submitted at least 30 calendar days prior to making any contractual commitments. Contractual commitments should not be entered into without prior approval of the business case.

All projects subject to corporate review which are greater than **\$5 MM** must be reviewed by the *Risk Management Committee (RMC)* and all projects greater than **\$25MM** must be approved by the NiSource Board of Directors. A project which is less than \$25MM may be submitted to the Board of Directors for approval at the discretion of the CEO.

5.5 *Engineering Peer Reviews*

NGD Engineering has adopted a peer review process to ensure the most favorable project design alternatives are considered and to validate the necessity of the proposed capital investment. The peer review panel will include cross-functional representatives from across NGD depending on the type of project under consideration.

Projects subject to a peer review and approval include the following:

- a) All projects requiring Corporate Approval as outlined in section 5.4 of this policy.
- b) All gas transmission class facilities equal to or greater than **\$1,000,000¹⁰**.
- c) Any project as requested by the Director Engineering

Engineering peer reviews are a key part of the long range capital planning process and shall be completed prior to all management signature approvals for the project under consideration. The reviews should be done once the conceptual design is complete and well in advance of any preliminary project expenditures (i.e. right-of-way acquisition, contract bidding, etc.).

5.6 *Project Management Team*

In order to effectively manage large construction projects, the Project Management team has been developed within the NGD Engineering organization. In coordination with field engineering, construction, supply chain,

¹⁰ Gross basis (does not include aid to construction or customer deposit)

and other key groups, this team is responsible for managing growth and maintenance projects meeting the following criteria¹¹:

- a) All transmission class pipelines
- b) All point of delivery stations
- c) Any large diameter steel pipeline and/or large footage steel pipeline project(s)
- d) Projects requiring significant oversight such as environmental concerns, right-of-way acquisition, and increased public and political awareness
- e) Any project as requested by the Director Engineering

5.7 *Pre-Construction Review*

The most effective project management team is one that consists of multiple disciplines (e.g. Operations, Engineering, Regulatory, Accounting, Supply Chain, etc.) working together to ensure that proper financial and process controls are in place. This is critically important for major construction projects or when dealing with complex operational and/or financial issues. With this in mind, an integrated project management team should be formed to complete a pre-construction review during the earliest planning phase for capital investments **exceeding \$3MM** (on a gross basis).

The project manager responsible for assembling the review team will be appointed by the NGD Engineering Director. The project manager will be responsible for working with key business partners such as accounting and internal audit to develop a project template along with necessary control documents to ensure that proper accounting procedures are followed to capture complete and accurate project costs. Project management controls will also be developed for critical project and contract administrative activities prior to project construction. Finally, these control documents will be reviewed and approved by the project management team prior to exiting the project initiation phase.

Section 6: Completed Project Evaluations

6.1 *Cost and Benefit Tracking*

A Cost and Benefit Tracking Report must be completed for each project that qualified for corporate review and approval (see section 5.4). The project sponsor should deliver the report to Capital Allocation no later than 60 calendar days from the project in-service date.

Table 5 provides a summary of the necessary information to be included in the report. In some instances, this information may not be applicable to the project

¹¹ With approval of NGD Manager, Engineering for the operating company

and should be noted in the report. In the event that information is not available to answer questions at the time of the report is made, a subsequent review date should be scheduled.

Table 5 – Cost and Benefit Report: Required Information

Information Type	Key Points
Revenue	<ul style="list-style-type: none"> • A comparison of revenues provided in the business case versus revenues expected over the next 60 months. • An explanation of any significant differences between revenues forecasted in the business case and those being provided in the report.
Cost	<ul style="list-style-type: none"> • A comparison of the capital and O&M costs in the business case versus an updated forecast of costs for the next 60 months, if applicable. • Indicate the level of certainty of the forecasted costs at the time of this report and highlight assumptions being used to provide the comparison to the business case costs. • An explanation of any significant differences between costs forecasted in the business case and those being provided in the report.
Timing	<ul style="list-style-type: none"> • An explanation of any significant differences between forecasted project timelines and actual schedules. • If applicable, please indicate any financial impact (favorable or non-favorable) that was incurred by a delay of the project.

6.2 Post Audit Review

Each distribution company may be required to participate in random or targeted post-audit reviews carried out by Capital Allocation and Internal Audit. Projects are subject to post-audit review at any time during or after completion. Any projects qualifying for corporate review and approval (see section 6.4) which vary from budget quality estimates by greater than 15% will be subject to review by Audit. Post audit reviews will also be carried out at the request of Executive Management.

The review may cover any relevant aspect of a project including but not limited to:

- a) Changes in the project nature and scope review.
- b) Variance analysis from the original timeline.
- c) Variance from the originally proposed expenditures and revenues.
- d) Capital allocation changes.
- e) Recalculation of financial models based on changing strategic goals, model input assumptions, cash flows, discount rates, etc.
- f) Risk factors that may have changed since the inception of the project

A Post-Audit Review report will be generated by Internal Audit and Capital Allocation and conveyed to the operating segment and the Executive Council. The review will include audit goals, processes, findings, suggested or required remedies, and notable successes.

Section 7: Budget Variance Explanations

7.1 Program Variance

Each month, Capital Program Management will lead a capital program review session with key management staff in engineering, budgeting, regulatory, and financial planning. These sessions will include a review of current month and year-to-date actuals, variance explanations, year-end forecasts, and key management action plans.

7.2 Specific or Project Budget Variance

Level 1 Variance: Once it is known that the cost of an approved Specific or Project budget will vary by greater than **+/- 10% or \$5,000** (whichever is greater), the project manager will submit a written explanation outlining the reason for the variance. At a minimum, Level 1 variance explanations should include a summary of changes in the project's nature that significantly impacted the cost such as material increases, unexpected construction challenges, and inclement weather delays.

Level 2 Variance: As soon as it is determined that a Specific or Project budget will vary by greater than **20% or \$50,000** (whichever is greater), the budget must be re-approved according to the approval limits applicable to the new amount. This should be done prior to the completion of the project. A standard template is provided in **Appendix B** and must be completed for any Level 2 variance.

Appendix A

Specific Budget Business Case Request – Standard Form Signature Page

NiSource™	<u>Specific Budget Request</u>	
Project Information		
Project Name	Project Name	
Project Sponsors	Sponsor Name(s)	
Company	Company Name	
Business Class	Business Class (i.e. Growth, Betterment, Public Improvement, IT, etc.)	
Amount and Term	\$XX million, XX years	
Reference Number:	Specific Budget Number / Project ID / Work Order	
Approval Authority		
	Signature	Date
VP Planning & Engineering	C. Shafer	
Sr VP & Sr Operations Officer	S. Patterson	
NGD Chief Financial Officer	S. Sagun	
Director Engineering	D. Roy	
Director Capital Management	Program R. Mooney	
Manager Engineering	Name	
Note: Titles & Signatures should be added or deleted based on Table 1 & 2 of the Capital Approval Matrix Starting w/ Manager and Above		
Additional Conditions		
List conditions placed by sponsors or signatories for project to be authorized. Use "None" if there are not any.		

Appendix A (Continued)

Specific Budget Business Case Request – Standard Form General Information

To:	David A. Roy Director Engineering	cc:	Robert V. Mooney Director Capital Program Management
From:	Sponsor Name and Title	Company:	Company Name
Subject:	Project Name	Date:	DD/MM/YYYY

Project Description & Overview

- Provide a short introduction describing the project's nature and benefits.
- Indicate how investment supports LDC goals and NiSource strategic initiatives.
- List expected project start and completion dates.
- Discuss whether investment is an ongoing project or program.
- Provide high-level financial impact (i.e. annualized costs, NPV, IRR, etc.).
- Offer any other notable information.

Alternative Solutions

- Indicate alternative solutions evaluated and why they were not pursued.
- Describe any bidding process performed and name(s) of bidders involved.
- Discuss analysis performed and tools used (e.g. Optimain, SynerGEE, etc.).

Risks and Mitigation

- List potential risks and applicable mitigation strategies (i.e. Financial, Operating, Market & Customer, Legal & Regulatory, Environmental, Health & Safety)

Success Criteria

- Performance measures (i.e. output, cost savings, benchmarks, etc.) that define project success.
- Schedule of milestones, expected timing, and any payments due at milestones.

Financial Analysis


- Provide summary of analyses performed and outcomes (e.g. NPV, IRR, etc.)
- Include key assumptions used in creating the financial model
- Sensitivity Analysis - Discuss key project drivers / sensitivities. The sensitivity analysis should also be displayed as a financial table.

Additional Information

Provide other information or attach other documents, memos, presentations, charts, etc. useful in evaluating the project.

Appendix AA

Specific Budget Request – For Replacement Type Projects Signature Page

	<u>Specific Budget Request</u>	
Project Information		
Project Name	Project Name	
Project Sponsors	Name of Field Engineering Leader	
Company	Company Name	
Business Class	Business Class (Replacement or Public Improvement)	
Amount and Term	\$XX million, XX years	
Reference Number:	Specific Budget Number / Project ID / Work Order	
Approval Authority		
	Signature	Date
VP Planning & Engineering	C. Shafer	
<i>Sr VP & Sr Operations Officer</i>	S. Patterson	
NGD Chief Financial Officer	S. Sagun	
Director Engineering	D. Roy	
Director Capital Program Management	R. Mooney	
Manager Engineering	Name	
<i>Note: Titles & Signatures should be added or deleted based on Table 1 & 2 of the Capital Approval Matrix Starting w/ Manager and Above</i>		
Additional Conditions		
List conditions placed by sponsors or signatories for project to be authorized. Use "None" if there are not any.		

Appendix AA (Continued)

Specific Budget Business Case Request – For Replacement Type Projects General Information

To:	David A. Roy Director Engineering	cc:	Robert V. Mooney Director Capital Program Management
From:	Sponsor Name and Title	Company:	Company Name
Subject:	Project Name	Date:	DD/MM/YYYY

Project Description & Overview

- Location: (city)
- Engineer/Technician:
- Project ID#:
- Total Estimated Cost:
- Estimated Main Replacement Cost:
- Estimated Service Line Replacement & Meter Move-Out Cost:
- Existing MAOP:
- New MAOP:
- # of Service Lines to Replace:
- # of Meter Move-Outs:
- # of Reconnects:
- Summary of Main(s) (length, size and kind) to be Installed:
- Summary of Main(s) (length, size and kind) to be Retired:

Alternative Solutions

- Indicate alternative solutions evaluated and why they were not pursued for situations where the new MAOP will remain LP. Otherwise "None".

Elimination of Risk

- Optimain Combo Risk Score:
- Optimain Risk Score per \$100k of Project Cost:
- # of Single Optimain Projects w/ Risk Scores > 50:
- # of Top 50 Optimain Projects in Area (): *Example...2 (#4, #39)*

Success Criteria

- Performance measures (i.e. output, cost savings, etc.) that define project success.
- Schedule of milestones, expected timing, and any payments due at milestones.
- Potential risk factors (i.e. land acquisition, permit approval, etc.)

Appendix B

“Level 2” Budget Variance Explanation – Standard Form

Note: If applicable, please attach original Specific Budget Business Case Request – Standard Form and a work order sketch or design drawing detailing the work to be done.

Project Name: _____
 Project Sponsor(s): _____
 Original Budget Amount: _____
 Amount Requested: _____
 Budget Variance \$ Amount / Percentage: \$XX,XXX / XX%

Brief Project Description

[Provide a short introduction describing the project's nature and benefits]
 [List expected project start and completion dates]

Cost Element Change

	Original (\$)	Current Estimate (\$)
Material		
Contract Labor		
Company Labor		
Overheads		
Right-of-Way		
Other		
Other		
Other		

Reason for Budget Variance

[Provide a summary of key reasons for the budget variance.]
 [Highlight reasons for cost element changes provide above.]
 [Discuss action plans to avoid future reoccurrences.]

Approvals

	Signature	Date
Leader, Field Engineering	_____	_____
Manager, Field Engineering	_____	_____
Director Engineering	_____	_____

Appendix C

NGD Capital Policy Frequently Asked Questions

Where can I get a copy of the Corporate Capital Allocation Policy? A copy of the corporate policy is available via MySource from the Gas Distribution Engineering portal.

Why is the capitalization threshold for the purchase of General Plant equipment \$1,000? FERC provides general guidance regarding the capitalization of certain items and specific thresholds are further defined by each company's management team. For NiSource, a \$1,000 capitalization threshold for general plant equipment has been established by NiSource's Corporate Controller.

Many items that we use such as fittings and AMR devices are less than \$1,000 per individual unit and even collectively in certain circumstances. Should these be capitalized or expensed? AMR devices, pipeline fittings, and other items that are attached to capitalized assets such as meters, pipelines, etc. are considered capital asset appurtenances and should be capitalized regardless of cost and quantity. For further clarity on unique purchases, please consult with the Segment Controller.

Are software costs capitalized or expensed? Statements of Position (SOP) have been developed by the American Institute of Certified Public Accountants to provide more detailed accounting instructions for costs handled inconsistently across companies. Accounting for computer software costs can be found in SOP 98-1, which can be found via MySource in the Gas Distribution Engineering Portal.

If a gas main is exposed due to shallow depth (i.e. sediment erosion, excavation, etc.) and must be replaced, is this considered Betterment or Replacement? Projects such as this should be placed in the Replacement business class as the condition and structural integrity of the facility is compromised under these situations (i.e. age and condition related).

What are examples of project types that should be placed in "Compliance" Betterment? Compliance betterment is reserved for those projects that are not of an "age and condition" nature. Such projects typically improve the operation of a system without increasing its capacity. Other projects included here those that are done to fulfill internal/external procedural requirements. Examples include installation of critical valves or SCADA equipment.

When is the best time to have an engineering peer review? An engineering peer review should be done once the conceptual design of the project is complete. Depending on the size of the project, this may be 12 to 18 months before the anticipated start date of the project.

Appendix D

Use of Optimain DS® for Maintenance Capital Prioritization

Introduction

Opvantek's Optimain DS® ("Optimain") has been implemented for the NGD operating companies to establish consistent guidelines and processes for prioritizing the replacement of aging infrastructure. This application will be the primary tool used by Engineering to support infrastructure replacement programs.

Optimain is a gas main predictive failure software application that utilizes NiSource legacy work management and customer information systems. It provides a complete risk evaluation for each priority pipe main segment within the gas distribution system that has experienced a leak. This solution identifies and ranks projects based on risk, consequence and economics to enable better capital allocation decisions for NGD.

System Maintenance and Administration

Optimain will be maintained and administered by the Leader, Capital Allocation and Asset Management ("Capital Allocation Leader"). These activities include but are not limited to the following:

- a) Coordinating quarterly updates of all data from the aforementioned legacy systems with the first quarterly update to be completed in early-February each calendar year.
- b) Running batch processes to create new or update all existing projects
- c) Coordinating the appropriate local Engineering review of all High Priority projects
- d) Providing support with training or system troubleshooting
- e) Facilitating monthly reviews of system performance and utilization including checking for invalid projects, leaks without projects, or other anomalies possibly created by user error.
- f) Requesting, developing, and evaluating necessary system enhancements from Opvantek
- g) Uploading all High Priority Projects into Envista™¹² where appropriate to capture repaving and coordination savings opportunities from public improvement projects

¹² Envista™ is a web based, map-driven solution for the exchange and coordination of construction and maintenance projects between utilities and municipal agencies

Appendix D (Continued)

Capital Budgeting and Allocation

The infrastructure replacement program (IRP) capital budgeting and planning process for NGD is a continual management process and includes the following key milestones:

Feb 15 - Mar 31:	Using Optimain to identify riskiest segments. Field Engineering teams should review and update any previously designed Combo Projects and High Priority Single projects and finalize the estimates for program submission.
April:	Field Engineering Leaders from each state and the Capital Allocation Leader will review IRP submissions for consistency and appropriate prioritization.
April - May:	Capital Allocation Leader and Field Engineering Leaders will generate state by state metrics and analyses of proposed projects (e.g. Total Risk, \$/Risk, O&M Savings Projections) for support of their IRP submissions.
May - June:	Field Engineering Managers will review and approve IRP projects for submittal as part of their overall Capital Budget.

Use of Optimain DS® for Maintenance Capital Prioritization

Using Optimain to Identify Combo and High Risk Single Projects

Field Engineering should take ownership and generate a ranking of their area's high priority segments and review each project to look for opportunities to create IRPs including as many highest risk segments as practical. All adjacent segments which are being considered and have an Optimain single project created should be included to capture the entire Combo risk value.

Field Engineering should also perform a preliminary review of all remaining High Priority single projects to further assess any risk mitigation or replacement activities which may be recommended in addition to any IRP recommendations. Comments and/or actions taken should be added to the design notes area in Optimain.

Reports and Analysis

Metrics for each IRP and high risk single projects being submitted should include Total Risk, Capital \$\$ per Risk, Projected O&M Savings and any other compelling reason to approve the project. The Optimain project report should be submitted as well. State goals should include these metrics in addition to the total retired pipe footage.

The Capital Allocation Leader will work with the Engineering Managers to roll these reports into a statewide report and comparison to be reviewed by the Director Engineering, Director Capital Program Management, and Vice President Engineering & Operations Logistics.

Appendix D

Quarterly Reviews and Activities

After each Optimain DS update, Field Engineers who own Optimain projects should review their project list to determine if any projects can be completed or if some should be prioritized differently. Predefined filters will easily separate any projects which have been created or modified. Suspected areas of active corrosion should also be identified using predefined filters and further evaluated.

After Optimain has been updated, the Director Capital Program Management will lead a program review session with key management staff in engineering regarding the latest month and year-to-date actuals on metrics and year-end forecasts. Key management action plans about any variances or reallocations of capital will be made at that time.

Appendix E

CDC Construction and Retirement Standard Blanket Budget Definitions

The following is a list of "distribution" and "general" construction and retirement standard blanket budget definitions for the Columbia companies. For a complete list that includes definitions for "production" and "storage" capital investments, please visit the Gas Distribution Engineering portal on MySource.

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Acquisition or Sale of Gas Plant in Service: Non-Affiliated Companies			
To provide for the purchase or sale of gas plant in service (including the price of associated land) to or from non-affiliated parties.	543	544	Support Services
Acquisition or Sale of Gas Plant in Service: Affiliated Companies			
To provide for the purchase or sale of gas plant in service (including the price of associated land) to or from an affiliated Columbia System Company.	545	546	Support Services
Electronic Flow Computers/Correctors			
To provide for the installation and retirement of Electronic Flow Computers/Correctors for electronic correction of volume data for GMB (excess pressure) meters where pressure, temperature and super compressibility correction is necessary.	547	548	Betterment
Automatic Meter Reading Devices			
To provide for the installation and retirement of automatic meter reading devices on residential, commercial and industrial meters. (Automatic meter reading devices are associated with low pressure meter applications only where no pressure and temperature correction is necessary)	549	550	AMR
Mains - New Business			
Extensions to distribution lines to serve new customers.	555	--	Growth

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Mains - Leakage Elimination Replacement and retirement of distribution lines which are found to be leaking and beyond the state of economical repair.	557	558	Replacement
Mains - Service Improvement Replacement, retirement or addition of distribution lines in order to improve service to customers.	559	560	Betterment
Mains - Street Improvement Replacement and retirement of distribution lines due to street-highway construction or requirement of others.	561	562	Public Improvement
Service Lines - New Installation of any category of new company owned service line to supply service to new customers.	563	--	Growth
Service Lines - Replacement Replacement and retirement of any category of company owned service line due to condition, insufficient capacity, changes in operations, etc.	565	566	Replacement
Meters¹³ Purchase and retirement of all meters regardless of size both for new customers and replacement meters to be retired. This budget to include only the cost of meters plus stores expense and testing expense.	567	568	Growth Replacement
Meter Installations - New Installation of all low pressure meter settings to serve new domestic, commercial and industrial customers.	569	--	Growth
House Regulators - New Includes the cost of the regulators and installation required to serve new customers. A house regulator is defined as one with fewer than two inch connection.	571	--	Growth
Plant Regulators - New Purchase and installation of town plant regulators.	573	--	Growth
Regulator Sites Cost of securing or retiring regulator sites including price of the land.	575	576	Growth
Regulator Structures - New Structures required to house new regulation equipment.	577	--	Growth
Meter Installations - Replacement Replacement and retirement of existing low pressure meter settings for all domestic, commercial and industrial customers.	579	580	Replacement
House Regulators - Replacement Includes the cost of replacement and retirement of existing house regulators and installation. A house regulator is defined as one with fewer than two inch connection.	581	582	Replacement
Plant Regulators - Replacement Replacement and retirement of town plant regulators.	583	584	Replacement

¹³ Percent allocation between growth and replacement varies by NGD operating company

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Regulator Structures – Replacement Replacement and retirement of structures required to house regulation equipment.	585	586	Replacement
Large Volume Excess Pressure Measuring Station Installations Installation of equipment (additions, retirements and replacements) for all excess pressure measuring stations.	587	588	Growth Replacement
Service Regulators – New Purchase and installation of regulation equipment with two inch connections and over for new customers.	593		Growth
Corrosion Mitigation Installations Provide for the installation and retirement of all types of distribution cathodic protection systems.	595	596	Replacement
Service Regulators – Replacement Replacement and retirement of regulation equipment with two inch connections and above.	597	598	Replacement
Office Furniture and Equipment To provide necessary office furniture and equipment to properly carry on the utility's operations and to replace or retire obsolete equipment upon which maintenance has become excessive.	901	902	Support Services
General Structures To provide for the additions, retirements or replacements to structures and equipment of sundry gas properties not provided for elsewhere.	903	904	Support Services
Miscellaneous Buildings Equipment To provide for essential equipment required for general use to carry on operations economically and efficiently and to replace or retire obsolete equipment with more modern and efficient equipment.	905	906	Support Services
Miscellaneous Motorized Equipment To provide for essential non-licensed and numbered general tool equipment required for general use to carry on operations economically and efficiently and to replace or retire obsolete equipment with more modern and efficient equipment.	907	908	Support Services
Communications Equipment To provide for additions, replacements, retirement and alterations to microwave, telephone, telemetering, remote control, and other distribution communication equipment.	909	910	Support Services
Electronic Data Processing (EDP) Equipment To provide for additions, replacements and retirement of all EDP related equipment.	911	912	Segment IT
Electronic Data Processing (EDP) Software To provide for EDP software used for operation of EDP networks pertaining to operations where capitalization is deemed applicable.	913	914	Segment IT



Blanket Budget Definition	Const. 107	Ret 108	Business Class
Miscellaneous To provide for the purchase, replacement and retirement of miscellaneous minor distribution items not otherwise provided for.	915	916	Support Services
Alternative Fuel Vehicle Equipment To provide for the purchase, replacement or retirement of fueling equipment for natural gas, propane, methanol or other alternative vehicle fuels.	917	918	Support Services
Inter-Company Transfers: GDC To provide for the purchase or sale of equipment, including meters, to or from a Columbia Distribution Company.	998	999	Support Services

POLICY SUBJECT: NGD Capital Allocation and Authorization Policy

EFFECTIVE DATE: May 5, 2008

LAST REVISION: January 1, 2012

NiSource Gas Distribution ("NGD") is committed to making prudent capital investment decisions that provide safe, efficient and reliable service to our customers while delivering sustainable earnings growth and value to our shareholders. To achieve these results, this **NGD Capital Allocation and Authorization Policy** has been adopted for the NGD operating companies.

This policy is aligned with and governed by the **Corporate Capital Allocation Policy** and supersedes any prior capital authorization policy for NGD companies in its entirety. Each operating company and its employees involved in capital spending and retirement activities are expected to be familiar with and follow this policy.

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Section 1: Definition and Overview

This policy applies to any activity resulting in the creation of a capital asset, recording of a capital expenditure, capital investment, and acquisition or divestiture of an asset.

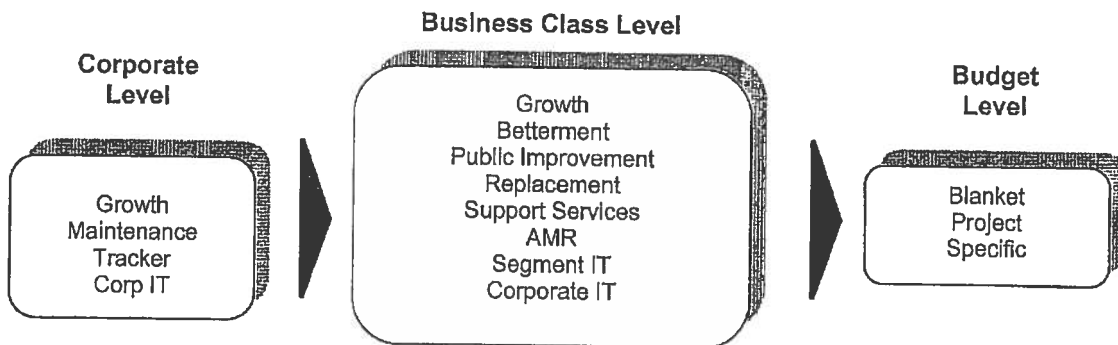
The capitalization threshold for the purchase of "General Plant" equipment is **\$1,000 per individual unit**. Therefore, any expenditure for an individual unit totaling less than \$1,000 should be charged to the appropriate operating expense account. This threshold will be consistently applied throughout each NGD operating company.

General Plant consists of the following type of equipment:

- a) Office furniture and equipment (desk, chair, cabinet, table, etc.)
- b) Tools and equipment (paving breaker, leak detector, pipe locator, etc.)
- c) Computers and related equipment (personal computer, printer, scanner, etc.)
- d) Miscellaneous equipment (breathing equipment, refrigerator, card reader, etc.)

The basis for determining whether a purchase of general plant equipment is to be expensed or capitalized should generally be determined by the individual or unit price of the item and not the invoice total¹. Employees should consult with the Controller for any further guidance or clarification regarding the capitalization of a cost or project.

Figure 1 represents a hierarchical relationship among the corporate, business class, and budget levels.



¹ For Instance, the purchase of 30 flat screen monitors at a unit price of \$400 each is to be expensed even though the invoice totals \$12,000.

1.1 Corporate Level

At the corporate level, capital expenditures are divided into **Growth, Maintenance, Tracker or Corporate IT**. In order to achieve alignment, relevance, and execution across the NGD operating companies, capital expenditures are further allocated across eight (8) business classes as described in the following section.

1.2 Business Class Levels

1.2.1 Growth (also referred to as "New Business")

Spend in this category will typically be non-discretionary in nature and shall be used for any facilities that are required to serve new tariff mandated customers. It is recognized that on occasion there may also be discretionary spend opportunities for long-term strategic growth initiatives.

This category shall also be used for **Growth Betterment**, which are capital investments that provide increased system capacity to specific new customers and/or existing customers who are adding load that require the new installation or replacement of existing facilities that are insufficient (i.e. improvements to upstream distribution facilities).

1.2.2 Betterment ("Capacity" or "Compliance")

Spend in this category may be either discretionary or non-discretionary. This category shall be used for any facilities that are required to improve system reliability or provide additional capacity for existing customers. Projects to address long-term market growth shall also be included in this category.

Finally, this category shall be used for any projects needed to remain compliant with internal or external policies that are not "age and condition" related (e.g. pipeline integrity). This is referred to as "Compliance Betterment".

1.2.3 Replacement (also referred to as "Age and Condition")

Spend in this category is typically non-discretionary and shall be used for any facilities that must be replaced (planned or emergency) due to damage or physical deterioration in situations where repair is not feasible. The majority of projects in this category address aging infrastructure.

However, there are several other project types that are to be included here such as regulator station rebuilds, corrosion mitigation, and small/large

volume meter settings. Engineering should be consulted for further clarification(s).

1.2.4 *Public Improvement (also referred to as "Mandatory Relocation")*

Spend in this category is typically non-discretionary and shall be used for any facilities that must be relocated or raised/lowered to meet the requirements of municipal roadway reconstruction projects. Relocation projects that are done to accommodate requests from existing customers or private entities shall also be included in this category.

1.2.5 *Support Services*

Spend in this category may be either discretionary or non-discretionary. This category shall be used to capture capital expenditures that are not directly related to the installation of distribution facilities. This includes expenditures for capitalized tools/equipment and small facility improvements (e.g. operations center office renovations).

1.2.6 *Segment IT*

Spend in this category may be either discretionary or non-discretionary and includes capital investments in information technology that is *specifically identified and sponsored by the NGD management team*. These costs will typically be charged directly to NGD operating companies and will be managed by applicable NGD business units with assistance from NiSource Corporate IT.

1.2.7 *Corporate IT*

Spend in this category may be either discretionary or non-discretionary and includes capital investments in information technology that is *allocated to NGD and the other NiSource business segments*. These costs will typically pass through the NGD operating companies as NCS expenditures and will be managed by NiSource Corporate IT with assistance from applicable NGD business units.

1.2.8 *Automated Meter Reading (AMR)*

Spend in this category is of a strategic nature and include the cost of targeted AMR deployment programs for the NGD operating companies.

Section 2: Budget Types

To facilitate the budgeting and tracking of capital expenditures within the business classes described in section 1.2 of this policy, the allocation of capital is further refined into three (3) budget levels: **Blanket**, **Project**, and **Specific**:

Blanket Budget is used to designate construction or retirement activity related to the numerous and relatively small capital activities² that are of a routine and recurring nature. Generally, there is no signature approval required prior to the commencement of work for each work order.

Project Budget is used to designate construction or retirement activity related to a unique project that generally requires an engineering design and construction work plan. A Project Budget is typically routine and recurring in nature and may consist of a collection of related Blanket Budgets. Signature approvals are generally required prior to the commencement of work; however, verbal and/or electronic approvals are also acceptable.

Specific Budget is used to designate construction or retirement activity related to a unique project that has a total cost estimate greater than **\$1,000,000**³ and generally requires an engineering design accompanied with a construction work plan. Capital costs for related blanket work orders shall be used in the economic analysis and business case summary, but the actual work orders do not need be submitted with the Specific Budget.

Signature approvals are generally required prior to the commencement of work; however, verbal and/or electronic approvals are also acceptable. Once a Specific Budget has been approved, any associated job orders may be subsequently approved subject to the approval levels outlined in section 5.

Section 3: Planning and Management Process

As with other business segments, the capital planning and allocation process for NGD is integral to the overall success of the NiSource corporate planning process. In order to ensure the effectiveness of this process, the Capital Program Management⁴ team has been established to:

- a) Maintain the NGD Capital Allocation and Authorization Policy and function as the primary administrator and contact for the capital program.
- b) Facilitate a consistent capital allocation and planning process across NGD.

² Example: *Install, Service Lines (New Business)*.

³ Gross basis (not including any aid to construction or customer deposits)

⁴ This team is part of the NGD Engineering & Operations Logistics organization.

- c) Provide capital prioritization tools to optimize capital spending across NGD.
- d) Provide long-term facilities planning solutions across all business classes.
- e) Monitor capital expenditures using appropriate forecasting and variance analysis methods/models.
- f) Communicate capital expenditure information to the financial planning, regulated revenue, operations, and corporate planning management teams.

Section 4: Budget Development and Allocation Process

The capital budgeting and planning process for NGD is a continual management process and includes the following key milestones in preparation for subsequent year capital expenditure programs:

April – May:	Annual Capital Review meetings are held and engineering begins developing grass roots budget estimates using a budget template provided by the Director, Capital Program Management.
June:	Budget templates returned to Director, Capital Program Management.
June – July:	Director, Capital Program Management merges budget templates into one consolidated plan for the distribution companies.
July – August:	Formal request for capital is presented to the Capital Allocation Group ⁵ (“Capital Allocation”) and the Executive Council at the annual corporate capital planning meeting (timing and location to be determined each year).
September – October:	Capital budget is finalized by the Executive Council.
November – December:	President and CEO presents final budget request to Board of Directors for approval. Approved capital budget is distributed to distribution company leadership teams and planning organizations.

4.1 Annual Capital Review

Every year during the months of **April and May**, the Director, Capital Program Management will facilitate meetings with the Engineering Department to discuss, in detail, progress on the current year’s capital program as well as any expected capital requirements for the following year. It is understood that capital needs for the following year will be preliminary during this review and that further study will be done before the annual corporate capital planning meeting held in July/August.

These reviews should include a summary of any material changes in new business activity for the current year as well as any betterment projects resulting from winter operations. Engineering should also be prepared to provide a status update of any infrastructure replacement programs.

⁵ This team is part of the NiSource Financial Planning & Analysis organization.

4.2 *Prioritization and Risk Assessment*

Capital prioritization and risk assessment models will be administered by Engineering to ensure consistency, continuity, and optimization. Maintenance related projects planned for the subsequent year will be reviewed and selected using these assessment models⁶ during the months of April and May.

4.3 *Long Range Capital Investment Plan*

Preparation of the multi-year capital investment plan will begin in **April** each year. In order to assemble information in the most consistent format, the Director, Capital Program Management will provide templates to the Engineering Department to prepare their formal requests for capital. These templates will include the following:

- a) Categorized line item estimates for each Business Class Level. For instance, the "Replacement" business class will include line items for main replacement, meter installations, service lines, and peak shaving facilities.
- b) Project detail information by business class for Specific Budgets including brief project description/location and program year estimate(s).
- c) Annual estimates for contributions, reimbursements, aids to construction, and refunds.
- d) A consolidated summary showing gross and net capital expenditures by year and business class.
- e) A separate listing of projects that meet the following criteria (gross expenditures):
 - Maintenance projects/programs greater than \$20MM
 - Growth projects greater than \$3MM
 - Corporate projects greater than \$1MM
- f) Additional quantitative and qualitative information to support capital requests (e.g. rate case or regulatory tracker impacts).

All submittals will be generally due in **June**. During the months of **June and July**, templates will be consolidated into multi-year plan and submitted to Capital Allocation for further review and approval.

Section 5: Reviews and Approvals

This section includes descriptions of the types of review and approvals covered under this policy, including information related to the documentation required to obtain approvals. Approval may be indicated by either providing a written

⁶ These models include Optimain DS ® for replacement and the current betterment assessment model (BAM) administered by Gas Systems Planning.

signature or by electronic approval in a system that has appropriate corporate approved controls.

5.1 Annual Program Approval

During **November or December** of each year, the NiSource Board of Directors approves the following fiscal year capital program for all business segments. The approval of the annual program constitutes approval of allocations to business classes and budgets as defined by Engineering. Once approved, each distribution company is responsible for efficiently managing its capital expenditures.

5.2 Project and Specific Budget Approval

Any planned capital project involving the installation or retirement of distribution facilities will have an associated design capital work order⁷. This work order should include a budget quality estimate of the total cost of work to be performed. Project budget review and approval requirements are based on the total capital invested amount over the entire life of the project. Once a work order is approved, any associated costs (i.e. labor/material invoice payments) are implicitly approved.

Capital approval and authorization levels are outlined in **Table 1** on the following page. Please note that these are the *minimum* signatures required for approval and local management teams may elect to have additional approvals (e.g. operations center managers, general managers, etc.). NGD Engineering is primarily responsible for capital project approvals and this table prescribes the level of approval authority for each project type. Any project with a total cost estimate in excess of **\$1,000,000^a** is considered a *Specific Budget* (see definition in section 2) and requires *minimum* signature approval at the Director level.

A standard business case template provided in **Appendix A** must be completed for any Specific Budget. An alternate template provided in Appendix AA may be used for priority pipe replacement projects. A work order sketch or other applicable design drawing should be attached to the business case when routing it for approval. Templates may be revised as necessary to provide information in the most relevant and accessible format. Capital Program Management will also provide any needed assistance in completing the specific budget request template.

⁷ Defined as a single work order with a unique reference number for the work being performed accompanied by a work plan, work order sketch, and other necessary information

^a Gross basis (does not include any aid to construction or customer deposit)

Table 1 – Capital Approval Matrix

Level of Capital Expenditure and Minimum Required Approvals					
Approval Level	Growth	Betterment Replacement Public Improvement	Support Services	Segment IT and Corporate IT	AMR
≤ \$50K	Field Engineering Technician				
≤ \$100K	Field Engineer		Applicable Manager	NCS Manager	IT Manager AMR/AM Programs
≤ \$250K	Field Engineering Leader				
≤ \$750K	Manager Engineering				
≤ \$1.5MM	Director Engineering		Director Capital Program Management		
≤ \$3MM	VP Planning & Engineering				
> \$3MM	NGD Chief Operating Officer NGD Chief Financial Officer				
> \$>3MM	For Projects greater than \$3 Million refer to table 3 for Corporate Approval Requirements				

5.3 Additional New Business Approval

In addition to project approvals as described in section 5.2, accompanying signature approvals are required for new business ("growth") projects.

Table 2 shown on the following page prescribes the appropriate new business approval levels in addition to the minimum required approvals outlined in **Table 1** shown above. The approvals provided in **Table 2** apply to those distribution companies where the New Business team⁹ is involved in the project evaluation and approval process.

It is recognized that under certain circumstances (i.e. securing an 'at risk' load addition or increase), it may be appropriate to either waive a customer contribution requirement or depart from the "standard" economic analysis model. Under these "non-standard" circumstances, new business projects must include a higher level of approval as outlined in **Table 2**.

⁹ These teams are part of the NGD Customer Engagement organization.

Finally, a business case must be submitted along with any other approvals (i.e. NLRS approvals for Columbia companies) for any new business project with gross estimated capital expenditures greater than \$1,000,000. The standard business case template provided in **Appendix A** should be used for these instances.

Table 2 – Additional Signature Approvals for New Business

Approval Level	Growth
≤ \$25K	New Business Rep
≤ \$50K	New Business Sr. Rep. or Development Mgr.
≤ \$100K	New Business Team Leader
≤ \$500K	New Business Services or New Business Manager
≤ \$1MM	Director New Business
≤ \$3MM	VP Sales & Marketing
> \$3MM	Executive Council

5.4 Corporate Review and Approval

Threshold values that initiate corporate review and approval of a capital project are based on the total capital invested over the entire life of the project and not just the current budget year. **Table 3** provides guidelines that trigger this additional approval:

Table 3 – Guidelines for Corporate Review and Approval

Project Status or Type	Project Category	Project Size	Review Form
Included in current Approved Program	Betterment, Replacement, Improvement, Support Services	>\$20MM (Ops) >\$3MM (NCS)	Capital Allocation Review Standard Form
	Growth or Regulatory Tracker	>\$3MM (Ops) >\$1MM (NCS)	
Incremental to current Approved Program	Any	<\$3MM (Ops) <\$1MM (NCS)	Capital Allocation Review Short Form
	Any	>\$3MM (Ops) >\$1MM (NCS)	Capital Allocation Review Standard Form
Shift of Capital Dollars between Budgets	Growth to Growth	>\$ 1MM	Capital Allocation Review Short Form
	Growth to Maintenance		
	Maintenance to Growth		
Merger, Acquisition, Divestiture, or External Investments	With material retained liabilities	\$3MM	Capital Allocation Review Short Form
	Any	>\$3MM	Capital Allocation Review Standard Form

When a capital project satisfies the criteria for corporate review, the capital allocation review forms (standard and short) referenced in **Table 3** must be submitted and may be found in the appendices of the **Corporate Capital Allocation Policy**. Capital Allocation should be notified and review forms should be submitted at least 30 calendar days prior to making any contractual commitments. Contractual commitments should not be entered into without prior approval of the business case.

All projects subject to corporate review which are greater than **\$5 MM** must be reviewed by the *Risk Management Committee (RMC)* and all projects greater than **\$25MM** must be approved by the NiSource Board of Directors. A project which is less than \$25MM may be submitted to the Board of Directors for approval at the discretion of the CEO.

5.5 *Engineering Peer Reviews*

NGD Engineering has adopted a peer review process to ensure the most favorable project design alternatives are considered and to validate the necessity of the proposed capital investment. The peer review panel will include cross-functional representatives from across NGD depending on the type of project under consideration.

Projects subject to a peer review and approval include the following:

- a) All projects requiring Corporate Approval as outlined in section 5.4 of this policy.
- b) All gas transmission class facilities equal to or greater than **\$1,000,000¹⁰**.
- c) Any project as requested by the Director Engineering

Engineering peer reviews are a key part of the long range capital planning process and shall be completed prior to all management signature approvals for the project under consideration. The reviews should be done once the conceptual design is complete and well in advance of any preliminary project expenditures (i.e. right-of-way acquisition, contract bidding, etc.).

5.6 *Project Management Team*

In order to effectively manage large construction projects, the Project Management team has been developed within the NGD Engineering organization. In coordination with field engineering, construction, supply chain,

¹⁰ Gross basis (does not include aid to construction or customer deposit)

and other key groups, this team is responsible for managing growth and maintenance projects meeting the following criteria¹¹:

- a) All transmission class pipelines
- b) All point of delivery stations
- c) Any large diameter steel pipeline and/or large footage steel pipeline project(s)
- d) Projects requiring significant oversight such as environmental concerns, right-of-way acquisition, and increased public and political awareness
- e) Any project as requested by the Director Engineering

5.7 *Pre-Construction Review*

The most effective project management team is one that consists of multiple disciplines (e.g. Operations, Engineering, Regulatory, Accounting, Supply Chain, etc.) working together to ensure that proper financial and process controls are in place. This is critically important for major construction projects or when dealing with complex operational and/or financial issues. With this in mind, an integrated project management team should be formed to complete a pre-construction review during the earliest planning phase for capital investments **exceeding \$3MM** (on a gross basis).

The project manager responsible for assembling the review team will be appointed by the NGD Engineering Director. The project manager will be responsible for working with key business partners such as accounting and internal audit to develop a project template along with necessary control documents to ensure that proper accounting procedures are followed to capture complete and accurate project costs. Project management controls will also be developed for critical project and contract administrative activities prior to project construction. Finally, these control documents will be reviewed and approved by the project management team prior to exiting the project initiation phase.

Section 6: Completed Project Evaluations

6.1 *Cost and Benefit Tracking*

A Cost and Benefit Tracking Report must be completed for each project that qualified for corporate review and approval (see section 5.4). The project sponsor should deliver the report to Capital Allocation no later than 60 calendar days from the project in-service date.

Table 5 provides a summary of the necessary information to be included in the report. In some instances, this information may not be applicable to the project

¹¹ With approval of NGD Manager, Engineering for the operating company

and should be noted in the report. In the event that information is not available to answer questions at the time of the report is made, a subsequent review date should be scheduled.

Table 5 – Cost and Benefit Report: Required Information

Information Type	Key Points
Revenue	<ul style="list-style-type: none"> • A comparison of revenues provided in the business case versus revenues expected over the next 60 months. • An explanation of any significant differences between revenues forecasted in the business case and those being provided in the report.
Cost	<ul style="list-style-type: none"> • A comparison of the capital and O&M costs in the business case versus an updated forecast of costs for the next 60 months, if applicable. • Indicate the level of certainty of the forecasted costs at the time of this report and highlight assumptions being used to provide the comparison to the business case costs. • An explanation of any significant differences between costs forecasted in the business case and those being provided in the report.
Timing	<ul style="list-style-type: none"> • An explanation of any significant differences between forecasted project timelines and actual schedules. • If applicable, please indicate any financial impact (favorable or non-favorable) that was incurred by a delay of the project.

6.2 Post Audit Review

Each distribution company may be required to participate in random or targeted post-audit reviews carried out by Capital Allocation and Internal Audit. Projects are subject to post-audit review at any time during or after completion. Any projects qualifying for corporate review and approval (see section 6.4) which vary from budget quality estimates by greater than 15% will be subject to review by Audit. Post audit reviews will also be carried out at the request of Executive Management.

The review may cover any relevant aspect of a project including but not limited to:

- a) Changes in the project nature and scope review.
- b) Variance analysis from the original timeline.
- c) Variance from the originally proposed expenditures and revenues.
- d) Capital allocation changes.
- e) Recalculation of financial models based on changing strategic goals, model input assumptions, cash flows, discount rates, etc.
- f) Risk factors that may have changed since the inception of the project

A Post-Audit Review report will be generated by Internal Audit and Capital Allocation and conveyed to the operating segment and the Executive Council. The review will include audit goals, processes, findings, suggested or required remedies, and notable successes.

Section 7: Budget Variance Explanations

7.1 Program Variance

Each month, Capital Program Management will lead a capital program review session with key management staff in engineering, budgeting, regulatory, and financial planning. These sessions will include a review of current month and year-to-date actuals, variance explanations, year-end forecasts, and key management action plans.


7.2 Specific or Project Budget Variance

Level 1 Variance: Once it is known that the cost of an approved Specific or Project budget will vary by greater than **+/- 10% or \$5,000** (whichever is greater), the project manager will submit a written explanation outlining the reason for the variance. At a minimum, Level 1 variance explanations should include a summary of changes in the project's nature that significantly impacted the cost such as material increases, unexpected construction challenges, and inclement weather delays.

Level 2 Variance: As soon as it is determined that a Specific or Project budget will vary by greater than **20% or \$50,000** (whichever is greater), the budget must be re-approved according to the approval limits applicable to the new amount. This should be done prior to the completion of the project. A standard template is provided in **Appendix B** and must be completed for any Level 2 variance.

Appendix A

Specific Budget Business Case Request – Standard Form Signature Page

	<u>Specific Budget Request</u>
Project Information	
Project Name	Project Name
Project Sponsors	Sponsor Name(s)
Company	Company Name
Business Class	Business Class (i.e. Growth, Betterment, Public Improvement, IT, etc.)
Amount and Term	\$XX million, XX years
Reference Number:	Specific Budget Number / Project ID / Work Order
Approval Authority	
	Signature
	Date
Field Engineering Manager	Name
Director Engineering	D. Roy
VP Planning & Engineering	C. Shafer
NGD Chief Operating Officer	S. Patterson
NGD Chief Financial Officer	S. Sagun
Note: Titles & Signatures should be added or deleted based on Table 1 & 2 of the Capital Approval Matrix Starting w/ Manager and Above	
Additional Conditions	
List conditions placed by sponsors or signatories for project to be authorized. Use "None" if there are not any.	

Appendix A (Continued)

Specific Budget Business Case Request – Standard Form General Information

To:	David A. Roy Director Engineering	cc:	Robert V. Mooney Director Capital Program Management
From:	Sponsor Name and Title	Company:	Company Name
Subject:	Project Name	Date:	DD/MM/YYYY

Project Description & Overview

- Provide a short introduction describing the project's nature and benefits.
- Indicate how investment supports LDC goals and NiSource strategic initiatives.
- List expected project start and completion dates.
- Discuss whether investment is an ongoing project or program.
- Provide high-level financial impact (i.e. annualized costs, NPV, IRR, etc.).
- Offer any other notable information.

Alternative Solutions

- Indicate alternative solutions evaluated and why they were not pursued.
- Describe any bidding process performed and name(s) of bidders involved.
- Discuss analysis performed and tools used (e.g. Optimain, SynerGEE, etc.).

Risks and Mitigation

- List potential risks and applicable mitigation strategies (i.e. Financial, Operating, Market & Customer, Legal & Regulatory, Environmental, Health & Safety)

Success Criteria

- Performance measures (i.e. output, cost savings, benchmarks, etc.) that define project success.
- Schedule of milestones, expected timing, and any payments due at milestones.

Financial Analysis


- Provide summary of analyses performed and outcomes (e.g. NPV, IRR, etc.)
- Include key assumptions used in creating the financial model
- Sensitivity Analysis - Discuss key project drivers / sensitivities. The sensitivity analysis should also be displayed as a financial table.

Additional Information

Provide other information or attach other documents, memos, presentations, charts, etc. useful in evaluating the project.

Appendix AA

Specific Budget Request – For Replacement Type Projects Signature Page

	<u>Specific Budget Request</u>	
Project Information		
Project Name	Project Name	
Project Sponsors	Name of Field Engineering Leader	
Company	Company Name	
Business Class	Business Class (Replacement or Public Improvement)	
Amount and Term	\$XX million, XX years	
Reference Number:	Specific Budget Number / Project ID / Work Order	
Approval Authority		
	Signature	Date
Field Engineering Manager	Name	
Director Engineering	D. Roy	
VP Planning & Engineering	C. Shafer	
NGD Chief Operating Officer	S. Patterson	
NGD Chief Financial Officer	S. Sagun	
Note: Titles & Signatures should be added or deleted based on Table 1 & 2 of the Capital Approval Matrix Starting w/ Manager and Above		
Additional Conditions		
List conditions placed by sponsors or signatories for project to be authorized. Use "None" if there are not any.		

Appendix AA (Continued)

Specific Budget Business Case Request – For Replacement Type Projects General Information

To:	David A. Roy Director Engineering	cc:	Robert V. Mooney Director Capital Program Management
From:	Sponsor Name and Title	Company:	Company Name
Subject:	Project Name	Date:	DD/MM/YYYY

Project Description & Overview

- Location: (city)
- Engineer/Technician:
- Project ID#:
- Total Estimated Cost:
- Estimated Main Replacement Cost:
- Estimated Service Line Replacement & Meter Move-Out Cost:
- Existing MAOP:
- New MAOP:
- # of Service Lines to Replace:
- # of Meter Move-Outs:
- # of Reconnects:
- Summary of Main(s) (length, size and kind) to be Installed:
- Summary of Main(s) (length, size and kind) to be Retired:

Alternative Solutions

- Indicate alternative solutions evaluated and why they were not pursued for situations where the new MAOP will remain LP. Otherwise "None".

Elimination of Risk

- Optimain Combo Risk Score:
- Optimain Risk Score per \$100k of Project Cost:
- # of Single Optimain Projects w/ Risk Scores > 50:
- # of Top 50 Optimain Projects in Area (:): *Example...2 (#4, #39)*

Success Criteria

- Performance measures (i.e. output, cost savings, etc.) that define project success.
- Schedule of milestones, expected timing, and any payments due at milestones.
- Potential risk factors (i.e. land acquisition, permit approval, etc.)

Appendix B

“Level 2” Budget Variance Explanation – Standard Form

Note: If applicable, please attach original Specific Budget Business Case Request – Standard Form and a work order sketch or design drawing detailing the work to be done.

Project Name: _____

Project Sponsor(s): _____

Original Budget Amount: _____

Amount Requested: _____

Budget Variance \$ Amount / Percentage: \$XX,XXX / XX%

Brief Project Description

[Provide a short introduction describing the project’s nature and benefits]

[List expected project start and completion dates]

Cost Element Change

	Original (\$)	Current Estimate (\$)
Material		
Contract Labor		
Company Labor		
Overheads		
Right-of-Way		
Other		
Other		
Other		

Reason for Budget Variance

[Provide a summary of key reasons for the budget variance.]

[Highlight reasons for cost element changes provide above.]

[Discuss action plans to avoid future reoccurrences.]

Approvals

Signature

Date

Leader, Field Engineering _____

Manager, Field Engineering _____

Director Engineering _____

Appendix C

NGD Capital Policy Frequently Asked Questions

Where can I get a copy of the Corporate Capital Allocation Policy? A copy of the corporate policy is available via MySource from the Gas Distribution Engineering portal.

Why is the capitalization threshold for the purchase of General Plant equipment \$1,000? FERC provides general guidance regarding the capitalization of certain items and specific thresholds are further defined by each company's management team. For NiSource, a \$1,000 capitalization threshold for general plant equipment has been established by NiSource's Corporate Controller.

Many items that we use such as fittings and AMR devices are less than \$1,000 per individual unit and even collectively in certain circumstances. Should these be capitalized or expensed? AMR devices, pipeline fittings, and other items that are attached to capitalized assets such as meters, pipelines, etc. are considered capital asset appurtenances and should be capitalized regardless of cost and quantity. For further clarity on unique purchases, please consult with the Segment Controller.

Are software costs capitalized or expensed? Statements of Position (SOP) have been developed by the American Institute of Certified Public Accountants to provide more detailed accounting instructions for costs handled inconsistently across companies. Accounting for computer software costs can be found in SOP 98-1, which can be found via MySource in the Gas Distribution Engineering Portal.

If a gas main is exposed due to shallow depth (i.e. sediment erosion, excavation, etc.) and must be replaced, is this considered Betterment or Replacement? Projects such as this should be placed in the Replacement business class as the condition and structural integrity of the facility is compromised under these situations (i.e. age and condition related).

What are examples of project types that should be placed in "Compliance" Betterment? Compliance betterment is reserved for those projects that are not of an "age and condition" nature. Such projects typically improve the operation of a system without increasing its capacity. Other projects included here those that are done to fulfill internal/external procedural requirements. Examples include installation of critical valves or SCADA equipment.

When is the best time to have an engineering peer review? An engineering peer review should be done once the conceptual design of the project is complete. Depending on the size of the project, this may be 12 to 18 months before the anticipated start date of the project.

Appendix D

Use of Optimain DS® for Maintenance Capital Prioritization

Introduction

Opvantek's Optimain DS® ("Optimain") has been implemented for the NGD operating companies to establish consistent guidelines and processes for prioritizing the replacement of aging infrastructure. This application will be the primary tool used by Engineering to support infrastructure replacement programs.

Optimain is a gas main predictive failure software application that utilizes NiSource legacy work management and customer information systems. It provides a complete risk evaluation for each priority pipe main segment within the gas distribution system that has experienced a leak. This solution identifies and ranks projects based on risk, consequence and economics to enable better capital allocation decisions for NGD.

System Maintenance and Administration

Optimain will be maintained and administered by the Leader, Capital Allocation and Asset Management ("Capital Allocation Leader"). These activities include but are not limited to the following:

- a) Coordinating quarterly updates of all data from the aforementioned legacy systems with the first quarterly update to be completed in early-February each calendar year.
- b) Running batch processes to create new or update all existing projects
- c) Coordinating the appropriate local Engineering review of all High Priority projects
- d) Providing support with training or system troubleshooting
- e) Facilitating monthly reviews of system performance and utilization including checking for invalid projects, leaks without projects, or other anomalies possibly created by user error.
- f) Requesting, developing, and evaluating necessary system enhancements from Opvantek
- g) Uploading all High Priority Projects into Envista™¹² where appropriate to capture repaving and coordination savings opportunities from public improvement projects

¹² Envista™ is a web based, map-driven solution for the exchange and coordination of construction and maintenance projects between utilities and municipal agencies

Appendix D (Continued)

Capital Budgeting and Allocation

The infrastructure replacement program (IRP) capital budgeting and planning process for NGD is a continual management process and includes the following key milestones:

Feb 15 - Mar 31	Using Optimain to identify riskiest segments. Field Engineering teams should review and update any previously designed Combo Projects and High Priority Single projects and finalize the estimates for program submission.
April:	Field Engineering Leaders from each state and the Capital Allocation Leader will review IRP submissions for consistency and appropriate prioritization.
April - May:	Capital Allocation Leader and Field Engineering Leaders will generate state-by-state metrics and analyses of proposed projects (e.g. Total Risk, \$/Risk, O&M Savings Projections) for support of their IRP submissions.
May - June:	Field Engineering Managers will review and approve IRP projects for submittal as part of their overall Capital Budget.

Use of Optimain DS® for Maintenance Capital Prioritization

Using Optimain to Identify Combo and High Risk Single Projects

Field Engineering should take ownership and generate a ranking of their area's high priority segments and review each project to look for opportunities to create IRPs including as many highest risk segments as practical. All adjacent segments which are being considered and have an Optimain single project created should be included to capture the entire Combo risk value.

Field Engineering should also perform a preliminary review of all remaining High Priority single projects to further assess any risk mitigation or replacement activities which may be recommended in addition to any IRP recommendations. Comments and/or actions taken should be added to the design notes area in Optimain.

Reports and Analysis

Metrics for each IRP and high risk single projects being submitted should include Total Risk, Capital \$\$ per Risk, Projected O&M Savings and any other compelling reason to approve the project. The Optimain project report should be submitted as well. State goals should include these metrics in addition to the total retired pipe footage.

The Capital Allocation Leader will work with the Engineering Managers to roll these reports into a statewide report and comparison to be reviewed by the Director Engineering, Director Capital Program Management, and Vice President Engineering & Operations Logistics.

Appendix D

Quarterly Reviews and Activities

After each Optimain DS update, Field Engineers who own Optimain projects should review their project list to determine if any projects can be completed or if some should be prioritized differently. Predefined filters will easily separate any projects which have been created or modified. Suspected areas of active corrosion should also be identified using predefined filters and further evaluated.

After Optimain has been updated, the Director Capital Program Management will lead a program review session with key management staff in engineering regarding the latest month and year-to-date actuals on metrics and year-end forecasts. Key management action plans about any variances or reallocations of capital will be made at that time.

Appendix E

CDC Construction and Retirement Standard Blanket Budget Definitions

The following is a list of "distribution" and "general" construction and retirement standard blanket budget definitions for the Columbia companies. For a complete list that includes definitions for "production" and "storage" capital investments, please visit the Gas Distribution Engineering portal on MySource.

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Acquisition or Sale of Gas Plant in Service: Non-Affiliated Companies To provide for the purchase or sale of gas plant in service (including the price of associated land) to or from non-affiliated parties.	543	544	Support Services
Acquisition or Sale of Gas Plant in Service: Affiliated Companies To provide for the purchase or sale of gas plant in service (including the price of associated land) to or from an affiliated Columbia System Company.	545	546	Support Services
Electronic Flow Computers/Correctors To provide for the installation and retirement of Electronic Flow Computers/Correctors for electronic correction of volume data for GMB (excess pressure) meters where pressure, temperature and super compressibility correction is necessary	547	548	Betterment
Automatic Meter Reading Devices To provide for the installation and retirement of automatic meter reading devices on residential, commercial and industrial meters. (Automatic meter reading devices are associated with low pressure meter applications only where no pressure and temperature correction is necessary).	549	550	AMR
Mains - New Business Extensions to distribution lines to serve new customers.	555	--	Growth

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Mains - Leakage Elimination Replacement and retirement of distribution lines which are found to be leaking and beyond the state of economical repair.	557	558	Replacement
Mains - Service Improvement Replacement, retirement or addition of distribution lines in order to improve service to customers.	559	560	Betterment
Mains - Street Improvement Replacement and retirement of distribution lines due to street highway construction or requirement of others.	561	562	Public Improvement
Service Lines - New Installation of any category of new company owned service line to supply service to new customers.	563	--	Growth
Service Lines - Replacement Replacement and retirement of any category of company owned service line due to condition, insufficient capacity, changes in operations, etc.	565	566	Replacement
Meters¹³ Purchase and retirement of all meters regardless of size both for new customers and replacement meters to be retired. This budget to include only the cost of meters plus stores expense and testing expense.	567	568	Growth Replacement
Meter Installations - New Installation of all low pressure meter settings to serve new domestic, commercial and industrial customers.	569	--	Growth
House Regulators - New Includes the cost of the regulators and installation required to serve new customers. A house regulator is defined as one with fewer than two inch connection.	571	--	Growth
Plant Regulators - New Purchase and installation of town plant regulators.	573	--	Growth
Regulator Sites Cost of securing or retiring regulator sites including price of the land.	575	576	Growth
Regulator Structures - New Structures required to house new regulation equipment.	577	--	Growth
Meter Installations - Replacement Replacement and retirement of existing low pressure meter settings for all domestic, commercial and industrial customers.	579	580	Replacement
House Regulators - Replacement Includes the cost of replacement and retirement of existing house regulators and installation. A house regulator is defined as one with fewer than two inch connection.	581	582	Replacement
Plant Regulators - Replacement Replacement and retirement of town plant regulators.	583	584	Replacement

¹³ Percent allocation between growth and replacement varies by NGD operating company

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Regulator Structures – Replacement Replacement and retirement of structures required to house regulation equipment.	585	586	Replacement
Large Volume Excess Pressure Measuring Station Installations Installation of equipment (additions, retirements and replacements) for all excess pressure measuring stations.	587	588	Growth Replacement
Service Regulators – New Purchase and installation of regulation equipment with two-inch connections and over for new customers.	593	--	Growth
Corrosion Mitigation Installations Provide for the installation and retirement of all types of distribution cathodic protection systems.	595	596	Replacement
Service Regulators – Replacement Replacement and retirement of regulation equipment with two-inch connections and above.	597	598	Replacement
Office Furniture and Equipment To provide necessary office furniture and equipment to properly carry on the utility's operations and to replace or retire obsolete equipment upon which maintenance has become excessive.	901	902	Support Services
General Structures To provide for the additions, retirements or replacements to structures and equipment of sundry gas properties not provided for elsewhere.	903	904	Support Services
Miscellaneous Buildings Equipment To provide for essential equipment required for general use to carry on operations economically and efficiently and to replace or retire obsolete equipment with more modern and efficient equipment.	905	906	Support Services
Miscellaneous Motorized Equipment To provide for essential non-licensed and numbered general tool equipment required for general use to carry on operations economically and efficiently and to replace or retire obsolete equipment with more modern and efficient equipment.	907	908	Support Services
Communications Equipment To provide for additions, replacements, retirement and alterations to microwave, telephone, telemetering, remote control, and other distribution communication equipment.	909	910	Support Services
Electronic Data Processing (EDP) Equipment To provide for additions, replacements and retirement of all EDP related equipment.	911	912	Segment IT
Electronic Data Processing (EDP) Software To provide for EDP software used for operation of EDP networks pertaining to operations where capitalization is deemed applicable.	913	914	Segment IT



Capital Authorization and Allocation Policy
January 2012

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
Miscellaneous To provide for the purchase, replacement and retirement of miscellaneous minor distribution items not otherwise provided for.	915	916	Support Services
Alternative Fuel Vehicle Equipment To provide for the purchase, replacement or retirement of fueling equipment for natural gas, propane, methanol or other alternative vehicle fuels.	917	918	Support Services
Inter-Company Transfers: CDC To provide for the purchase or sale of equipment, including meters, to or from a Columbia Distribution Company.	998	999	Support Services

POLICY SUBJECT: NGD Capital Allocation and Authorization Policy

EFFECTIVE DATE: May 5, 2008

LAST REVISION: April 1, 2013

NiSource Gas Distribution (“NGD”) is committed to making prudent capital investment decisions that provide safe, efficient and reliable service to our customers while delivering sustainable earnings growth and value to our shareholders. To achieve these results, this **NGD Capital Allocation and Authorization Policy** has been adopted for the NGD operating companies.

This policy is aligned with and governed by the **Corporate Capital Allocation Policy** and supersedes any prior capital authorization policy for NGD companies in its entirety. Each operating company and its employees involved in capital spending and retirement activities are expected to be familiar with and follow this policy.

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Section 1: Definition and Overview

This policy applies to any activity resulting in the creation of a capital asset, recording of a capital expenditure, capital investment, and acquisition or divestiture of an asset.

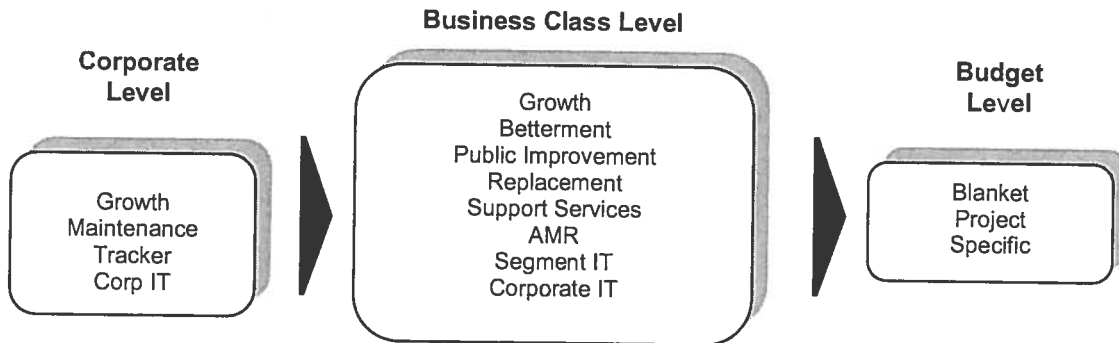
The capitalization threshold for the purchase of "General Plant" equipment is **\$1,000 per individual unit**. Therefore, any expenditure for an individual unit totaling less than \$1,000 should be charged to the appropriate operating expense account. This threshold will be consistently applied throughout each NGD operating company.

General Plant consists of the following type of equipment:

- a) Office furniture and equipment (desk, chair, cabinet, table, etc.)
- b) Tools and equipment (paving breaker, leak detector, pipe locator, etc.)
- c) Computers and related equipment (personal computer, printer, scanner, etc.)
- d) Miscellaneous equipment (breathing equipment, refrigerator, card reader, etc.)

The basis for determining whether a purchase of general plant equipment is to be expensed or capitalized should generally be determined by the individual or unit price of the item and not the invoice total¹. Employees should consult with the Controller for any further guidance or clarification regarding the capitalization of a cost or project.

Figure 1 represents a hierarchical relationship among the corporate, business class, and budget levels.



¹ For instance, the purchase of 30 flat screen monitors at a unit price of \$400 each is to be expensed even though the invoice totals \$12,000.

1.1 Corporate Level

At the corporate level, capital expenditures are divided into **Growth, Maintenance, Tracker or Corporate IT**. In order to achieve alignment, relevance, and execution across the NGD operating companies, capital expenditures are further allocated across eight (8) business classes as described in the following section.

1.2 Business Class Levels

1.2.1 *Growth (also referred to as "New Business")*

Spend in this category will typically be non-discretionary in nature and shall be used for any facilities that are required to serve new tariff mandated customers. It is recognized that on occasion there may also be discretionary spend opportunities for long-term strategic growth initiatives.

This category shall also be used for **Growth Betterment**, which are capital investments that provide increased system capacity to specific new customers and/or existing customers who are adding load that require the new installation or replacement of existing facilities that are insufficient (i.e. improvements to upstream distribution facilities).

1.2.2 *Betterment ("Capacity" or "Compliance")*

Spend in this category may be either discretionary or non-discretionary. This category shall be used for any facilities that are required to improve system reliability or provide additional capacity for existing customers. Projects to address long-term market growth shall also be included in this category.

Finally, this category shall be used for any projects needed to remain compliant with internal or external policies that are not "age and condition" related (e.g. pipeline integrity). This is referred to as "Compliance Betterment".

1.2.3 *Replacement (also referred to as "Age and Condition")*

Spend in this category is typically non-discretionary and shall be used for any facilities that must be replaced (planned or emergency) due to damage or physical deterioration in situations where repair is not feasible. The majority of projects in this category address aging infrastructure.

However, there are several other project types that are to be included here such as regulator station rebuilds, corrosion mitigation, and small/large

volume meter settings. Engineering should be consulted for further clarification(s).

1.2.4 *Public Improvement (also referred to as "Mandatory Relocation")*

Spend in this category is typically non-discretionary and shall be used for any facilities that must be relocated or raised/lowered to meet the requirements of municipal roadway reconstruction projects. Relocation projects that are done to accommodate requests from existing customers or private entities shall also be included in this category.

1.2.5 *Support Services*

Spend in this category may be either discretionary or non-discretionary. This category shall be used to capture capital expenditures that are not directly related to the installation of distribution facilities. This includes expenditures for capitalized tools/equipment and small facility improvements (e.g. operations center office renovations).

1.2.6 *Segment IT*

Spend in this category may be either discretionary or non-discretionary and includes capital investments in information technology that is *specifically identified and sponsored by the NGD management team*. These costs will typically be charged directly to NGD operating companies and will be managed by applicable NGD business units with assistance from NiSource Corporate IT.

1.2.7 *Corporate IT*

Spend in this category may be either discretionary or non-discretionary and includes capital investments in information technology that is *allocated to NGD and the other NiSource business segments*. These costs will typically pass through the NGD operating companies as NCS expenditures and will be managed by NiSource Corporate IT with assistance from applicable NGD business units.

1.2.8 *Automated Meter Reading (AMR)*

Spend in this category is of a strategic nature and include the cost of targeted AMR deployment programs for the NGD operating companies.

Section 2: Budget Types

To facilitate the budgeting and tracking of capital expenditures within the business classes described in section 1.2 of this policy, the allocation of capital is further refined into three (3) budget levels: **Blanket, Project, and Specific:**

Blanket Budget is used to designate construction or retirement activity related to the numerous and relatively small capital activities² that are of a routine and recurring nature. Generally, there is no signature approval required prior to the commencement of work for each work order.

Project Budget is used to designate construction or retirement activity related to a unique project that generally requires an engineering design and construction work plan. A Project Budget is typically routine and recurring in nature and may consist of a collection of related Blanket Budgets. Signature approvals are generally required prior to the commencement of work; however, verbal and/or electronic approvals are also acceptable.

Specific Budget is used to designate construction or retirement activity related to a unique project that has a total cost estimate greater than **\$1,000,000**³ and generally requires an engineering design accompanied with a construction work plan. Capital costs for related blanket work orders shall be used in the economic analysis and business case summary, but the actual work orders do not need be submitted with the Specific Budget.

Signature approvals are generally required prior to the commencement of work; however, verbal and/or electronic approvals are also acceptable. Once a Specific Budget has been approved, any associated job orders may be subsequently approved subject to the approval levels outlined in section 5.

Section 3: Planning and Management Process

As with other business segments, the capital planning and allocation process for NGD is integral to the overall success of the NiSource corporate planning process. In order to ensure the effectiveness of this process, the Capital Program Management⁴ team has been established to:

- a) Maintain the NGD Capital Allocation and Authorization Policy and function as the primary administrator and contact for the capital program.
- b) Facilitate a consistent capital allocation and planning process across NGD.

² Example: *Install, Service Lines (New Business)*.

³ Gross basis (not including any aid to construction or customer deposits)

⁴ This team is part of the NGD Engineering & Operations Logistics organization.

- c) Provide capital prioritization tools to optimize capital spending across NGD.
- d) Provide long-term facilities planning solutions across all business classes.
- e) Monitor capital expenditures using appropriate forecasting and variance analysis methods/models.
- f) Communicate capital expenditure information to the financial planning, regulated revenue, operations, and corporate planning management teams.

Section 4: Budget Development and Allocation Process

The capital budgeting and planning process for NGD is a continual management process and includes the following key milestones in preparation for subsequent year capital expenditure programs:

April – May:	Annual Capital Review meetings are held and engineering begins developing grass roots budget estimates using a budget template provided by the Director, Capital Program Management.
June:	Budget templates returned to Director, Capital Program Management.
June – July:	Director, Capital Program Management merges budget templates into one consolidated plan for the distribution companies.
July – August:	Formal request for capital is presented to the Capital Allocation Group ⁵ (“Capital Allocation”) and the Executive Council at the annual corporate capital planning meeting (timing and location to be determined each year).
September – October:	Capital budget is finalized by the Executive Council
November – December:	President and CEO presents final budget request to Board of Directors for approval. Approved capital budget is distributed to distribution company leadership teams and planning organizations.

4.1 Annual Capital Review

Every year during the months of **April and May**, the Director, Capital Program Management will facilitate meetings with the Engineering Department to discuss, in detail, progress on the current year’s capital program as well as any expected capital requirements for the following year. It is understood that capital needs for the following year will be preliminary during this review and that further study will be done before the annual corporate capital planning meeting held in July/August.

These reviews should include a summary of any material changes in new business activity for the current year as well as any betterment projects resulting

⁵ This team is part of the NiSource Financial Planning & Analysis organization.

from winter operations. Engineering should also be prepared to provide a status update of any infrastructure replacement programs.

4.2 *Prioritization and Risk Assessment*

Capital prioritization and risk assessment models will be administered by Engineering to ensure consistency, continuity, and optimization. Maintenance related projects planned for the subsequent year will be reviewed and selected using these assessment models⁶.

4.3 *Long Range Capital Investment Plan*

Preparation of the multi-year capital investment plan will begin in **April** each year. In order to assemble information in the most consistent format, the Director, Capital Program Management will provide templates to the Engineering Department to prepare their formal requests for capital. These templates will include the following:

- a) Categorized line item estimates for each Business Class Level. For instance, the "Replacement" business class will include line items for main replacement, meter installations, service lines, and peak shaving facilities.
- b) Project detail information by business class for Specific Budgets including brief project description/location and program year estimate(s).
- c) Annual estimates for contributions, reimbursements, aids to construction, and refunds.
- d) A consolidated summary showing gross and net capital expenditures by year and business class.
- e) A separate listing of projects that meet the following criteria (gross expenditures):
 - Maintenance projects/programs greater than \$20MM
 - Growth projects greater than \$3MM
 - Corporate projects greater than \$1MM
- f) Additional quantitative and qualitative information to support capital requests (e.g. rate case or regulatory tracker impacts).

All submittals will be generally due in **June**. During the months of **June and July**, templates will be consolidated into multi-year plan and submitted to Capital Allocation for further review and approval.

Section 5: Reviews and Approvals

⁶ These models include Optimain DS ® for replacement and the current betterment assessment model (BAM) administered by Gas Systems Planning.

This section includes descriptions of the types of review and approvals covered under this policy, including information related to the documentation required to obtain approvals. Approval may be indicated by either providing a written signature or by electronic approval in a system that has appropriate corporate approved controls.

5.1 Annual Program Approval

During **November or December** of each year, the NiSource Board of Directors approves the following fiscal year capital program for all business segments. The approval of the annual program constitutes approval of allocations to business classes and budgets as defined by Engineering. Once approved, each distribution company is responsible for efficiently managing its capital expenditures.

5.2 Project and Specific Budget Approval

Any planned capital project involving the installation or retirement of distribution facilities will have an associated design capital work order⁷. This work order should include a budget quality estimate of the total cost of work to be performed. Project budget review and approval requirements are based on the total capital invested amount over the entire life of the project. Once a work order is approved, any associated costs (i.e. labor/material invoice payments) are implicitly approved.

Capital approval and authorization levels are outlined in **Table 1** on the following page. Please note that these are the *minimum* signatures required for approval and local management teams may elect to have additional approvals (e.g. operations center managers, general managers, etc.). NGD Engineering is primarily responsible for capital project approvals and this table prescribes the level of approval authority for each project type. Any project with a total cost estimate in excess of **\$1,000,000**⁸ is considered a *Specific Budget* (see definition in section 2) and requires *minimum* signature approval at the Director level.

Specific Budgets and projects are often revised after approval for updates such as current contract or material pricing. Such revisions do not require new approvals provided the estimated amount remains within the level already approved and there is no significant change in scope.

⁷ Defined as a single work order with a unique reference number for the work being performed accompanied by a work plan, work order sketch, and other necessary information

⁸ Gross basis (does not include any aid to construction or customer deposit)

A standard business case template provided in **Appendix A** must be completed for any Specific Budget. An alternate template provided in Appendix AA may be used for priority pipe replacement projects. A work order sketch or other applicable design drawing should be attached to the business case when routing it for approval. Templates may be revised as necessary to provide information in the most relevant and accessible format. Capital Program Management will also provide any needed assistance in completing the specific budget request template.

Table 1 – Capital Approval Matrix

Approval Level	Growth	Level of Capital Expenditure and <u>Minimum</u> Required Approvals				
		Tracker: Betterment Replacement Public Improvement	Maintenance: Betterment Replacement Public Improvement	Support Services	Segment IT and Corporate IT	AMR
≤ \$50K	Field Engineering Technician					
≤ \$100K	Field Engineer		Applicable Manager	NCS Manager	IT Manager	AMR/AMI Programs
≤ \$250K	Leader Field Engineering					
≤ \$750K	Manager Engineering					
≤ \$1.5MM	Director Engineering		Director Capital Program Management			
≤ \$3MM	VP Engineering & Construction					
> \$3MM	NGD Chief Operating Officer NGD Chief Financial Officer					
> \$5MM	For Projects greater than \$5 Million refer to table 3 for Corporate Approval Requirements					

5.3 Additional New Business Approval

In addition to project approvals as described in section 5.2, accompanying signature approvals are required for new business (“growth”) projects.

Table 2 shown on the following page prescribes the appropriate new business approval levels in addition to the minimum required approvals outlined in **Table 1** shown above. The approvals provided in **Table 2** apply to those distribution

companies where the New Business team⁹ is involved in the project evaluation and approval process.

It is recognized that under certain circumstances (i.e. securing an 'at risk' load addition or increase), it may be appropriate to either waive a customer contribution requirement or depart from the "standard" economic analysis model. Under these "non-standard" circumstances, new business projects must include a higher level of approval as outlined in **Table 2**.

Finally, a business case must be submitted along with any other approvals (i.e. NLRS approvals for Columbia companies) for any new business project with gross estimated capital expenditures greater than **\$1,000,000**. The standard business case template provided in **Appendix A** should be used for these instances.

Table 2 – Additional Signature Approvals for New Business

Approval Level	Growth
≤ \$25K	NB Rep or Sr Rep or Development Mgr, or Major Account Rep
≤ \$100K	NB Team Leader or Sr Rep or Development Mgr. or Major Account Rep
≤ \$250K	NB Mgr or Mgr Development or Mgr LCR
≤ \$750K	Director NB or Director LCR
≤ \$1.5MM	Director New Business or Director LCR
≤ \$3MM	VP Sales & Marketing
> \$3MM	Chief Commercial Officer
> \$5MM	For Projects greater than \$5 Million refer to table 3 for Corporate Approval Requirements

5.4 Corporate Review and Approval

Threshold values that initiate corporate review and approval of a capital project are based on the total capital invested over the entire life of the project and not just the current budget year. **Table 3** provides guidelines that trigger this additional approval:

Table 3 – Guidelines for Corporate Review and Approval

Project Status or Type	Project Category	Project Size	Review Form
Included in current Approved Capital Program	Betterment, Replacement, Public Improvement, Support Services	>\$20MM	Capital Allocation Review Standard Form
	Growth or New Regulatory	>\$5MM	

⁹ These teams are part of the NGD Customer Engagement organization.

Incremental to current Approved Capital Program	Tracker		
	Any	<\$5MM	Capital Allocation Review Short Form
Shift of Capital Dollars between Budgets	Any	>\$5MM	Capital Allocation Review Standard Form
	Growth to Growth Growth to Maintenance Maintenance to Growth	>\$5MM	Capital Allocation Review Short Form
Merger, Acquisition, Divestiture, or External Investments	With material retained liabilities	<\$5MM	Capital Allocation Review Short Form
	Any	>\$5MM	Capital Allocation Review Standard Form

When a capital project satisfies the criteria for corporate review, the capital allocation review forms (standard and short) referenced in **Table 3** must be submitted and may be found in the appendices of the **Corporate Capital Allocation Policy**. Capital Allocation should be notified and review forms should be submitted at least 30 calendar days prior to making any contractual commitments. Contractual commitments should not be entered into without prior approval of the business case.

All projects subject to corporate review which are greater than **\$5 MM** must be reviewed by the *Risk Management Committee (RMC)* and all projects greater than **\$25MM** must be approved by the NiSource Board of Directors. A project which is less than \$25MM may be submitted to the Board of Directors for approval at the discretion of the CEO.

5.5 Engineering Peer Reviews

NGD Engineering has adopted a peer review process to ensure the most favorable project design alternatives are considered and to validate the necessity of the proposed capital investment. The peer review panel will include cross-functional representatives from across NGD depending on the type of project under consideration.

Projects subject to a peer review and approval include the following:

- a) All projects requiring Corporate Approval as outlined in section 5.4 of this policy.
- b) All gas transmission class facilities equal to or greater than **\$1,000,000¹⁰**.
- c) Any project as requested by the Director Engineering

¹⁰ Gross basis (does not include aid to construction or customer deposit)

Engineering peer reviews are a key part of the long range capital planning process and shall be completed prior to all management signature approvals for the project under consideration. The reviews should be done once the conceptual design is complete and well in advance of any preliminary project expenditures (i.e. right-of-way acquisition, contract bidding, etc.).

5.6 *Project Management Team*

In order to effectively manage large construction projects, the Project Management team has been developed within the NGD Engineering organization. In coordination with field engineering, construction, supply chain, and other key groups, this team is responsible for managing growth and maintenance projects meeting the following criteria¹¹:

- a) All transmission class pipelines
- b) All point of delivery stations
- c) Any large diameter steel pipeline and/or large footage steel pipeline project(s)
- d) Projects requiring significant oversight such as environmental concerns, right-of-way acquisition, and increased public and political awareness
- e) Any project requested by the Directors of Engineering and Construction.

5.7 *Pre-Construction Review*

The most effective project management team is one that consists of multiple disciplines (e.g. Operations, Engineering, Regulatory, Accounting, Supply Chain, etc.) working together to ensure that proper financial and process controls are in place. This is critically important for major construction projects or when dealing with complex operational and/or financial issues. With this in mind, an integrated project management team should be formed to complete a pre-construction review during the earliest planning phase for capital investments **exceeding \$5MM** (on a gross basis).

The project manager responsible for assembling the review team will be appointed by the NGD Engineering and Construction Directors. The project manager will be responsible for working with key business partners such as accounting and internal audit to develop a project template along with necessary control documents to ensure that proper accounting procedures are followed to capture complete and accurate project costs. Project management controls will also be developed for critical project and contract administrative activities prior to project construction. Finally, these control documents will be reviewed and approved by the project management team prior to exiting the project initiation phase.

¹¹ With approval of NGD Manager, Engineering for the operating company

Section 6: Completed Project Evaluations

6.1 *Cost and Benefit Tracking*

A Cost and Benefit Tracking Report must be completed for each project that qualified for corporate review and approval (see section 5.4). The project sponsor should deliver the report to Capital Allocation no later than 60 calendar days from the project in-service date.

Table 5 provides a summary of the necessary information to be included in the report. In some instances, this information may not be applicable to the project and should be noted in the report. In the event that information is not available to answer questions at the time of the report is made, a subsequent review date should be scheduled.

Table 5 – Cost and Benefit Report: Required Information

Information Type	Key Points
Revenue	<ul style="list-style-type: none"> A comparison of revenues provided in the business case versus revenues expected over the next 60 months. An explanation of any significant differences between revenues forecasted in the business case and those being provided in the report.
Cost	<ul style="list-style-type: none"> A comparison of the capital and O&M costs in the business case versus an updated forecast of costs for the next 60 months, if applicable. Indicate the level of certainty of the forecasted costs at the time of this report and highlight assumptions being used to provide the comparison to the business case costs. An explanation of any significant differences between costs forecasted in the business case and those being provided in the report.
Timing	<ul style="list-style-type: none"> An explanation of any significant differences between forecasted project timelines and actual schedules. If applicable, please indicate any financial impact (favorable or non-favorable) that was incurred by a delay of the project.

6.2 *Post Audit Review*

Each distribution company may be required to participate in random or targeted post-audit reviews carried out by Capital Allocation and Internal Audit. Projects are subject to post-audit review at any time during or after completion. Any projects qualifying for corporate review and approval (see section 6.4) which vary from budget quality estimates by greater than a Level 2 Variance will be subject to review by Audit. Post audit reviews will also be carried out at the request of Executive Management.

The review may cover any relevant aspect of a project including but not limited to:

- a) Changes in the project nature and scope review.
- b) Variance analysis from the original timeline.
- c) Variance from the originally proposed expenditures and revenues.
- d) Capital allocation changes.
- e) Recalculation of financial models based on changing strategic goals, model input assumptions, cash flows, discount rates, etc.
- f) Risk factors that may have changed since the inception of the project

A Post-Audit Review report will be generated by Internal Audit and Capital Allocation and conveyed to the operating segment and the Executive Council. The review will include audit goals, processes, findings, suggested or required remedies, and notable successes.

Section 7: Budget Variance Explanations

7.1 Program Variance

Each month, Capital Program Management will lead a capital program review session with key management staff in engineering, construction, planning and scheduling. These sessions will include a review of current month and year-to-date actuals, variance explanations, year-end forecasts, and key management action plans.


7.2 Specific or Project Budget Variance

Level 1 Variance: Once it is known that the cost of an approved Specific or Project budget will vary by greater than **+/- 10% or \$5,000** (whichever is greater), the project manager will submit a written explanation outlining the reason for the variance. At a minimum, Level 1 variance explanations should include a summary of changes in the project's nature that significantly impacted the cost such as material increases, unexpected construction challenges, and inclement weather delays.

Level 2 Variance: As soon as it is determined that a Specific or Project budget will vary by greater than **20% or \$50,000** (whichever is greater), the budget must be re-approved according to the approval limits applicable to the new amount. This should be done prior to the completion of the project. A standard template is provided in **Appendix B** and must be completed for any Level 2 variance.

Appendix A

Specific Budget Business Case Request – Standard Form Signature Page

	<u>Specific Budget Request</u>	
Project Information		
Project Name	Project Name	
Project Sponsors	Sponsor Name(s)	
Company	Company Name	
Business Class	Business Class (i.e. Growth, Betterment, Public Improvement, IT, etc.)	
Amount and Term	\$XX million, XX years	
Reference Number:	Specific Budget Number / Project ID / Work Order	
Approval Authority		
	Signature	Date
Field Engineering Manager		
Director Engineering		
VP Engineering & Construction		
VP Sales & Marketing		
NGD Chief Commercial Officer		
NGD Chief Operating Officer		
NGD Chief Financial Officer		
<i>Note: Titles & Signatures should be added or deleted based on Table 1 & 2 of the Capital Approval Matrix Starting w/ Manager and Above</i>		
Additional Conditions		
List conditions placed by sponsors or signatories for project to be authorized. Use "None" if there are not any.		

Appendix A (Continued)

Specific Budget Business Case Request – Standard Form General Information

To:	Director Engineering	cc:	Director Capital Program Management
From:	Sponsor Name and Title	Company:	Company Name
Subject:	Project Name	Date:	DD/MM/YYYY

Project Description & Overview

- Provide a short introduction describing the project's nature and benefits.
- Indicate how investment supports LDC goals and NiSource strategic initiatives.
- List expected project start and completion dates.
- Discuss whether investment is an ongoing project or program.
- Provide high-level financial impact (i.e. annualized costs, NPV, IRR, etc.).
- Offer any other notable information.

Alternative Solutions

- Indicate alternative solutions evaluated and why they were not pursued.
- Describe any bidding process performed and name(s) of bidders involved.
- Discuss analysis performed and tools used (e.g. Optimain, SynerGEE, etc.).

Risks and Mitigation

- List potential risks and applicable mitigation strategies (i.e. Financial, Operating, Market & Customer, Legal & Regulatory, Environmental, Health & Safety)

Success Criteria

- No safety related incidents (vehicle crashes or injuries) to company personnel, contract personnel, customers or the public related to project activities.
- Performance measures (i.e. output, cost savings, benchmarks, etc.) that define project success.
- Schedule of milestones, expected timing, and any payments due at milestones.

Financial Analysis

- Provide summary of analyses performed and outcomes (e.g. NPV, IRR, etc.)
- Include key assumptions used in creating the financial model
- Sensitivity Analysis - Discuss key project drivers / sensitivities. The sensitivity analysis should also be displayed as a financial table.

Additional Information

Provide other information or attach other documents, memos, presentations, charts, etc. useful in evaluating the project.

Appendix AA

Specific Budget Request – For Replacement Type Projects Signature Page

NiSource™	<u>Specific Budget Request</u>	
Project Information		
Project Name	Project Name	
Project Sponsors	Name of Field Engineering Leader	
Company	Company Name	
Business Class	Business Class (Replacement or Public Improvement)	
Amount and Term	\$XX million, XX years	
Reference Number:	Specific Budget Number / Project ID / Work Order	
Approval Authority		
	Signature	Date
Field Engineering Manager		
Director Engineering		
VP Engineering & Construction		
NGD Chief Operating Officer		
NGD Chief Financial Officer		
<p><i>Note: Titles & Signatures should be added or deleted based on Table 1 & 2 of the Capital Approval Matrix Starting w/ Manager and Above</i></p>		
Additional Conditions		
<p>List conditions placed by sponsors or signatories for project to be authorized. Use "None" if there are not any.</p>		

Appendix AA (Continued)

Specific Budget Business Case Request – For Replacement Type Projects General Information

To:	Kevin Swiger Director Engineering	cc:	Robert V. Mooney Director Capital Program Management
From:	Sponsor Name and Title	Company:	Company Name
Subject:	Project Name	Date:	DD/MM/YYYY

Project Description & Overview

- Location: (city)
- Engineer/Technician:
- Project ID#:
- Total Estimated Cost:
- Estimated Main Replacement Cost:
- Estimated Service Line Replacement & Meter Move-Out Cost:
- Existing MAOP:
- New MAOP:
- # of Service Lines to Replace:
- # of Meter Move-Outs:
- # of Reconnects:
- Summary of Main(s) (length, size and kind) to be Installed:
- Summary of Main(s) (length, size and kind) to be Retired:

Alternative Solutions

- Indicate alternative solutions evaluated and why they were not pursued for situations where the new MAOP will remain LP. Otherwise "None".

Elimination of Risk

- Optimain Combo Risk Score:
- Optimain Risk Score per \$100k of Project Cost:
- # of Single Optimain Projects w/ Risk Scores > 50:
- # of Top 50 Optimain Projects in Area (): *Example...2 (#4, #39)*

Success Criteria

- No safety related incidents (vehicle crashes or injuries) to company personnel, contract personnel, customers or the public related to project activities.
- Performance measures (i.e. output, cost savings, etc.) that define project success.
- Schedule of milestones, expected timing, and any payments due at milestones.
- Potential risk factors (i.e. land acquisition, permit approval, etc.)

Appendix B

“Level 2” Budget Variance Explanation – Standard Form

Note: If applicable, please attach original Specific Budget Business Case Request – Standard Form and a work order sketch or design drawing detailing the work to be done.

Project Name: _____
 Project Sponsor(s): _____
 Original Budget Amount: _____
 Amount Requested: _____
Budget Variance \$ Amount / Percentage: \$XX,XXX / XX%

Brief Project Description

[Provide a short introduction describing the project’s nature and benefits]

[List expected project start and completion dates]

Cost Element Change

	Original (\$)	Current Estimate (\$)
Material		
Contract Labor		
Company Labor		
Overheads		
Right-of-Way		
Other		
Other		
Other		

Reason for Budget Variance

[Provide a summary of key reasons for the budget variance.]

[Highlight reasons for cost element changes provide above.]

[Discuss action plans to avoid future reoccurrences.]

Approvals

	Signature	Date
Leader, Field Engineering	_____	_____
Manager, Field Engineering	_____	_____
Director Engineering	_____	_____

Appendix C

NGD Capital Policy Frequently Asked Questions

Where can I get a copy of the Corporate Capital Allocation Policy? A copy of the corporate policy is available via MySource from the Gas Distribution Engineering portal.

Why is the capitalization threshold for the purchase of General Plant equipment \$1,000? FERC provides general guidance regarding the capitalization of certain items and specific thresholds are further defined by each company's management team. For NiSource, a \$1,000 capitalization threshold for general plant equipment has been established by NiSource's Corporate Controller.

Many items that we use such as fittings and AMR devices are less than \$1,000 per individual unit and even collectively in certain circumstances. Should these be capitalized or expensed? AMR devices, pipeline fittings, and other items that are attached to capitalized assets such as meters, pipelines, etc. are considered capital asset appurtenances and should be capitalized regardless of cost and quantity. For further clarity on unique purchases, please consult with the Segment Controller.

Are software costs capitalized or expensed? Statements of Position (SOP) have been developed by the American Institute of Certified Public Accountants to provide more detailed accounting instructions for costs handled inconsistently across companies. Accounting for computer software costs can be found in SOP 98-1, which can be found via MySource in the Gas Distribution Engineering Portal.

What are examples of project types that should be placed in "Compliance" Betterment? Compliance betterment is reserved for those projects that are not of an "age and condition" nature. Such projects typically improve the operation of a system without increasing its capacity. Other projects included here those that are done to fulfill internal/external procedural requirements. Examples include installation of critical valves.

When is the best time to have an engineering peer review? An engineering peer review should be done once the conceptual design of the project is complete. Depending on the size of the project, this may be 12 to 18 months before the anticipated start date of the project.

Appendix D

Use of Optimain DS® for Maintenance Capital Prioritization

Introduction

Opvantek's Optimain DS® ("Optimain") has been implemented for the NGD operating companies to establish consistent guidelines and processes for prioritizing the replacement of aging infrastructure. This application will be the primary tool used by Engineering to support infrastructure replacement programs.

Optimain is a gas main predictive failure software application that utilizes NiSource legacy work management and customer information systems. It provides a complete risk evaluation for each priority pipe main segment within the gas distribution system that has experienced a leak. This solution identifies and ranks projects based on risk, consequence and economics to enable better capital allocation decisions for NGD.

System Maintenance and Administration

Optimain will be maintained and administered by the Leader, Capital Allocation and Asset Management ("Capital Allocation Leader"). These activities include but are not limited to the following:

- a) Coordinating quarterly updates of all data from the aforementioned legacy systems with the first quarterly update to be completed in early-February each calendar year.
- b) Running batch processes to create new or update all existing projects
- c) Providing support with training or system troubleshooting
- d) Facilitating monthly reviews of system performance and utilization including checking for invalid projects, leaks without projects, or other anomalies possibly created by user error.
- e) Requesting, developing, and evaluating necessary system enhancements from Opvantek.
- f) Preparing reports and analysis utilizing Optimain data to show trends in system performance, etc.

Appendix D (Continued)

Capital Budgeting and Allocation

The infrastructure replacement program (IRP) capital budgeting and planning process for NGD is a continual management process and includes the following key milestones:

Feb 15 – Mar 31:	Using Optimain to identify riskiest segments, Field Engineering teams should review and update any previously designed Combo Projects and High Priority Single projects and finalize the estimates for program submission.
April:	Field Engineering Leaders from each state and the Capital Allocation Leader will review IRP submissions for consistency and appropriate prioritization.
April - May:	Capital Allocation Leader and Field Engineering Leaders will generate state by state metrics and analyses of proposed projects (e.g. Total Risk, \$/Risk, O&M Savings Projections) for support of their IRP submissions
May - June:	Field Engineering Managers will review and approve IRP projects for submittal as part of their overall Capital Budget.

Use of Optimain DS® for Maintenance Capital Prioritization

Using Optimain to Identify Combo and High Risk Single Projects

Field Engineering should take ownership and generate a ranking of their area's high priority segments and review each project to look for opportunities to create IRPs including as many highest risk segments as practical. All adjacent segments which are being considered and have an Optimain single project created should be included to capture the entire Combo risk value.

Field Engineering should also perform a preliminary review of all remaining High Priority single projects to further assess any risk mitigation or replacement activities which may be recommended in addition to any IRP recommendations. Comments and/or actions taken should be added to the design notes area in Optimain.

Reports and Analysis

Metrics for each IRP and high risk single projects being submitted should include Total Risk, Capital \$\$ per Risk, Projected O&M Savings and any other compelling reason to approve the project. The Optimain project report should be submitted as well. State goals should include these metrics in addition to the total retired pipe footage.

The Capital Allocation Leader will work with the Engineering Managers to roll these reports into a statewide report and comparison to be reviewed by the Director Engineering, Director Capital Program Management, and Vice President Engineering & Operations Logistics.

Appendix D

Quarterly Reviews and Activities

After each Optimain DS update, Field Engineers who own Optimain projects should review their project list to determine if any projects can be completed or if some should be prioritized differently. Predefined filters will easily separate any projects which have been created or modified. Suspected areas of active corrosion should also be identified using predefined filters and further evaluated.

After Optimain has been updated, the Director Capital Program Management will lead a program review session with key management staff in engineering regarding the latest month and year-to-date actuals on metrics and year-end forecasts. Key management action plans about any variances or reallocations of capital will be made at that time.

Appendix E

CDC Construction and Retirement Standard Blanket Budget Definitions

The following is a list of "distribution" and "general" construction and retirement standard blanket budget definitions for the Columbia companies. For a complete list that includes definitions for "production" and "storage" capital investments, please visit the Gas Distribution Engineering portal on MySource.

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
<p><u>Acquisition or Sale of Gas Plant in Service: Non-Affiliated Companies</u> To provide for the purchase or sale of gas plant in service (including the price of associated land) to or from non-affiliated parties.</p>	543	544	Support Services
<p><u>Acquisition or Sale of Gas Plant in Service: Affiliated Companies</u> To provide for the purchase or sale of gas plant in service (including the price of associated land) to or from an affiliated Columbia System Company.</p>	545	546	Support Services
<p><u>Electronic Flow Computers/Correctors</u> To provide for the installation and retirement of Electronic Flow Computers/Correctors for electronic correction of volume data for GMB (excess pressure) meters where pressure, temperature and super compressibility correction is necessary</p>	547	548	Betterment
<p><u>Automatic Meter Reading Devices</u> To provide for the installation and retirement of automatic meter reading devices on residential, commercial and industrial meters. (Automatic meter reading devices are associated with low pressure meter applications only where no pressure and temperature correction is necessary).</p>	549	550	AMR
<p><u>Mains - New Business</u> Extensions to distribution lines to serve new customers.</p>	555	--	Growth

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
<u>Mains - Leakage Elimination</u> Replacement and retirement of distribution lines which are found to be leaking and beyond the state of economical repair.	557	558	Replacement
<u>Mains - Service Improvement</u> Replacement, retirement or addition of distribution lines in order to improve service to customers.	559	560	Betterment
<u>Mains - Street Improvement</u> Replacement and retirement of distribution lines due to street-highway construction or requirement of others.	561	562	Public Improvement
<u>Service Lines – New</u> Installation of any category of new company owned service line to supply service to new customers.	563	--	Growth
<u>Service Lines - Replacement</u> Replacement and retirement of any category of company owned service line due to condition, insufficient capacity, changes in operations, etc.	565	566	Replacement
<u>Meters</u>¹² Purchase and retirement of all meters regardless of size both for new customers and replacement meters to be retired. This budget to include only the cost of meters plus stores expense and testing expense.	567	568	Growth Replacement
<u>Meter Installations – New</u> Installation of all low pressure meter settings to serve new domestic, commercial and industrial customers.	569	--	Growth
<u>House Regulators – New</u> Includes the cost of the regulators and installation required to serve new customers. A house regulator is defined as one with fewer than two inch connection.	571	--	Growth
<u>Plant Regulators – New</u> Purchase and installation of town plant regulators.	573	--	Growth
<u>Regulator Sites</u> Cost of securing or retiring regulator sites including price of the land.	575	576	Growth
<u>Regulator Structures – New</u> Structures required to house new regulation equipment.	577	--	Growth
<u>Meter Installations – Replacement</u> Replacement and retirement of existing low pressure meter settings for all domestic, commercial and industrial customers.	579	580	Replacement
<u>House Regulators – Replacement</u> Includes the cost of replacement and retirement of existing house regulators and installation. A house regulator is defined as one with fewer than two inch connection.	581	582	Replacement
<u>Plant Regulators – Replacement</u> Replacement and retirement of town plant regulators.	583	584	Replacement

¹² Percent allocation between growth and replacement varies by NGD operating company

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
<u>Regulator Structures – Replacement</u> Replacement and retirement of structures required to house regulation equipment.	585	586	Replacement
<u>Large Volume Excess Pressure Measuring Station Installations</u> Installation of equipment (additions, retirements and replacements) for all excess pressure measuring stations.	587	588	Growth Replacement
<u>Service Regulators – New</u> Purchase and installation of regulation equipment with two inch connections and over for new customers.	593	--	Growth
<u>Corrosion Mitigation Installations</u> Provide for the installation and retirement of all types of distribution cathodic protection systems.	595	596	Replacement
<u>Service Regulators – Replacement</u> Replacement and retirement of regulation equipment with two inch connections and above.	597	598	Replacement
<u>Office Furniture and Equipment</u> To provide necessary office furniture and equipment to properly carry on the utility's operations and to replace or retire obsolete equipment upon which maintenance has become excessive.	901	902	Support Services
<u>General Structures</u> To provide for the additions, retirements or replacements to structures and equipment of sundry gas properties not provided for elsewhere.	903	904	Support Services
<u>Miscellaneous Buildings Equipment</u> To provide for essential equipment required for general use to carry on operations economically and efficiently and to replace or retire obsolete equipment with more modern and efficient equipment.	905	906	Support Services
<u>Miscellaneous Motorized Equipment</u> To provide for essential non-licensed and numbered general tool equipment required for general use to carry on operations economically and efficiently and to replace or retire obsolete equipment with more modern and efficient equipment.	907	908	Support Services
<u>Communications Equipment</u> To provide for additions, replacements, retirement and alterations to microwave, telephone, telemetering, remote control, and other distribution communication equipment.	909	910	Support Services
<u>Electronic Data Processing (EDP) Equipment</u> To provide for additions, replacements and retirement of all EDP related equipment.	911	912	Segment IT
<u>Electronic Data Processing (EDP) Software</u> To provide for EDP software used for operation of EDP networks pertaining to operations where capitalization is deemed applicable.	913	914	Segment IT

Blanket Budget Definition	Const. 107	Ret. 108	Business Class
<p><u>Miscellaneous</u> To provide for the purchase, replacement and retirement of miscellaneous minor distribution items not otherwise provided for.</p>	915	916	Support Services
<p><u>Alternative Fuel Vehicle Equipment</u> To provide for the purchase, replacement or retirement of fueling equipment for natural gas, propane, methanol or other alternative vehicle fuels.</p>	917	918	Support Services
<p><u>Inter-Company Transfers: CDC</u> To provide for the purchase or sale of equipment, including meters, to or from a Columbia Distribution Company.</p>	998	999	Support Services

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

182. Capital Budgets. Provide, in the most detailed format available, for each year 2009 through 2012, 2013 year-to-date and the base & test years:
- a. the budgeted capital additions by type of plant,
 - b. the actual results for each year by type of plant, and
 - c. an explanation for any variance of 10% or more.

Response:

See Columbia's response to AG Data Request Set One No. 182 Attachment A.

Columbia does not develop or maintain explanations for variance at the blanket budget or capital addition level by type. Budget variance explanations are generally developed and maintained at the work order, specific budget, or entire program budget level.

Sum of Amount	Class	Blanket Budget/Job Type	Budgeted				Actuals				Variance				
			TOTAL 2009	TOTAL 2010	TOTAL 2011	TOTAL 2012	YTD Jun 2013	TOTAL 2009	TOTAL 2010	TOTAL 2011	TOTAL 2012	YTD Jun 2013	TOTAL 2009	TOTAL 2010	TOTAL 2011
			2009 04 12	2010 04 12	2011 04 12	2012 04 12	2013 Rate Est.	Actuals	Actuals	Actuals	Actuals	Variance	Variance	Variance	Variance
	1 New Business	376 555 Mains - New Business	535	827	441	460	1,106	752	1,574	1,768	3,810	217	(467)	(10)	872
		380 563 Service Lines - New	725	639	632	787	1,020	606	796	872	1,274	83	(43)	240	587
		381 567 Meters	30	19	28	28	12	18	27	27	25	(12)	8	(1)	10
		382 569 Meter Installations - New	70	65	105	75	38	63	145	85	95	(7)	66	(10)	(5)
		378 571 House Regulators - New	112	180	150	121	77	158	146	117	154	46	(14)	(33)	33
		374 573 Plant Regulators - New	30	35	35	50	26	45	239	131	86	15	264	86	36
		374 575 Regulator Siles	6	10	10	20	13	4	41	35	25	4	31	25	5
		375 577 Regulator Structures - New	0	15	6	6	6	3	4	52	38	2	(11)	(11)	46
		385 587 LV Excess Press Meas Sta	2,750	30	13	13	20	3	15	7	725	(2,749)	(15)	(6)	2
		376 Specific Budget Projects	4,257	1,000	1,420	1,500	2,387	1,885	1,574	1,768	3,810	(2,362)	(225)	348	2,310
	2 Replacement - Age & Condition	354 311 Compressor Stations	0	0	0	0	0	0	0	0	0	0	0	0	0
		376 557 Mains - Leakage Elim	1,800	1,200	2,100	1,673	3,256	1,277	1,458	2,746	4,037	(523)	258	646	2,364
		380 565 Service Lines - Replaced	2,040	4,000	3,700	3,700	2,816	4,051	2,811	4,858	4,264	2,011	(1,189)	758	564
		381 567 Meters	245	301	287	287	144	438	285	289	287	191	(19)	2	(80)
		382 579 Meter Install - Replace	80	70	60	60	37	78	58	126	68	(2)	(12)	66	6
		383 581 House Regulators - Replace	190	50	125	125	41	323	119	68	70	143	89	(57)	(55)
		378 583 Plant Regulators - Replace	115	74	75	75	231	375	283	157	112	(152)	1	208	82
		375 585 Reg. Structures - Replace	15	12	12	12	62	11	134	139	47	(6)	119	124	35
		385 587 LV Excess Press Meas Sta	20	200	87	87	87	89	99	49	101	68	(191)	(39)	14
		376 595 Corrosion Mitigation Ins	45	90	100	100	103	92	104	9	59	47	47	14	(41)
		998 Misc	2,580	0	2,284	4,081	821	85	14	9	159	65	14	0	159
		376 Specific Budget Projects	7,100	5,000	8,130	10,200	7,535	2,749	716	2,270	2,842	2,035	(127)	1,705	1,670
	2 Replacement - Age & Condition Total		(115)	1,000	600	633	287	1,090	1,166	1,904	1,245	1,115	166	404	610
	3 Replacement - Mandatory	376 561 Mains - Street Improvement	650	0	675	115	862	186	113	189	0	(452)	113	(506)	(115)
		376 Specific Budget Projects	535	1,000	1,275	750	1,149	1,196	1,278	1,172	1,245	653	279	(102)	485
	3 Replacement - Mandatory Total		178	150	290	1,000	84	92	56	22	388	(96)	(94)	(200)	(602)
	4 Betterment	376 559 Mains - Service Improvement	0	0	0	0	0	0	0	0	0	0	0	0	0
		376 Specific Budget Projects	178	150	290	1,000	84	92	56	22	388	(66)	(84)	(268)	(602)
	4 Betterment Total		31	80	390	359	80	12	57	251	393	(19)	(23)	161	13
	7 AMR PROGRAM														
	5 Support Services	391 901 Office Furniture and Equip	0	0	0	0	0	0	0	0	14	0	0	0	14
		375 903 General Structures	207	10	105	0	56	51	29	(177)	85	(150)	18	(122)	85
		397 909 Communications Equipment	0	0	25	0	158	26	63	125	181	20	63	100	181
		394 915 Miscellaneous	100	140	51	200	36	57	165	143	157	(43)	(35)	82	(43)
		907 Misc Motorized Equipment	0	0	0	0	0	3	0	73	0	0	0	73	0
		398 905 Misc Building Equipment	307	150	211	200	285	137	187	370	437	(170)	47	159	237
	5 Support Services Total		313	340	40	358	0	479	282	178	785	166	(48)	136	407
	6 IT	303 889 Interco Transfers - Corp	0	0	0	0	0	0	0	320	0	0	0	320	0
		303 889 Interco Transfers - Seg	0	0	0	0	0	0	488	83	16	0	488	83	16
		301 911 EDP Equipment	0	0	0	0	0	0	300	42	42	0	(404)	(382)	0
		303 913 EDP Software	134	734	404	292	0	49	0	0	0	0	0	0	0
		303 9407 SCADA Field Replacement	447	1,074	444	650	0	528	1,090	630	781	81	18	188	131
	6 IT Total		12,855	10,254	15,160	14,650	11,481	12,398	15,125	14,349	10,904	143	(128)	2,189	4,254
	Grand Total											143	(129)	2,189	4,254

Contributions/Reimbursements:	2009	2010	2011	2012	YTD Jun 2013
376 New Business	(220)	(220)	(200)	(200)	(636)
376 Municipal	(1,220)	(1,000)	(650)	(450)	(3,520)
					38
					182
					169

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

183. Capital Budgets. Provide, by project, for 2009 - 2012 and the base & test years, the budgeted reliability capital additions and the actual reliability capital additions. Explain any variance of 10% or more.

Response:

Columbia does not have a business class, blanket budget type, or job order type identified as reliability capital. Capital expenditures are allocated across eight business classes which includes growth, betterment, age and condition, public improvement, support services, segment IT, corporate IT, and AMR. Columbia utilizes multiple capital budget classes to aid in the safe, reliable, delivery of natural gas to its customers. See Columbia's response to AG Data Request Set One No. 182 Attachment A.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 184
Respondent: Eric T. Belle

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

184. Capital Budgets. RE: Belle direct at page 8, lines, 12-14, for each year for the period 2003-2013, for that portion that relates to Columbia, please provide the multi-year capital investment plan produced.

Response:

See Columbia's response attached hereto as Attachment A.

Capital Projections by Company and Budget Class
(\$000)

CKY

	<u>2003 Approved</u>	<u>2004 Projected</u>
New Business	2,009	2,174
Betterment	603	653
Replacement/Other	6,863	7,228
Support Service	402	435
IT	906	923
Gross Capital	10,783	11,412

Capital Projections by Company and Budget Class
(\$000)

CKY

	<u>2004 Approved</u>	<u>2005 Projected</u>	<u>2006 Projected</u>	<u>2007 Projected</u>	<u>2008 Projected</u>
New Business	3,139	3,201	3,265	3,331	3,397
Betterment	400	408	416	424	433
Replacement/Other	7,300	7,446	7,595	7,747	7,902
Support Service	100	100	100	100	100
IT	700	173	173	173	173
Gross Capital	11,639	11,328	11,549	11,775	12,005
Contributions	(470)	(479)	(488)	(498)	(508)
Net Capital	11,169	10,849	11,061	11,277	11,497
Segment IT	38	173	173	173	173
Corp It	662	0	0	0	0

**FINAL 0&12 CAPITAL PROJECTIONS BY COMPANY AND BUDGET CLASS
(\$000)**

CKY

	<u>2005</u> <u>Projected</u>	<u>2006</u> <u>Projected</u>	<u>2007</u> <u>Projected</u>	<u>2008 Projected</u>
New Business	3,955	3,955	3,955	3,955
Betterment	450	450	450	450
Replacement/Other	6,128	6,128	6,128	6,128
Support Service	50	50	50	50
Gross Non-IT	10,583	10,583	10,583	10,583
Contributions	(1,535)	(1,535)	(1,535)	(1,535)
Net Non-IT	9,048	9,048	9,048	9,048
IT	1,016	1,016	1,016	1,016
Net Capital	10,064	10,064	10,064	10,064

**2005 8&4 CAPITAL PROJECTIONS BY COMPANY AND BUDGET CLASS
(\$000)**

CKY

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
New Business	3,960	4,033	4,110	4,190
Betterment	400	923	946	969
Replacement/Other	6,190	9,332	9,199	8,813
Support Service	30	31	32	32
Gross Capital	10,580	14,319	14,287	14,004
Contributions	(930)	(930)	(930)	(930)
Reimbursements	(650)	(650)	(650)	(650)
Total Cont/Reimb	(1,580)	(1,580)	(1,580)	(1,580)
IT (Not included after 2005)				
Net Capital	9,000	12,739	12,707	12,424

2007 Distribution Operations Gross Capital - Detailed Summary (\$000)

0&12

Budget Class	2007 Projected CKY	2008 Projected CKY	2009 Projected CKY	2010 Projected CKY	2011 Projected CKY
New Business	3,530	3,310	3,310	3,310	3,310
Age and Condition	5,680	9,000	9,195	9,426	8,992
Betterment	1,700	1,379	1,379	1,379	1,383
Mandatory	2,633	1,431	1,340	2,259	2,633
Rentals	0	0	0	0	0
Support Service	80	46	46	46	46
Gross Capital	13,623	15,166	15,270	16,420	16,364
Contributions	(730)	(730)	(730)	(730)	(730)
Reimb - Betterment	0	0	0	0	0
Reimb - Repl - Leakage	0	0	0	0	0
Reimb - Repl - Municipal	(650)	(650)	(650)	(650)	(650)
Total Cont/Reimb	(1,380)	(1,380)	(1,380)	(1,380)	(1,380)
Sub-Total Net Operations	12,243	13,786	13,890	15,040	14,984
Meter-to-Cash - Hardware	22	0	207	148	199
Meter-to-Cash - Software	7	0	0	47	0
Facilities	0	0	0	0	0
Supply Chain	131	1	0	0	0
Information Technology	0	0	0	0	0
Total Other Capital	160	1	207	195	199
Total Net Capital	12,403	13,787	14,097	15,235	15,183

CKY Gross Capital - Detailed Summary

(\$000)

2008 0&12**Submitted 01-14-08**

Budget Class	2008 Projected	2009 Projected	2010 Projected	2011 Projected	2012 Projected
New Business	2,192	2,258	2,325	2,395	2,467
Age and Condition (Replacement)	9,427	10,429	10,431	10,433	10,435
Betterment	1,292	2,446	2,905	670	685
Mandatory (Public Improvement)	1,806	920	948	976	1,005
Rentals*	0	0	0	0	0
Support Service	100	100	100	100	100
Gross Capital	14,817	16,153	16,709	14,574	14,692
Contributions	(220)	(220)	(220)	(220)	(220)
Reimb - Betterment	0	0	0	0	0
Reimb - Repl - Age & Condition	0	0	0	0	0
Reimb - Repl - Public Improvement	(747)	(334)	(334)	(334)	(334)
Total Cont/Reimb	(967)	(554)	(554)	(554)	(554)
Sub-Total Net Operations	13,850	15,599	16,155	14,020	14,138
Facilities	0	16	16	16	10
Meter-to-Cash	0	0	60	0	0
Transformation	83	83	83	0	0
Work Management	474	0	0	0	58
All Other Admin Serv	304	386	284	284	284
Total Other Capital	861	484	442	300	351
Total Net Capital	14,711	16,083	16,597	14,320	14,489

The following information is being supplied for regulatory planning purposes

Bare Steel and Cast Iron replacement spend Included in the above numbers.	9,427	10,429	10,431	10,433	10,435
Riser Replacement Program spend included in the above numbers.	0	0	0	0	0

Incremental Capital Required to Support Regulatory Initiatives	0	0	0	0	0
----------------------------------------------------------------	---	---	---	---	---

Net capital required, including Incremental BS/CI Regulatory Initiatives.	14,711	16,083	16,597	14,320	14,489
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Operations Capital - Net of Other	13,850	15,599	16,155	14,020	14,138
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CKY Gross Capital - Detailed Summary

(\$000)

2009 0&12

Submitted 01-19-09

Budget Class	2009 Projected	2010 Projected	2011 Projected	2012 Projected	2013 Projected	2014 Projected
New Business	4,477	1,719	1,913	1,969	1,724	1,702
Age and Condition (Replacement)	7,100	7,100	7,100	6,610	10,419	9,523
Betterment	178	204	381	326	475	1,080
Mandatory (Public Improvement)	1,755	743	4,395	796	1,035	1,026
Rentals	0	0	0	0	0	0
Meter-to-Cash	31	121	100	107	107	0
Support Services	307	292	127	127	115	138
Support Services IT	448	582	192	522	637	220
Gross Capital	14,296	10,761	14,208	10,457	14,513	13,690
Contributions	(220)	(220)	(220)	(220)	(220)	(220)
Reimb - Betterment	0	0	0	0	0	0
Reimb - Repl - Age & Condition	0	0	0	0	0	0
Reimb - Repl - Public Improvement	(1,220)	(350)	(3,114)	(350)	(350)	(334)
Total Cont/Reimb	(1,440)	(570)	(3,334)	(570)	(570)	(554)
Total Net Capital	12,856	10,191	10,874	9,887	13,943	13,136

The following information is being supplied for regulatory planning purposes

Bare Steel and Cast Iron replacement spend Included in the above numbers.	7,100	7,100	7,100	6,610	10,419	9,523
Riser Replacement Program spend included in the above numbers.	0	0	0	0	0	0
CSL Replacement Program spend included in the above numbers.	0	0	0	0	0	0
Automated Meter Reading Program spend included in the above numbers.	0	0	0	0	0	0
Incremental Capital Required to Support Regulatory Initiatives	0	0	0	0	0	0
Net capital required, including Incremental BS/CI Regulatory Initiatives.	12,856	10,191	10,874	9,887	13,943	13,136

CKY Gross Capital - Detailed Summary
 (\$000)

2010 0&12
Submitted 1-07-10

Budget Class	2010 Projected	2011 Projected	2012 Projected	2013 Projected	2014 Projected	2015 Projected
New Business	2,020	2,070	2,070	2,070	2,070	2,070
Age and Condition (Replacement)	6,000	6,100	6,100	8,100	11,200	11,200
Betterment	150	250	250	1,285	1,300	1,300
Mandatory (Public Improvement)	2,000	1,976	2,150	2,200	2,200	2,200
Rentals	0	0	0	0	0	0
Meter-to-Cash	80	80	80	80	80	80
Support Services	884	290	324	148	143	125
Support Services IT *	340	328	415	407	457	475
Gross Capital	11,474	11,094	11,389	14,290	17,450	17,450
Contributions	(220)	(220)	(220)	(220)	(220)	(220)
Reimb - Betterment	0	0	0	0	0	0
Reimb - Repl - Age & Condition	0	0	0	0	0	0
Reimb - Repl - Public Improvement	(1,000)	(900)	(420)	(400)	(400)	(400)
Total Cont/Reimb	(1,220)	(1,120)	(640)	(620)	(620)	(620)
Total Net Capital	10,254	9,974	10,749	13,670	16,830	16,830

The following information is being supplied for regulatory planning purposes

Bare Steel and Cast Iron replacement spend Included in the above numbers.	4,920	4,020	4,020	6,020	9,120	9,120
Riser Replacement Program spend included in the above numbers.	0	0	0	0	0	0
CSL Replacement Program spend included in the above numbers.	0	0	0	0	0	0
Automated Meter Reading Program spend included in the above numbers.	80	80	80	80	80	80
Incremental Capital Required to Support Regulatory Initiatives	0	0	0	0	0	0
Net capital required, including Incremental BS/CI Regulatory Initiatives.	10,254	9,974	10,749	13,670	16,830	16,830

CKY Gross Capital - Detailed Summary

(\$000)

2011 0&12
Revised (1.17.11)

Budget Class	2011 Projected	2012 Projected	2013 Projected	2014 Projected	2015 Projected	2016 Projected
New Business	1,620	1,700	1,750	1,750	1,750	1,750
Retail Services	0	0	0	0	0	0
Age and Condition (Replacement)	8,430	9,200	10,200	10,200	10,200	10,200
Betterment	290	195	1,023	325	188	150
Mandatory (Public Improvement)	1,925	2,400	2,000	1,700	1,700	1,700
Rentals	0	0	0	0	0	0
AMR	90	90	90	90	90	90
Support Services	211	190	226	208	250	254
Support Services - Segment IT	404	352	371	341	372	338
Support Services IT *	40	507	533	0	0	0
Gross Capital	13,010	14,634	16,193	14,614	14,550	14,482
Contributions	(200)	(200)	(200)	(200)	(200)	(200)
Reimb - Betterment	0	0	0	0	0	0
Reimb - Repl - Age & Condition	0	0	0	0	0	0
Reimb - Repl - Public Improvement	(650)	(450)	(1,000)	(450)	(450)	(450)
Total Cont/Reimb	(850)	(650)	(1,200)	(650)	(650)	(650)
Total Net Capital	12,160	13,984	14,993	13,964	13,900	13,832

The following information is being supplied for regulatory planning purposes

Bare Steel and Cast Iron replacement spend Included in the above numbers.	7,350	8,120	9,200	9,200	9,200	9,200
Riser Replacement Program spend included in the above numbers.	0	0	0	0	0	0
CSL Replacement Program spend included in the above numbers.	0	0	0	0	0	0
Automated Meter Reading Program spend included in the above numbers.	0	0	0	0	0	0
Total Regulatory Initiatives	7,350	8,120	9,200	9,200	9,200	9,200

Incremental Capital Required to Support Regulatory Initiatives	0	0	0	0	0	0
----------------------------------------------------------------	---	---	---	---	---	---

Net capital reqired, including Incremental BS/CI Regulatory Initiatives.	12,160	13,984	14,993	13,964	13,900	13,832
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CKY Capital Detail Summary (\$000)

2012 0&12

Submitted 1.09.12

Budget Class	2012 Projected	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected
New Business	1,700	1,700	1,750	1,750	1,700	1,700
Retail Services	-	-	-	-	-	-
Age and Condition (Replacement)	10,200	9,200	9,200	9,200	10,200	10,200
Betterment	1,000	150	500	300	250	150
Mandatory (Public Improvement)	1,200	2,500	1,500	1,500	1,500	1,500
Rentals	-	-	-	-	-	-
AMR	350	375	7,024	60	60	60
Support Services	200	226	208	250	254	90
Support Services - Segment IT	292	371	341	372	338	338
Gross Capital	14,942	14,522	20,523	13,432	14,302	14,038
Contributions	(200)	(200)	(200)	(200)	(200)	(200)
Reimb - Betterment	-	-	-	-	-	-
Reimb - Repl - Age & Condition	-	-	-	-	-	-
Reimb - Repl - Public Improvement	(450)	(450)	(450)	(450)	(450)	(450)
Total Cont/Reimb	(650)	(650)	(650)	(650)	(650)	(650)
Total Segment Capital	14,292	13,872	19,873	12,782	13,652	13,388
Corporate IT Allocation	358	593	496	-	-	257
Total Capital	14,650	14,465	20,369	12,782	13,652	13,645

The following information is being supplied for regulatory planning purposes

	2012	2013	2014	2015	2016	2017
Bare Steel and Cast Iron replacement spend Included in the above numbers.	9,120	8,200	8,200	8,200	9,200	9,200
Riser Replacement Program spend included in the above numbers.	-	-	-	-	-	-
CSL Replacement Program spend included in the above numbers.	-	-	-	-	-	-
Automated Meter Reading Program spend included in the above numbers.	-	-	-	-	-	-
Total Regulatory Initiatives	9,120	8,200	8,200	8,200	9,200	9,200

CKY Capital Detail Summary (\$000)

**\$100M + 2013 0&12
(03.04.13)**

Budget Class	2013 Projected	2014 Projected	2015 Projected	2016 Projected	2017 Projected	2018 Projected
New Business	5,290	2,600	3,200	4,000	3,500	3,900
Retail Services	-	-	-	-	-	-
Age and Condition (Replacement)	15,200	13,200	13,200	13,200	13,200	13,200
Betterment	100	100	100	100	100	100
Mandatory (Public Improvement)	2,600	3,250	2,650	1,500	1,500	1,500
Rentals	-	-	-	-	-	-
AMR	350	7,024	60	60	60	60
Support Services	1,000	900	900	900	900	900
Support Services - Segment IT	391	363	399	786	365	365
Gross Capital	24,931	27,437	20,509	20,546	19,625	20,025
Contributions	(200)	(200)	(300)	(300)	(300)	(400)
Reimb - Betterment	-	-	-	-	-	-
Reimb - Repl - Age & Condition	-	-	-	-	-	-
Reimb - Repl - Public Improvement	(400)	(400)	(400)	(400)	(400)	(400)
Total Cont/Reimb	(600)	(600)	(700)	(700)	(700)	(800)
Total Segment Capital	24,331	26,837	19,809	19,846	18,925	19,225
Corporate IT / Facilities Allocation	294	225	-	-	254	438
Total Capital	24,625	27,062	19,809	19,846	19,179	19,663

The following information is being supplied for regulatory planning purposes

	2013	2014	2015	2016	2017	2018
Bare Steel and Cast Iron replacement spend Included in the above numbers.	14,200	12,200	12,200	12,200	12,200	12,200
Riser Replacement Program spend included in the above numbers.	-	-	-	-	-	-
CSL Replacement Program spend included in the above numbers.	-	-	-	-	-	-
Automated Meter Reading Program spend included in the above numbers.	-	-	-	-	-	-
Total Regulatory Initiatives	14,200	12,200	12,200	12,200	12,200	12,200
Growth	5,090	2,400	2,900	3,700	3,200	3,500
Tracker	14,200	12,200	12,200	12,200	12,200	12,200
Maintenance	5,041	12,237	4,709	3,946	3,525	3,525
Segment	24,331	26,837	19,809	19,846	18,925	19,225
Corp. IT/Fac	294	225	-	-	254	438
Total	24,625	27,062	19,809	19,846	19,179	19,663

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 185
Respondent: Eric T. Belle

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

185. Capital Budget. RE: Belle direct at page 9 line 20, for each year for the period 2003-2012, please provide the annual NGD capital program.

Response:

See Columbia's response to AG Data Request Set One No. 185 Attachment A.

PSC Case No. 2013-00167
AG's DR Set 1 No. 185
Attachment A

**Historical Capital Spend
NiSource Gas Distribution (\$000)**

Class	Dec-YTD	Dec-YTD	Dec-YTD	Dec-YTD	Dec-YTD	Dec-YTD	Dec-YTD	Dec-YTD	Dec-YTD	Dec-YTD
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Growth	55,603	54,190	63,314	61,234	67,830	54,390	65,824	74,188	56,113	87,645
Betterment	7,933	12,252	56,627	26,073	36,845	20,490	7,963	14,584	22,263	12,756
Age & Condition	71,651	92,206	103,917	88,602	84,158	195,435	184,520	191,074	314,042	375,366
Public Improvement				29,140	42,195	38,804	19,858	35,849	25,343	42,488
Acquisition						55	123	97	(25)	79
Support Services	10,152	9,317	8,511	6,087	12,358	10,802	8,639	15,136	16,717	13,629
Customer Programs/AMR						11,238	11,353	23,448	39,777	29,887
Support Services IT	6,822	5,707	3,561	24,322	0	0	0	14,436	12,209	9,596
Corp. Alloc.(IT/FAC/SEC)							6,657	1,638	3,531	10,052
Total Capital	152,161	173,672	235,930	235,458	243,386	331,214	304,936	370,450	489,971	581,499

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 186
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

186. Chart of Accounts. Please identify any changes made to the chart of accounts during the past three years.

Response:

There have been no changes to the FERC chart of accounts during the past three years.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

187. Cost Savings Programs.

- a. Please list and describe all cost savings programs implemented from the time of Columbia's last rate case through the present.
- b. Please describe each program and provide the anticipated savings as well as the actual savings realized to date.
- c. Include calculations of savings amounts and explain any assumptions used in such calculations.
- d. For each cost-saving program listed, provide the cost-benefit analyses. Show the impact of each cost saving program on the base & test years.
- e. If there are none, explain why.

Response:

Major programs initiated by Columbia since its last rate case were designed to improve safety and efficiency in its operations. Program savings were not specifically tracked, although Columbia believes that its improved programs and

process will serve to help mitigate future increases. The following are examples of programs, products and processes in this category: (1) Implementation of enhanced Optimain features that integrate with Columbia's GIS system. The Optimain software geo-codes leaks and displays them into the GIS system to more readily identify high priority projects and high priority adjacent projects. The high priority replacement projects will be displayed with municipal paving schedules to give a visual representation of work that might impact the scope or schedule of its replacement projects; (2) Geographic Information System (GIS): Columbia has implemented a GIS for mapping its facilities and documenting features of its various pipelines for real-time sharing over its intranet. This capability will assist in damage prevention efforts, engineering design and emergency responses; (3) Damage Prevention – Two additional Damage Prevention Coordinators have been added to promote pipeline safety with governments, excavators, contractors and the general public on the importance of the Call Before You Dig law; (4) Distribution Integrity Management Plan – Columbia has implemented its DIMP to continually assess risks to its facilities, its customers, and the general public and determine an appropriate level of response to the identified risks; and (5) Columbia has implemented a software system to identify the closest Columbia responder to be called-out for an emergency and request Columbia engineering services to assist in the emergency

response. All of these efforts should serve to reduce Company and customer risk which should mitigate future price increases.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

188. Customer Service Deposits. Provide the amount of customer service deposits by month for each year 2009 through 2012, 2013 year-to-date and the base & test years.

Response:

Please see the table below for the actual monthly customer service deposits balance.

Columbia's test year revenue requirement calculation methodology excludes both customer deposits from rate base and the related interest expense from the cost of service. Therefore, Columbia did not forecast customer deposits or the related interest expense for the base & test years.

	Customer Deposits		Customer Deposits
	<u>Account 235</u>		<u>Account 235</u>
Jan-09	(2,931,138)	Jan-11	(2,705,795)
Feb-09	(2,980,484)	Feb-11	(2,751,861)
Mar-09	(2,953,493)	Mar-11	(2,777,932)
Apr-09	(2,894,040)	Apr-11	(2,697,719)
May-09	(2,818,244)	May-11	(2,605,270)
Jun-09	(2,739,651)	Jun-11	(2,496,463)
Jul-09	(2,685,151)	Jul-11	(2,440,568)
Aug-09	(2,678,183)	Aug-11	(2,423,561)
Sep-09	(2,691,173)	Sep-11	(2,448,990)
Oct-09	(2,867,886)	Oct-11	(2,564,401)
Nov-09	(2,953,423)	Nov-11	(2,665,012)
Dec-09	(2,986,099)	Dec-11	(2,741,028)
Jan-10	(3,032,008)	Jan-12	(2,757,950)
Feb-10	(3,088,268)	Feb-12	(2,810,996)
Mar-10	(2,969,067)	Mar-12	(2,742,167)
Apr-10	(2,796,207)	Apr-12	(2,632,863)
May-10	(2,658,145)	May-12	(2,533,198)
Jun-10	(2,542,174)	Jun-12	(2,429,713)
Jul-10	(2,491,902)	Jul-12	(2,364,669)
Aug-10	(2,434,408)	Aug-12	(2,340,056)
Sep-10	(2,435,610)	Sep-12	(2,328,011)
Oct-10	(2,516,463)	Oct-12	(2,415,761)
Nov-10	(2,649,163)	Nov-12	(2,462,208)
Dec-10	(2,727,401)	Dec-12	(2,503,660)
		Jan-13	(2,535,006)
		Feb-13	(2,544,799)
		Mar-13	(2,493,226)
		Apr-13	(2,427,385)
		May-13	(2,316,638)
		Jun-13	(2,218,963)

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

189. Payroll. Please provide all compensation and benefit studies the Company has for the years 2009-2012 that are used as a basis for determining payroll increases and the appropriateness of payroll compensation levels.

Response:

To determine the amount of merit increases, NiSource Corporate Services Company Human Resources analyzes projected pay increases at other utilities and general industry employers in order to keep increases in alignment with the market. This analysis for 2009-2012 is demonstrated in Attachment A hereto . Based on the results of this annual analysis, Human Resources recommends a percentage increase for exempt employees and non-exempt, non-union employees.

2009-2012 Salary Increase Survey Results
 (including zeros; reviewed and updated 7/25/13)

	<u>Actual 2009</u> <u>% Merit Increase (median)</u>	<u>Actual 2010</u> <u>% Merit Increase (median)</u>	<u>Actual 2011</u> <u>% Merit Increase (median)</u>	<u>Actual 2012</u> <u>% Merit Increase (median)</u>
Mercer U.S. Compensation Planning Survey				
<i>National</i>				
Executive	1.9%	2.3%	3.0%	3.0%
Management	2.1%	2.3%	3.0%	3.0%
Exempt	2.2%	2.3%	3.0%	3.0%
Non-Exempt	2.2%	2.3%	3.0%	3.0%
<i>Energy (includes utilities)*</i>				
Executive	NA	3.3%	3.0%	3.0%
Management	NA	3.0%	3.0%	3.0%
Exempt	NA	3.1%	3.0%	3.0%
Non-Exempt	NA	3.0%	3.0%	3.0%
WorldatWork Salary Budget Survey				
<i>National</i>				
Executive	1.8%	2.7%	3.0%	3.0%
Exempt	2.0%	2.7%	3.0%	3.0%
Non-Exempt Salaried	1.9%	2.7%	3.0%	3.0%
Non-Exempt Hourly Nonunion	2.0%	2.7%	3.0%	3.0%
<i>Utilities</i>				
Executive	2.4%	2.5%	3.0%	3.0%
Exempt	2.6%	2.5%	2.8%	3.0%
Non-Exempt Salaried	2.6%	2.0%	2.8%	3.0%
Non-Exempt Hourly Nonunion	2.7%	2.5%	2.8%	2.9%
NiSource				
Exempt & Executive	0.00%	3.50%	3.25%	3.00%
Non-Exempt & Nonunion Hourly	3.00%	3.50%	3.00%	2.50%

Notes:

All data includes those companies who reported 0% budgeted increases.

Mercer did not report energy industry medians in 2009

In 2009, NiSource exempt employees received a 2% lump sum payment only with no increase to base; however, front line supervisors were eligible for an increase of 3%

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

190. Payroll. Please provide all compensation and benefit studies the Company has for the years 2009-2012 that are specific to the compensation benefits of Kentucky employees.

Response:

Please refer to Attachments A through D of this response for a copy of the 2009 and 2012 General Industry and Energy Industry Benefit Index reports that were completed by Aon Hewitt on behalf of NiSource. The information in these reports is CONFIDENTIAL. These studies were completed for all of NiSource to assess the overall value of employee benefits.

Please also refer to Columbia's response to AG data request Set 1 No. 189 for details about compensation studies.

Attachment (A) to AG DR Set 1 No. 190

[CONFIDENTIAL]

January 2012 General Benefit Index Report

Attachment (B) to AG DR Set 1 No. 190

[CONFIDENTIAL]

January 2012 Energy Industry Index

Attachment (C) to AG DR Set 1 No. 190

[CONFIDENTIAL]

January 2009 General Industry Benefit Index Report

Attachment (D) to AG DR Set 1 No. 190

[CONFIDENTIAL]

January 2009 Energy Industry Benefit Index

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 191
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

191. Payroll. Please provide for each year 2009 through 2012, 2013 year-to-date and the base & test years, the amount of distribution base pay, overtime, incentive compensation and the amount of other pay broken down in the most detailed format available including the amount charged to capital, charged to expense and charged to other. If any of the other is ultimately expensed, provide the amount ultimately expensed in each year.

Response:

Please refer to Attachment A of this response.

Columbia Gas of Kentucky, Inc.
Gross Payroll and Labor Distribution

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 June YTD</u>	<u>Base Period</u>	<u>Forecasted Test Period [1]</u>
Base	7,461,222	7,406,196	7,334,221	7,629,764	3,902,334	8,057,000	8,665,854
Premium	117,956	97,294	50,176	150,571	83,524	166,196	159,173
Overtime	767,156	891,775	892,409	1,039,934	577,789	1,130,206	1,125,339
Gross Wages	8,346,334	8,395,265	8,276,806	8,820,269	4,563,647	9,353,402	9,950,366
Vacation/Non-Productive Time-Net	69,315	75,604	28,758	195,509	287,876	249,734	N/A
Non-Accrual Premium	580,565	721,006	689,426	724,274	264,414	722,971	N/A
Incoming Charges	524,792	426,026	442,435	685,245	225,445	570,735	N/A
Other	(83,821)	(52,336)	(50,167)	(257,231)	(31,226)	(212,726)	N/A
Total Available for Distribution	9,437,185	9,565,565	9,387,258	10,168,066	5,310,156	10,684,116	9,950,366
Distribution of Total Available:							
O&M	6,851,544	7,177,299	6,778,705	7,342,223	3,849,080	7,422,952	7,554,394
Construction	2,234,634	2,005,611	2,124,944	2,361,229	1,239,663	2,690,940	N/A
Retirement	158,059	118,713	173,631	222,781	100,636	346,350	N/A
Clearing Accounts	83,372	76,641	104,950	22,985	5,000	11,603	N/A
Outgoing Charges	27,414	76,893	111,810	76,111	66,470	80,185	N/A
Other	108,804	141,608	118,780	150,997	66,612	152,631	N/A
Total Distributed	9,463,827	9,596,765	9,412,820	10,176,326	5,327,461	10,704,661	7,554,394
Undistributed	(26,642)	(31,200)	(25,562)	(8,260)	(17,305)	(20,545)	N/A

[1] Forecasted Test Period base, premium and overtime pay are calculated based on the 2013 original budget and known changes subsequent to that budget to meet the filing requirements of Schedule G-2. N/A indicates line items not specifically budgeted beyond the 2013 original budget.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 192
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

192. Payroll. For each year, 2009 through 2012, 2013 year-to-date and the base & test years, provide a comparison of the amount of payroll that is budgeted versus actual charged to capital and O&M expense.

Response:

Please refer to Attachment A of this response.

Columbia Gas of Kentucky, Inc.
 Case No. 2013-00167
 Payroll - Budget versus Actual Capital and O&M Labor Expense

Line No.	Description	2009	2010	2011	2012	YTD 2013	Base Period [1]	Forecasted Test Period
1	O&M Actual	6,851,544	7,177,299	6,778,705	7,342,223	3,849,080	6,361,742	
2	O&M Budget	<u>6,495,758</u>	<u>6,800,976</u>	<u>7,111,682</u>	<u>6,648,036</u>	<u>3,575,185</u>	<u>5,724,043</u>	
3	Variance	355,786	376,323	(332,977)	694,187	273,895	637,699	N/A
4	Construction Actual	2,234,634	2,005,611	2,124,944	2,361,229	1,239,663	2,066,235	
5	Construction Budget	<u>2,712,567</u>	<u>2,501,845</u>	<u>2,049,752</u>	<u>3,119,072</u>	<u>1,407,244</u>	<u>2,505,282</u>	
6	Variance	(477,933)	(496,234)	75,192	(757,843)	(167,581)	(439,047)	N/A

[1] The base period is the twelve months ending August 31, 2013. This comparison reflects only the months for which actual information is available (updated through June 2013).

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

194. Payroll. Provide for each year 2009 through 2012, 2013 year-to-date and the base & test years, the distribution overtime by account. For any account that increased from one year to the next by more than 10% provide a detailed explanation of the activities that caused the increase.

Response:

Overtime by account is not available. For actual periods, Columbia's labor distribution system distributes payroll to accounts based on an average rate that is calculated by dividing total pay including base and overtime by total hours worked. The average rate is applied to the hours charged to each account on an employee's timesheet to arrive at distribution of labor costs to accounts. Regarding the test period, Columbia does not budget by account.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

195. Payroll – Vacant Positions. For the respective base & test years, provide the number of positions included in the request that are not currently filled, a listing of the positions and the associated payroll expense for those vacant positions.

Response:

Columbia has 126 employees on its payroll as of June 2013, of which 124 are full-time and 2 are part-time.

The base period reflects 5 additional full-time positions as of August 31, 2013. These positions are in Field Operations with labor expense of approximately \$320,445. Due to the constant movement of employees in and out of the organization at any point in time, the specific positions are not readily identifiable.

The forecasted test period reflects 7 additional positions. Of these, 2 are attributable to the Distribution Integrity Management Program: a GIS Mapping

Technician with labor expense of \$48,845 and a Compliance Specialist with labor expense of \$56,984. The remaining 5 additional positions are in Field Operations as explained above with labor expense of approximately \$330,060.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

196. Payroll Expense. Provide a comparison of allowed payroll expense reflected in current rates to actual payroll expense for each calendar year since the Company's last rate case.

Response:

Columbia's most recent rate case (2009) was settled. Therefore, the allowed payroll expense reflected in current rates is not readily identifiable.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 197
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

197. Employees. Provide, for each Columbia employee group, by month, for each year 2009 through 2012, 2013 year-to-date and the base & test years, the number of full time employees budgeted, the number of part time employees budgeted and the actual number of full time employees and part time employees (not FTEs). Provide on a total company basis and on a distribution basis for setting rates. Also, provide for each period the budgeted and actual FTEs.

Response:

Please refer to Attachment A of this response.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 198
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

198. General Ledger. Provide a detailed General Ledger for each year 2009 through 2012, and 2013 year-to-date.

Response:

Please refer to Columbia's response to AG data request Set 1 No. 228.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 199
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

199. Incentive Programs. Please provide complete copies of any incentive compensation plan, bonus programs or other incentive award programs in effect at the Company for each year 2010 through 2012, and 2013 year-to-date.

Response:

Please refer to the responses to AG Set 1 No. 136 and AG Set 1 No. 168. Please refer to Attachments A through F of this response for copies of the 2010, 2011, and 2012 plans, respectively.

Conditions for 2010 Performance Year NiSource Corporate Incentive Plan

A. Designation of Groups

For incentive purposes, Participants shall participate as a member of one of the following "Groups": (a) Gas Distribution Business Unit, (b) NIE Business Unit, (c) NGT&S Business Unit, and (d) Corporate Support. Groups (a), (b), and (c) above may also be referred to as a "Business Unit."

B. Corporation's Financial Trigger

The Corporation's financial trigger is the Corporation's achievement of net operating earnings per share, after accounting for the cost of payments under the Plan ("NOEPS"), of \$1.10 for the Performance Year. The Corporation shall have full discretion and authority to determine whether this trigger has been achieved and whether any adjustments need to be made in the calculation of NOEPS to reflect unusual or non-recurring events. If the Corporation's NOEPS for the Performance Year is less than \$1.10, no amount shall be payable under the Plan for NOEPS and amounts payable for Business Unit performance shall be reduced by fifty percent (50%).

C. Group Financial Triggers

Corporate Support

For Participants in Corporate Support, the performance criterion will be NOEPS and Corporate Funds from Operations ("CFFO"). Part (D) identifies the tiers of NOEPS, CFFO and the corresponding payout percentage of Eligible Earnings that will be used to calculate the amount of the Incentive Pool for the Corporate Support Group. Fifty percent (50%) of a Participant's incentive opportunity will be based upon NOEPS and fifty percent (50%) will be based upon CFFO.

Business Units

For Participants in a Business Unit, the performance criteria will be NOEPS, the Business Unit's operating earnings ("BUOE"), and the Business Unit's cash from operations ("BCFO"). Part (D) identifies the tiers of NOEPS, BUOE and BCFO that will be used to calculate the amount of the Incentive Pool for each Business Unit. Twenty-Five percent (25%) of a Participant's incentive opportunity will be based upon NOEPS, thirty-seven and a half (37.5%) will be based upon BUOE, and thirty-seven and a half (37.5%) will be based upon BCFO.

D. Goals and Payout Percentages

NOEPS Goals

NOEPS	Individual Payout Percentage
\$1.20	Stretch %
\$1.15	Target %
\$1.10	Trigger %

CFFO Goals (millions)

CFFO	Individual Payout Percentage
\$1,040	Stretch %
\$ 940	Target %
\$ 840	Trigger %

Business Unit Goals

Gas Distribution Business Unit (millions)

BUOE	Individual Payout Percentage
\$ 355	Stretch %
\$ 336	Target %
\$ 320	Trigger %

BCFO	Individual Payout Percentage
\$ 574.5	Stretch %
\$ 400	Target %
\$ 296.4	Trigger %

NIE Business Unit (millions)

BUOE	Individual Payout Percentage
\$ 250	Stretch %
\$ 231	Target %
\$ 213	Trigger %

BCFO	Individual Payout Percentage
\$ 388	Stretch %
\$ 237	Target %
\$ 166.9	Trigger %

NGT&S Business Unit (millions)

BUOE	Individual Payout Percentage
\$ 430	Stretch %
\$ 418	Target %
\$ 406	Trigger %

BCFO	Individual Payout Percentage
\$ 443.9	Stretch %
\$ 349.1	Target %
\$ 289.4	Trigger %

The Board of Directors has the discretion and authority to adjust these goals due to significant movement in gas prices, changes in the law, or other significant events.

E. Incentive Pool Creation

The individual incentive opportunity for a Corporate Support Participant shall equal:

(Participant's Eligible Earnings X NOEPS individual payout percentage X 50%)

PLUS

(Participant's Eligible Earnings X CFFO individual payout percentage X 50%)

The individual incentive opportunity for a Business Unit Participant shall equal¹:

(Participant's Eligible Earnings X Individual Business Unit
 Operating Earning payout percentage X 37.5%)

PLUS

(Participant's Eligible Earnings X Individual Business Unit
 Cash from Operations payout percentage X 37.5%)

PLUS

(Participant's Eligible Earnings X NOEPS individual payout percentage X 25%)

¹ If the Corporation's NOEPS for the performance year is less than \$1.10, no amount shall be payable under the Plan for NOEPS and amounts payable for Business Unit performance shall be reduced by fifty percent (50%).

Eligible Earnings consists of the Participant's base earnings for the calendar year. Additionally, Eligible Earnings for Participants who are non-exempt employees also include all shift premiums and overtime pay for the calendar year. Reimbursements for educational assistance, relocation, meals and mileage, as well as incentive payments, stock option gains, and long-term disability payments are not included in Eligible Earnings.

The individual incentive opportunity for each Participant in a Group will be added together, and the sum will equal the Incentive Pool for that Group.

F. Calculation of Bonus

In general, Participants who are non-exempt employees will receive 100% of their individual incentive amount, as calculated under this Plan. The amount of the individual incentive opportunity for Participants who are exempt employees generally will be the amount calculated under this Plan, divided into two categories:

- Discretionary: 67% of the Participant's individual incentive calculation will be discretionary; the Corporation may increase or decrease this amount based on the Corporation's assessment of the Participant's performance
- Non-discretionary: 33% of the Participant's individual incentive calculation will be fixed.

Notwithstanding the foregoing, the Committee retains the power, authority and discretion to reduce, eliminate, or otherwise modify the amount calculated as payable.

**2011 CASH-BASED AWARDS
TERMS AND CONDITIONS FOR PARTICIPANTS
WHO ARE NOT COVERED OFFICERS**

*NiSource Inc.
2010 Omnibus Incentive Plan*

1. Background

Article XI of the Plan provides that the Committee may grant Cash-Based Awards to Participants under such terms described by the Committee, subject to the terms of the Plan. This document sets forth the terms and conditions of how Cash-Based Awards will be paid for the applicable Performance Period that begins January 1, 2011 and ends December 31, 2011, to the Participants who have not been designated as "Covered Officers" of the Corporation. Any capitalized term that is not defined in this document shall have the meaning assigned to it in the Plan.

2. Eligibility for Participation

All exempt and non-exempt employees of the Corporation and its affiliates, other than "Covered Officers", employees who have received a last chance letter, final notice letter or equivalent during the Plan year, certain exempt employees who participate in other specialized functional incentive plans and bargaining unit employees of Kokomo Gas and Fuel Company are eligible to participate in the Cash-Based Awards Program (the "Program"); provided however, that the Committee may add additional employees and remove employees in its discretion ("Eligible Employees"). The Committee or the Corporation's Chief Executive Officer may determine which Eligible Employees or groups of Eligible Employees shall actually participate in the Program. The Committee and the Chief Executive Officer generally shall make this determination each calendar year (a "Performance Year"). Such officers and other Eligible Employees chosen to participate in the Program are "Participants." Designation by the Committee or Chief Executive Officer as a Participant in one Performance Year shall not confer on such Participant the right to be a Participant in another Performance Year.

Notwithstanding the previous paragraph, an employee described above shall be a "Limited Participant" if he or she has received one or more suspensions without pay totaling five days or more during the calendar year. Each Limited Participant will have his or her individual incentive opportunity reduced by at least 50%. Any Participant not covered under the preceding sentences is a "Full Participant."

3. Performance Targets and Cash-Based Award Payouts

A. Designation of Groups

For incentive purposes, Participants shall participate as a member of one of the following "Groups": (a) Gas Distribution Business Unit, (b) NIE Business Unit, (c) NGT&S Business Unit, and (d) Corporate Support. Groups (a), (b), and (c) above may also be referred to as a "Business Unit."

B. Corporation's Financial Trigger

The Corporation's financial trigger is the Corporation's achievement of net operating earnings per share, after accounting for the cost of payments under the Program ("NOEPS"), of \$1.25 for the Performance Year. The Corporation shall have full discretion and authority to determine whether this trigger has been achieved and whether any adjustments need to be made in the calculation of NOEPS to reflect unusual or non-recurring events. If the Corporation's NOEPS for the Performance Year is less than \$1.25, no amount shall be payable under the Program for NOEPS and amounts payable for Business Unit performance shall be reduced by fifty percent (50%).

C. Group Financial Triggers

Corporate Support

For Participants in Corporate Support, the performance criterion will be NOEPS and Corporate Funds from Operations ("CFFO"). Part (D) identifies the tiers of NOEPS, CFFO and the corresponding payout percentage of Eligible Earnings that will be used to calculate the amount of the Incentive Pool for the Corporate Support Group. Fifty percent (50%) of a Participant's incentive opportunity will be based upon NOEPS and fifty percent (50%) will be based upon CFFO.

Business Units

For Participants in a Business Unit, the performance criteria will be NOEPS, the Business Unit's operating earnings ("BUOE"), and the Business Unit's cash from operations ("BCFO"). Part (D) identifies the tiers of NOEPS, BUOE and BCFO that will be used to calculate the amount of the Incentive Pool for each Business Unit. Twenty-Five percent (25%) of a Participant's incentive opportunity will be based upon NOEPS, thirty-seven and a half (37.5%) will be based upon BUOE, and thirty-seven and a half (37.5%) will be based upon BCFO.

D. Goals and Payout Percentages

NOEPS Goals

NOEPS	Individual Payout Percentage
\$1.35	Stretch %
\$1.30	Target %
\$1.25	Trigger %

CFFO Goals (millions)

CFFO	Individual Payout Percentage
\$1,080M	Stretch %
\$ 980M	Target %
\$ 880M	Trigger %

Business Unit Goals

Gas Distribution Business Unit (millions)

BUOE	Individual Payout Percentage
TBD by CEO	Stretch %
TBD by CEO	Target %
TBD by CEO	Trigger %

BCFO	Individual Payout Percentage
TBD by CEO	Stretch %
TBD by CEO	Target %
TBD by CEO	Trigger %

NIE Business Unit (millions)

BUOE	Individual Payout Percentage
TBD by CEO	Stretch %
TBD by CEO	Target %
TBD by CEO	Trigger %

BCFO	Individual Payout Percentage
TBD by CEO	Stretch %
TBD by CEO	Target %
TBD by CEO	Trigger %

NGT&S Business Unit (millions)

BUOE	Individual Payout Percentage
TBD by CEO	Stretch %
TBD by CEO	Target %
TBD by CEO	Trigger %

BCFO	Individual Payout Percentage
TBD by CEO	Stretch %
TBD by CEO	Target %
TBD by CEO	Trigger %

E. Incentive Pool Creation

The individual incentive opportunity for a Corporate Support Participant shall equal:

(Participant's Eligible Earnings X NOEPS individual payout percentage X 50%)

PLUS

(Participant's Eligible Earnings X CFFO individual payout percentage X 50%)

The individual incentive opportunity for a Business Unit Participant shall equal¹:

(Participant's Eligible Earnings X Individual Business Unit Operating Earning payout percentage X 37.5%)

PLUS

(Participant's Eligible Earnings X Individual Business Unit Cash from Operations payout percentage X 37.5%)

PLUS

(Participant's Eligible Earnings X NOEPS individual payout percentage X 25%)

¹ If the Corporation's NOEPS for the performance year is less than \$1.25, no amount shall be payable under the Plan for NOEPS and amounts payable for Business Unit performance shall be reduced by fifty percent (50%).

Eligible Earnings consists of the Participant's base earnings for the calendar year. Additionally, Eligible Earnings for Participants who are non-exempt employees also include all shift premiums and overtime pay for the calendar year. Reimbursements for educational assistance, relocation, meals and mileage, as well as incentive payments, stock option gains, and long-term disability payments are not included in Eligible Earnings.

The individual incentive opportunity for each Participant in a Group will be added together, and the sum will equal the Incentive Pool for that Group.

F. Calculation of Bonus

In general, Participants who are non-exempt employees will receive 100% of their individual incentive amount, as calculated under this Program. The amount of the individual incentive opportunity for Participants who are exempt employees generally will be the amount calculated under this Program, divided into two categories:

- Discretionary: 67% of the Participant's individual incentive calculation will be discretionary; the Corporation may increase or decrease this amount based on the Corporation's assessment of the Participant's performance
- Non-discretionary: 33% of the Participant's individual incentive calculation will be fixed.

Notwithstanding the foregoing, the Committee retains the power, authority and discretion to reduce, eliminate, or otherwise modify the amount calculated as payable.

G. Extraordinary Events

For purposes of calculating the amount of Cash-Based Awards, the Committee may adjust the Cash-Based Awards to reflect the following extraordinary and other similar items:

1. Equity issuances;
2. Debt issuances;
3. Discontinued operations;
4. Mergers, acquisitions, and divestitures;
5. Capital expenditures;
6. Asset write-downs;
7. Litigation or claim judgments or settlements;
8. The effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results;
9. Any reorganization or restructuring programs;
10. Foreign exchange gains and losses;
11. Extraordinary, unusual, or other nonrecurring items as described in U.S. Generally Accepted Accounting Principles or in management's discussion and analysis of financial conditions and results of operations appearing in the Company's consolidated report to the investment community or investor letters;

12. Significant movements in gas prices; and
13. Significant changes in the law.

4. General Timing of Payment

If payable, the Participant's bonus will be distributed to the Participant, or the Participant's estate in the event of the Participant's death before payment, in cash in a single sum as soon after the end of the applicable Performance Year as practicable, but no later than March 15 after the end of the Performance Year, in accordance with the Corporation's payroll practices. A Participant who terminates his or her employment with the Corporation after the end of the Performance Year, but before the distribution of the incentive payment will be entitled to receive any payment due under this Program. However, any Participant that is terminated "for cause" before the distribution of the incentive payment will not be entitled to receive any payment due under this Program. Notwithstanding the foregoing, any Participant who terminates employment with the Employer and their affiliates due to death, disability or retirement, pursuant to an Employer's qualified retirement plan, during a calendar year will be deemed a Participant on December 31 of such calendar year, and will receive an incentive payment for such year based on his or her Eligible Earnings through the date of termination of employment.

5. Notices.

Any notice required or permitted to be given by the Corporation or the Committee pursuant to the Plan shall be deemed given when personally delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to the Participant, his or her beneficiary, executors, administrators, successors, assigns or transferees, at the last address shown for the Participant on the records of the Corporation or subsequently provided in writing to the Corporation.

6. Miscellaneous Provisions.

1. Nothing contained herein will confer upon any Participant the right to be retained in the service of an Employer or any affiliate thereof nor limit the right of an Employer or any subsidiary thereof to discharge or otherwise deal with any Participant without regard to the existence of the Plan.

2. The provisions of the Plan shall be construed and interpreted according to the laws of the State of Indiana, except as preempted by federal law.

**2012 CASH-BASED AWARDS
TERMS AND CONDITIONS FOR PARTICIPANTS
WHO ARE NOT COVERED OFFICERS**

*NiSource Inc.
2010 Omnibus Incentive Plan*

1. Background

Article XI of the NiSource Inc. 2010 Omnibus Incentive Plan (the "Plan") provides that the Committee may grant Cash-Based Awards to Participants under such terms described by the Committee, subject to the terms of the Plan. This document sets forth the terms and conditions of how Cash-Based Awards will be paid for the applicable Performance Period that begins January 1, 2012 and ends December 31, 2012, to the Participants who have not been designated as "Covered Officers" of the Corporation. Any capitalized term that is not defined in this document shall have the meaning assigned to it in the Plan.

2. Eligibility for Participation

All exempt and non-exempt employees of the Corporation and its affiliates who are active as of 12/31/2012, other than (i) "Covered Officers", (ii) employees who have received a last chance letter, final notice letter or equivalent during the Plan year, and (iii) certain exempt employees who participate in other specialized functional incentive plans, are eligible to participate in the Cash-Based Awards Program (the "Program") under the Plan; provided however, that the Committee may add additional employees and remove employees in its discretion ("Eligible Employees"). The Committee or the Corporation's Chief Executive Officer may determine which Eligible Employees or groups of Eligible Employees shall actually participate in the Program. The Committee and the Chief Executive Officer generally shall make this determination each calendar year (a "Performance Year"). Such officers and other Eligible Employees chosen to participate in the Program are "Participants." Designation by the Committee or Chief Executive Officer as a Participant in one Performance Year shall not confer on such Participant the right to be a Participant in another Performance Year.

A Participant who terminates his or her employment with the Corporation after the end of the Performance Year, but before the distribution of the incentive payment will be entitled to receive any payment due under this Program. However, any Participant that is terminated "for Cause" before the distribution of the incentive payment will not be entitled to receive any payment due under this Program. Notwithstanding the foregoing, any Participant who terminates employment with the Employer and their affiliates due to death, disability or retirement, pursuant to an Employer's qualified retirement plan, during a calendar year will be deemed a Participant on December 31 of such calendar year, and will receive an incentive payment for such year based on his or her Eligible Earnings through the date of termination of employment.

Notwithstanding the previous paragraphs, an employee described above shall be a "Limited Participant" if he or she has received one or more suspensions without pay totaling five days or

more during the calendar year. Each Limited Participant will have his or her individual incentive opportunity reduced by at least 50%. Any Participant not covered under the preceding sentences is a "Full Participant."

3. Performance Targets and Cash-Based Award Payouts

A. Designation of Groups

For incentive purposes, Participants shall participate as a member of one of the following "Groups": (a) Gas Distribution Business Unit, (b) NIPSCO Business Unit, (c) NGT&S Business Unit, and (d) Corporate Support. Groups (a), (b), and (c) above may also be referred to as a "Business Unit."

B. Corporation's Financial Trigger

The Corporation's financial trigger is the Corporation's achievement of net operating earnings per share, after accounting for the cost of payments under the Program ("NOEPS"), of \$1.40 for the Performance Year. The Corporation shall have full discretion and authority to determine whether this trigger has been achieved and whether any adjustments need to be made in the calculation of NOEPS to reflect unusual or non-recurring events. If the Corporation's NOEPS for the Performance Year is less than \$1.40, no amount shall be payable under the Program for NOEPS and amounts payable for Business Unit performance shall be reduced by fifty percent (50%).

C. Group Financial Triggers

Corporate Support

For Participants in Corporate Support, the performance criterion will be NOEPS and Corporate Funds from Operations ("CFFO"). Part (D) identifies the tiers of NOEPS, CFFO and the corresponding payout percentage of Eligible Earnings that will be used to calculate the amount of the Incentive Pool for the Corporate Support Group. Fifty percent (50%) of a Participant's incentive opportunity will be based upon NOEPS and fifty percent (50%) will be based upon CFFO; provided, however, that the incentive payout percentage for Corporate Support will not exceed the highest payout percentage of the three Business Units.

Business Units

For Participants in a Business Unit, the performance criteria will be NOEPS, the Business Unit's Net Operating Earnings ("BUNOE"), and the Business Unit's Funds from Operations ("BFFO"). Part (D) identifies the tiers of NOEPS, BUNOE and BFFO that will be used to calculate the amount of the Incentive Pool for each Business Unit. Twenty-Five percent (25%) of a Participant's incentive opportunity will be based upon NOEPS, thirty-seven and a half (37.5%) will be based upon BUNOE, and thirty-seven and a half (37.5%) will be based upon BFFO.

D. Goals and Payout Percentages

NOEPS Goals

NOEPS	Individual Payout Percentage
\$1.50	Stretch %
\$1.45	Target %
\$1.40	Trigger %

CFFO Goals (millions)

CFFO	Individual Payout Percentage
\$1,179M	Stretch %
\$1,079M	Target %
\$979M	Trigger %

Business Unit Goals

Gas Distribution Business Unit (millions)

BUNOE	Individual Payout Percentage
\$193	Stretch %
\$182	Target %
\$177	Trigger %

BFFO	Individual Payout Percentage
\$353	Stretch %
\$325	Target %
\$297	Trigger %

NIPSCO Business Unit (millions)

BUNOE	Individual Payout Percentage
\$163	Stretch %
\$153	Target %
\$149	Trigger %

BFFO	Individual Payout Percentage
\$421	Stretch %

\$388	Target %
\$354	Trigger %

NGT&S Business Unit (millions)

BUNOE	Individual Payout Percentage
\$257	Stretch %
\$248	Target %
\$244	Trigger %

BFFO	Individual Payout Percentage
\$475	Stretch %
\$437	Target %
\$399	Trigger %

E. Incentive Pool Creation

The individual incentive opportunity for a Corporate Support Participant shall equal¹:

(Participant's Eligible Earnings X NOEPS individual payout percentage X 50%)

PLUS

(Participant's Eligible Earnings X CFFO individual payout percentage X 50%)

The individual incentive opportunity for a Business Unit Participant shall equal²:

(Participant's Eligible Earnings X Individual Business Unit
 Net Operating Earning payout percentage X 37.5%)

PLUS

(Participant's Eligible Earnings X Individual Business Unit
 Funds from Operations payout percentage X 37.5%)

PLUS

(Participant's Eligible Earnings X NOEPS individual payout percentage X 25%)

¹ The incentive payout percentage for Corporate Support will not exceed the highest payout percentage of the three Business Units.

² If the Corporation's NOEPS for the performance year is less than \$1.40, no amount shall be payable under the Plan for NOEPS and amounts payable for Business Unit performance shall be reduced by fifty percent (50%).

Eligible Earnings consist of the Participant's base earnings for the calendar year. Additionally, Eligible Earnings for Participants who are non-exempt employees also include all

shift premiums and overtime pay for the calendar year. Reimbursements for educational assistance, relocation, meals and mileage, as well as incentive payments, stock option gains, and long-term disability payments are not included in Eligible Earnings.

The individual incentive opportunity for each Participant in a Group will be added together, and the sum will equal the Incentive Pool for that Group.

F. Calculation of Bonus

In general, Participants who are non-exempt employees will receive 100% of their individual incentive amount, as calculated under this Program. The amount of the individual incentive opportunity for Participants who are exempt employees generally will be the amount calculated under this Program, divided into two categories:

- Discretionary: 67% of the Participant's individual incentive calculation will be discretionary; the Corporation may increase or decrease this amount based on the Corporation's assessment of the Participant's performance
- Non-discretionary: 33% of the Participant's individual incentive calculation will be fixed.

Notwithstanding the foregoing, the Committee retains the power, authority and discretion to reduce, eliminate, or otherwise modify the amount calculated as payable.

G. Extraordinary Events

For purposes of calculating the amount of Cash-Based Awards, the Committee may adjust the Cash-Based Awards to reflect the following extraordinary and other similar items:

1. Equity issuances;
2. Debt issuances;
3. Discontinued operations;
4. Mergers, acquisitions, and divestitures;
5. Capital expenditures;
6. Asset write-downs;
7. Litigation or claim judgments or settlements;
8. The effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results;
9. Any reorganization or restructuring programs;
10. Foreign exchange gains and losses;
11. Extraordinary, unusual, or other nonrecurring items as described in U.S. Generally Accepted Accounting Principles or in management's discussion and analysis of financial conditions and results of operations appearing in the Company's consolidated report to the investment community or investor letters;
12. Significant movements in gas prices; and
13. Significant changes in the law.

4. General Timing of Payment

If payable, the Participant's incentive will be distributed to the Participant, or the Participant's estate in the event of the Participant's death before payment, in cash in a single sum as soon after the end of the applicable Performance Year as practicable, but no later than March 15 after the end of the Performance Year, in accordance with the Corporation's payroll practices.

5. Notices.

Any notice required or permitted to be given by the Corporation or the Committee pursuant to the Plan shall be deemed given when personally delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to the Participant, his or her beneficiary, executors, administrators, successors, assigns or transferees, at the last address shown for the Participant on the records of the Corporation or subsequently provided in writing to the Corporation.

6. Miscellaneous Provisions.

1. Nothing contained herein will confer upon any Participant the right to be retained in the service of an Employer or any affiliate thereof nor limit the right of an Employer or any subsidiary thereof to discharge or otherwise deal with any Participant without regard to the existence of the Plan.

2. The provisions of the Plan shall be construed and interpreted according to the laws of the State of Indiana, except as preempted by federal law.

**Conditions for 2010 Performance Year for Executive Council
 NiSource Corporate Incentive Plan**

- Incentive opportunity for all members of Executive Council other than Business Unit Chief Executive Officers is 100% based on corporate performance measures, fifty percent Net Operating Earnings Per Share; Twenty-Five percent based upon Corporate Funds From Operations; and Twenty-Five percent based upon Total Debt as of December 31, 2010:

Net Operating Earnings Per Share Goals (NOEPS)

NOEPS	Payout Level
\$1.20	Stretch %
\$1.15	Target %
\$1.10	Trigger %

Corporate Funds From Operations Goals (millions)

CFFO	Payout Level
\$1,040	Stretch %
\$ 940	Target %
\$ 840	Trigger %

Total Debt as of December 31, 2010 (millions)

Debt Level	Payout Level
\$6,838	Stretch %
\$6,988	Target %
\$7,138	Trigger %

- For Business Unit Chief Executive Officers: 50% of the individuals incentive opportunity will be based upon the corporate measures set forth in paragraph 1 above, and 50% will be based upon the performance goals for their respective Business Unit. Accordingly, the incentive opportunity for a Business Unit CEO will be based upon: NOEPS – 25%; CFFO – 12.5%; Debt Level – 12.5%; Business Unit Operating Earnings – 25%; and Business Unit Cash From Operations – 25%.
- The Board of Directors has the discretion to adjust these measures due to significant movement in natural gas prices, any Board-approved strategic decision to “prefund” debt or make capital investments beyond the approved plan, changes in the law or other significant events.
- Individual award is performance based. The Board of Directors retains discretion to make/adjust awards based upon individual and/or organizational results.

Exhibit A

**2011 CASH-BASED AWARDS
TERMS AND CONDITIONS FOR COVERED OFFICERS**

*NiSource Inc.
2010 Omnibus Incentive Plan*

1. Background

Article XI of the Plan provides that the Committee may grant Cash-Based Awards to Participants under such terms described by the Committee, subject to the terms of the Plan. This document sets forth the terms and conditions of how Cash-Based Awards will be paid for the applicable Performance Period that begins January 1, 2011 and ends December 31, 2011, to the designated covered officers of the Corporation ("Covered Officers"). Any capitalized term that is not defined in this document shall have the meaning assigned to it in the Plan.

2. Performance Measure and Performance Target

The Performance Measure for determining Cash-Based Awards is the Corporation's Operating Income. The Performance Target is Operating Income that is greater than \$0.00. If this Performance Target is not achieved, no Cash-Based Awards shall be paid.

3. Value of Awards and Creation of Incentive Pool

The total value of Cash-Based Awards paid to Covered Officers may not exceed an amount equal to one percent of the Corporation's Operating Income during the Performance Period. This amount shall represent the Incentive Pool from which Cash-Based Awards may be paid to Covered Officers.

4. Allocation of Incentive Pool

The value of Cash-Based Awards payable to each Covered Officer from the Incentive Pool shall be determined as follows:

Covered Officer	Percent of Incentive Pool
Skaggs	30% of Pool
Helms	10% of Pool
Hightman	10% of Pool
Staton	10% of Pool
Campbell	10% of Pool
Kettering	10% of Pool
Sistovaris	10% of Pool
Francisco	10% of Pool

The Committee shall have no discretion to increase the value of Cash-Based Awards to an amount greater than those percentages specified in the table above.

5. Maximum Awards Payable to Covered Officers

Notwithstanding any provision to the contrary, in no event may the amount of any individual Cash-Based Award, when aggregated with other Cash-Based Awards during a Performance Period, exceed \$10 million.

6. Extraordinary Events

For purposes of calculating the amount of Cash-Based Awards payable to a Covered Officer, the Committee shall adjust the Cash-Based Awards to reflect the following extraordinary and other similar items to the extent that they impact Operating Income by more than \$50 million individually:

- A. Asset write-downs;
- B. Litigation or claim judgments or settlements;
- C. The effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results;
- D. Any reorganization or restructuring programs;
- E. Mergers, acquisitions or divestitures;
- F. Foreign exchange gains and losses; and
- G. Extraordinary, unusual, or other nonrecurring items as described in U.S. Generally Accepted Accounting Principles or in management's discussion and analysis of financial conditions and results of operations appearing in the Company's consolidated report to the investment community or investor letters.

7. Discretion to Reduce Amounts Payable

Notwithstanding any provision to the contrary, the Committee shall have the discretion to reduce the amount of Cash-Based Awards payable to Covered Officers.

Exhibit A

**2012 CASH-BASED AWARDS
TERMS AND CONDITIONS FOR COVERED OFFICERS**

*NiSource Inc.
2010 Omnibus Incentive Plan*

1. Background

Article XI of the NiSource Inc. 2010 Omnibus Incentive Plan (the "Plan") provides that the Committee may grant Cash-Based Awards to Participants under such terms described by the Committee, subject to the terms of the Plan. This document sets forth the terms and conditions of how Cash-Based Awards will be paid for the applicable Performance Period that begins January 1, 2012 and ends December 31, 2012, to the designated covered officers of the Corporation ("Covered Officers"). Any capitalized term that is not defined in this document shall have the meaning assigned to it in the Plan.

2. Performance Measure and Performance Target

The Performance Measure for determining Cash-Based Awards is the Corporation's Operating Income. The Performance Target is Operating Income that is greater than \$0.00. If this Performance Target is not achieved, no Cash-Based Awards shall be paid.

3. Value of Awards and Creation of Incentive Pool

The total value of Cash-Based Awards paid to Covered Officers may not exceed an amount equal to one percent of the Corporation's Operating Income during the Performance Period. This amount shall represent the Incentive Pool from which Cash-Based Awards may be paid to Covered Officers.

4. Allocation of Incentive Pool

The value of Cash-Based Awards payable to each Covered Officer from the Incentive Pool shall be determined as follows:

Covered Officer	Percent of Incentive Pool
Skaggs	30% of Pool
Smith	15 % of Pool
Staton	15% of Pool
Hightman	10% of Pool
Campbell	10% of Pool
Kettering	10% of Pool
Francisco	10% of Pool

The Committee shall have no discretion to increase the value of Cash-Based Awards to an amount greater than those percentages specified in the table above.

5. Maximum Awards Payable to Covered Officers

Notwithstanding any provision to the contrary, in no event may the amount of any individual Cash-Based Award, when aggregated with other Cash-Based Awards during a Performance Period, exceed \$10 million.

6. Extraordinary Events

For purposes of calculating the amount of Cash-Based Awards payable to a Covered Officer, the Committee shall adjust the Cash-Based Awards to reflect the following extraordinary and other similar items to the extent that they impact Operating Income by more than \$50 million individually:

- A. Asset write-downs;
- B. Litigation or claim judgments or settlements;
- C. The effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results;
- D. Any reorganization or restructuring programs;
- E. Mergers, acquisitions or divestitures;
- F. Foreign exchange gains and losses; and
- G. Extraordinary, unusual, or other nonrecurring items as described in U.S. Generally Accepted Accounting Principles or in management's discussion and analysis of financial conditions and results of operations appearing in the Company's consolidated report to the investment community or investor letters.

7. Discretion to Reduce Amounts Payable

Notwithstanding any provision to the contrary, the Committee shall have the discretion to reduce the amount of Cash-Based Awards payable to Covered Officers.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

200. Incentive Compensation. Provide for 2009, 2010, 2011 and 2012 and the base & test years the various goals on which incentive payments were to be determined and the actual achievement attained (i.e. the response should show actual metrics and not a simple reference that the goal was at target, not at target, at maximum, etc.) Also, provide the incentive compensation goals for the base & test years.

Response:

Please refer to Attachment A hereto for 2009, 2010, 2011 and 2012 incentive plans goals and actual achievements attained. Also refer to Attachment A for the 2013 incentive plan goals.

The base period includes elements of both the 2012 and 2013 plans.

The incentive compensation goals for the forecasted test period are based on estimates assuming a target level of performance. Specific incentive plan goals do not yet exist for 2014.

Corporate Incentive Plan Years 2009-2013: Goals vs. Results

2013	Net Operating Earnings Per Share		Corporate Funds from Operations		NGD Business Unit Net Operating Earnings		NGD Funds From Operations	
	Goal	Result	Goal	Result	Goal	Result	Goal	Result
		NA		NA		NA		NA
Stretch	\$1.60		\$1,400M		\$196M		\$424M	
Target	\$1.55		\$1,250M		\$185M		\$382M	
Trigger	\$1.50		\$1,150M		\$179M		\$354M	

2012	Net Operating Earnings Per Share		Corporate Funds from Operations		NGD Business Unit Net Operating Earnings		NGD Funds From Operations	
	Goal	Result	Goal	Result	Goal	Result	Goal	Result
		\$1.46		\$1,185M		\$187M		\$440M
Stretch	\$1.50		\$1,179M		\$193M		\$353M	
Target	\$1.45		\$1,079M		\$182M		\$325M	
Trigger	\$1.40		\$ 979M		\$177M		\$297M	

2011	Net Operating Earnings Per Share		Corporate Funds from Operations		NGD Business Unit Operating Earnings		NGD Cash From Operations	
	Goal	Result	Goal	Result	Goal	Result	Goal	Result
		\$1.35		\$1,074M		\$346.5M		\$424.4M
Stretch	\$1.35		\$1,080M		\$350M		\$617M	
Target	\$1.30		\$ 980M		\$335M		\$438M	
Trigger	\$1.25		\$ 880M		\$328M		\$220M	

2010	Net Operating Earnings Per Share		Corporate Funds from Operations		NGD Business Unit Operating Earnings		NGD Cash From Operations	
	Goal	Result	Goal	Result	Goal	Result	Goal	Result
		\$1.22		\$1,053M		\$348M		\$508M
Stretch	\$1.20		\$1,040M		\$355M		\$574.5M	
Target	\$1.15		\$940M		\$336M		\$400M	
Trigger	\$1.10		\$840M		\$320M		\$296.4M	

2009	Net Operating Earnings Per Share		NGD Business Unit Operating Earnings		NGD Cash From Operations	
	Goal	Result	Goal	Result	Goal	Result
		\$1.07		\$329.9 M		\$692.3M
Stretch	\$1.15		\$345.5 M		\$569.3 M	
Target	\$1.10		\$330.2 M		\$444.7 M	
Trigger	\$1.05		\$314.3 M		\$370.1 M	

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013

201. Incentive Compensation. For each plan, for each of the years 2009-2012 and 2013 year-to-date, provide the total Company amount of incentive compensation capitalized and the amount expensed. Also, provide the amount of incentive compensation capitalized and the amount expensed.

Response:

Please see the table below.

Incentive Compensation			
Year	Expense	Capital	Total
2009	\$412,977	\$167,123	\$580,100
2010	\$539,898	\$222,496	\$762,394
2011	\$527,457	\$189,138	\$716,595
2012	\$488,442	\$229,982	\$718,424
2013 June YTD	\$162,310	\$81,876	\$244,186

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 202
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

202. Incentive Compensation. Please provide any studies the Company has in its possession that reflect a comparison of the Company's incentive compensation to that allowed in rates in other jurisdictions.

Response:

Columbia has not conducted any studies that reflect a comparison of Columbia's incentive compensation to that allowed in rates in other jurisdictions.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 203
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

203. Incentive Compensation. Provide, for each plan, for each year 2009 through 2012, 2013 year-to-date and the base & test years, the number of employees eligible under the plan for incentive compensation payment and the number of eligible employees that did not receive incentive compensation payment.

Response:

For plan year 2009 through 2012, for payout 2010 through 2013, (i.e. 2009 payment made in February/March 2010) the number of eligible employees receiving incentive compensation payment and the number of eligible employees that did not receive incentive compensation payments are listed in the table below. The numbers for plan year 2013 are not available because the plan year is not complete.

Years	Employees Receiving Incentive	Employees that did not receive Incentive Payment
2009	127	1
2010	122	2
2011	128	0
2012	130	2
2013	N/A because plan year not complete	

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 204
Respondent: Judy M. Cooper

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

204. Internal Audits. Provide a list of internal audits completed, scheduled, or in progress at the Company for the years 2009-2013. For each, list the subject of the audit, date of audit, date of report, and title of report. Provide a copy of each of the completed studies for review on-site.

Response:

The chart below shows internal audits completed since 2009 through 2013 that are specific to the operations of Columbia. Please note, no audits were performed by Internal Audit in the years 2009 or 2013 that were specific to Columbia operations. Copies of the completed reports may be reviewed on-site.

Date of Report	Audit	Audit Period	Audit Subject
06/01/10	Meter Sampling Prog. - CKY	January 2009 through December 2009	Review the policies and procedures in place for the Columbia Gas of Kentucky ("CKY") Meter Sampling Program ("Program") including a review of the annual report filed with the Public Service Commission ("Commission") of Kentucky. Verify that the policies in place are consistent with the approved regulatory guidelines issued in 1996 and proper controls exist around these policies to produce complete and accurate meter sampling conclusions.
03/15/11	CKY AMRP Tracker Audit	As of March 2011	Perform a review of the established controls and processes associated with the cost tracking mechanism in place for the Accelerated Main Replacement Program (AMRP) for Columbia Gas of Kentucky (CKY). Our review evaluated the company's overall processes currently in place to identify and track recoverable costs related to this program.
12/19/12	Fishel Invoice Review - Survey and Land (Columbia Gas KY)	August 1, 2009 through April 30, 2012	Perform an invoice process review for the Columbia Gas of Kentucky (CKY) survey and land contract 06-4910-02 with The Fishel Company (Fishel) for the period August 1, 2009 through April 30, 2012. The review focused on the procedures in place to process invoices and to prevent and/or detect duplicate payments.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 205
Respondent: Herbert A Miller, Jr. and Brooke E. Leslie

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

205. Legal Settlements. List all amounts over \$50,000 included in the base & test years which are the result of the settlements of claims against the Company.

Response:

None.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 206
Respondent: Herbert A Miller, Jr.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

206. Management & Performance Audit. Please provide a copy of the last management and performance audit report of the Company issued.

Response:

Columbia's last management audit was in 1986. It was conducted by Theodore Barry & Associates. The audit report is a bound book. Columbia has only one copy, and because it is bound it is impractical to copy. A copy of the audit report book will be available for on-site review if requested.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

207. Materials & Supplies. Provide the amount of materials and supplies balances by month for each year 2009 through 2012, 2013.

Response:

Please refer to the table below.

	<u>Materials & Supplies Account 154</u>
Jan-09	49,672
Feb-09	49,594
Mar-09	51,125
Apr-09	44,447
May-09	44,324
Jun-09	55,276
Jul-09	53,037
Aug-09	53,483
Sep-09	52,916

Oct-09	66,302
Nov-09	67,440
Dec-09	65,039
Jan-10	65,021
Feb-10	68,287
Mar-10	73,132
Apr-10	71,007
May-10	70,956
Jun-10	63,952
Jul-10	64,668
Aug-10	67,280
Sep-10	67,533
Oct-10	72,496
Nov-10	72,100
Dec-10	71,288
Jan-11	66,609
Feb-11	65,950
Mar-11	65,822
Apr-11	68,061
May-11	67,876

Jun-11	68,304
Jul-11	64,392
Aug-11	63,229
Sep-11	65,701
Oct-11	67,831
Nov-11	67,308
Dec-11	73,295
Jan-12	73,415
Feb-12	72,908
Mar-12	73,196
Apr-12	76,248
May-12	76,576
Jun-12	76,973
Jul-12	76,391
Aug-12	78,500
Sep-12	79,019
Oct-12	71,012
Nov-12	71,291
Dec-12	71,317
Jan-13	74,527

Feb-13	74,223
Mar-13	74,692
Apr-13	74,496
May-13	76,000
Jun-13	77,442

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 208
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

208. Officer Compensation. Please identify and provide a copy of all compensation surveys, studies of total compensation and payroll studies that the Company has used in the past five years, is currently using, and/or plans to use in 2013-2015 to evaluate whether the compensation levels of its executives are reasonable.

Response:

See attachments A through D for copies of compensation studies that the Company has used to evaluate whether the compensation levels of its executives are reasonable.

Attachment (A) to AG DR Set 1 No. 208

[CONFIDENTIAL]

Compensation Study

Attachment (B) to AG DR Set 1 No. 208

[CONFIDENTIAL]

Compensation Study

Attachment (C) to AG DR Set 1 No. 208

[CONFIDENTIAL]

Compensation Study

Attachment (D) to AG DR Set 1 No. 208

[CONFIDENTIAL]

Compensation Study

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 209
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

209. Penalties and Fines. Provide for each year 2009 through 2012, 2013 year-to-date a list of any and all penalties and fines paid by the Company and a description of why the penalty/fine was paid.

Response:

There were no penalties and fines recorded to above-the-line expense during this period.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 210
Respondent: Herbert A. Miller, Jr.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

210. Early Retirement Plan. Did the Company offer an early retirement plan during the period 2009-2013 year-to-date? If so, provide details including written descriptions provided to potentially eligible employees. Provide the details of impacts on annual expenses. Include a copy of any cost-benefit analyses associated with such early retirement programs. Also, describe any early retirement or employee severance plans being considered for the base & test years and indicate whether or not the program is reflected in the filing. If so, identify where.

Response:

No. Also, no such plans are being considered for the base and test years.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 211
Respondent: Chad E. Notestone

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

211. Plant Held for Future Use ("PHFU"). Provide for each year 2009 through 2012, 2013 year-to-date and the base & test years a summary of all PHFU showing a description of the property, the date acquired, the date included in PHFU, the proposed site use and a date for any proposed plant to be constructed and put in service.

Response:

Columbia does not have any capital classified as Plant Held for Future Use.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 212
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

212. Property Taxes. Provide on a monthly basis the company's property taxes for the period 2009 through 2013 year-to-date and the base & test years.

Response:

Please see the table below.

Property Tax Expense					
Month	2009	2010	2011	2012	2013
Jan	\$ 183,007	\$ 179,471	\$ 186,821	\$ 201,387	\$ 221,417
Feb	183,007	115,047	186,821	201,387	221,323
Mar	183,007	175,390	186,821	208,690	221,322
Apr	183,007	184,494	186,821	203,821	215,059
May	202,958	184,494	186,821	219,005	219,757
Jun	186,997	204,494	173,856	204,738	219,757
Jul	186,997	164,494	184,661	204,738	N/A
Aug	182,110	184,137	207,828	198,650	N/A
Sep	186,721	116,904	185,721	204,405	N/A
Oct	12,971	176,904	192,721	204,406	N/A
Nov	169,346	176,304	185,721	175,806	N/A
Dec	169,346	176,904	185,721	117,724	N/A
Total	\$ 2,029,476	\$ 2,039,039	\$ 2,250,331	\$ 2,344,758	\$ 1,318,634
Month	Base Period		Month	Forecasted	
Sep-12	\$ 204,405		Jan	\$ 247,174	
Oct	204,406		Feb	247,174	
Nov	175,806		Mar	247,174	
Dec	117,724		Apr	247,174	
Jan-13	221,417		May	247,174	
Feb	221,323		Jun	247,174	
Mar	221,000		Jul	247,174	
Apr	221,000		Aug	247,174	
May	221,000		Sep	247,174	
Jun	221,000		Oct	247,174	
Jul	221,000		Nov	247,174	
Aug	221,000		Dec	247,174	
Total	\$ 2,471,080		Total	\$ 2,966,084	

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 213
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

213. Property Taxes. For each taxing district, please provide the data that tax bills are sent and when they are paid.

Response:

Please refer to Attachment A of this response.

Columbia Gas of Kentucky, Inc.
 Property Tax Payments
 Tax Year 2012
 Property Tax as of 12/31/11 - Paid In 2012-2013

County	Tax District	Date Tax Bill Received (1)	Date Tax Bill Paid
	State of Kentucky	10/2/2012	11/1/2012
Bath	All Property	11/10/2012	12/10/2012
Bourbon	Schools - Paris	12/29/2012	1/28/2013
Bourbon	City of Paris	12/8/2012	1/7/2013
Boyd	All Property	11/10/2012	12/10/2012
Boyd	City of Ashland (PSC Franchise Tax)	11/14/2012	12/14/2012
Boyd	City of Catlettsburg	11/10/2012	12/10/2012
Boyd	City of Catlettsburg	12/8/2012	1/7/2013
Bracken	All Property	12/8/2012	1/7/2013
Carter	All Property	12/8/2012	1/7/2013
Clark	All Property	11/10/2012	12/10/2012
Clark	City of Winchester	11/6/2012	12/6/2012
Clay	All Property	11/5/2012	12/5/2012
Estill	All Property	11/14/2012	12/14/2012
Estill	City of Irvine	11/10/2012	12/10/2012
Estill	City of Ravenna	12/29/2012	1/28/2013
Fayette	All Property - LFUCG	2/13/2013	3/15/2013
Floyd	All Property	11/10/2012	12/10/2012
Franklin	All Property	11/14/2012	12/14/2012
Franklin	City of Frankfort	11/14/2012	12/14/2012
Greenup	All Property	11/14/2012	12/14/2012
Greenup	City of Bellefonte - Real Estate	8/21/2012	9/20/2012
Greenup	City of Flatwoods	11/5/2012	12/5/2012
Greenup	City of Flatwoods	12/1/2012	12/31/2012
Greenup	City of Greenup	3/31/2013	4/30/2013
Greenup	City of Raceland	11/14/2012	12/14/2012
Greenup	City of Russell	1/29/2013	2/28/2013
Greenup	City of South Shore	11/14/2012	12/14/2012
Greenup	City of Worthington	12/16/2012	1/15/2013
Greenup	City of Wurtland	11/14/2012	12/14/2012
Harrison	All Property	11/3/2012	12/3/2012
Harrison	City of Cynthiana	11/10/2012	12/10/2012
Jessamine	All Property	2/6/2013	3/8/2013
Johnson	All Property	11/14/2012	12/14/2012
Knott	All Property	11/14/2012	12/14/2012
Knott	Town of Hindman	1/2/2010	2/1/2010
Lawrence	All Property	11/10/2012	12/10/2012
Lawrence	City of Louisa	3/31/2013	4/30/2013
Lee	All Property	11/3/2012	12/3/2012
Lewis	All Property	11/14/2012	12/14/2012
Madison	All Property	11/14/2012	12/14/2012
Madison	City of Richmond	11/10/2012	12/10/2012
Martin	All Property	6/15/2013	7/15/2013
Mason	All Property	11/10/2012	12/10/2012
Mason	City of Maysville	11/14/2012	12/14/2012
Menifee	All Property	11/10/2012	12/10/2012
Montgomery	All Property	11/14/2012	12/14/2012
Montgomery	City of Mt. Sterling	12/8/2012	1/7/2013
Nicholas	All Property	11/14/2012	12/14/2012
Owsley	All Property	1/1/2013	1/31/2013
Pike	All Property	12/8/2012	1/7/2013
Robertson	All Property	1/5/2013	2/4/2013
Scott	All Property	11/14/2012	12/14/2012
Scott	City of Georgetown	1/5/2013	2/4/2013
Woodford	Real Property	11/10/2012	12/10/2012
Woodford	Tangible	11/10/2012	12/10/2012
Woodford	City of Midway	11/18/2012	12/18/2012
Woodford	City of Versailles	11/10/2012	12/10/2012

Notes and Assumptions:

(1) Date Received is calculated as 30 days prior to payment date.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

214. Property Taxes. For each taxing district, for any given year, please indicate whether taxes are based on actual plant in service or whether it is based on an assessed value. If the Company is taxed based on an assessed value, please indicate when the assessment is made relative to when the tax bill is issued (i.e. if tax bills are sent June 1, on what date is the assessment based on).

Response:

Columbia's property tax liability is based on an assessed value as of December 31. For example, taxes for tax year 2012 are assessed on property as of December 31, 2011, with bills due starting in the fourth quarter of 2012 and continuing into 2013. Please refer to Columbia's response to AG data requests Set 1 Nos. 213 and 215 for more information.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 215
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

215. Property Taxes. Assume that new plant in service was placed into service on January 1, 2012 at a cost of \$1,000,000: for each taxing district, please provide the tax rate per thousand dollars and provide a calculation of how much tax the Company would have to pay, the date that the tax bill would be sent and the date the payment would be due.

Response:

Please refer to Attachment A of this response.

Columbia Gas of Kentucky, Inc.
\$1 Million Plant In Service Addition

County	Tax District	Estimated Tax Millage (1)	New Plant Cost - Plant In Service 1/1/2012 (2)	Tax Owed by Company	Date Tax Bill Sent (3)	Date Tax Payment Due (3)
	State of Kentucky	1.913912	1,000,000	1,914	10/2/2013	12/3/2013
Bath	All Property	9.539163	1,000,000	9,539	11/10/2013	12/31/2013
Bourbon	Schools - Paris	6.191490	1,000,000	6,191	12/29/2013	2/3/2014
Bourbon	City of Paris	1.116500	1,000,000	1,117	12/8/2013	1/20/2014
Boyd	All Property	8.283242	1,000,000	8,283	11/10/2013	12/31/2013
Boyd	City of Ashland (PSC Franchise Tax)	10.765638	1,000,000	10,766	11/14/2013	1/2/2014
Boyd	City of Catlettsburg	3.217865	1,000,000	3,218	11/10/2013	1/3/2014
Boyd	City of Catlettsburg	3.287169	1,000,000	3,287	12/8/2013	1/20/2014
Bracken	All Property	10.802706	1,000,000	10,803	12/8/2013	1/12/2014
Carter	All Property	6.993330	1,000,000	6,993	12/8/2013	1/14/2014
Clark	All Property	7.834186	1,000,000	7,834	11/10/2013	12/27/2013
Clark	City of Winchester	1.505133	1,000,000	1,505	11/6/2013	12/6/2013
Clay	All Property	8.541936	1,000,000	8,542	11/5/2013	12/26/2013
Estill	All Property	9.347135	1,000,000	9,347	11/14/2013	12/28/2013
Estill	City of Irvine	0.965904	1,000,000	966	11/10/2013	12/31/2013
Estill	City of Ravenna	4.973500	1,000,000	4,974	12/29/2013	2/7/2014
Fayette	All Property - LFUCG	9.582179	1,000,000	9,582	2/13/2014	12/13/2013
Floyd	All Property	7.874614	1,000,000	7,875	11/10/2013	12/28/2013
Franklin	All Property	7.783599	1,000,000	7,784	11/14/2013	1/10/2014
Franklin	City of Frankfort	5.184488	1,000,000	5,184	11/14/2013	1/6/2014
Greenup	All Property	12.892073	1,000,000	12,892	11/14/2013	1/4/2014
Greenup	City of Bellefonte - Real Estate	2.689470	1,000,000	2,669	8/21/2013	9/28/2013
Greenup	City of Flatwoods	3.361142	1,000,000	3,361	11/5/2013	12/31/2013
Greenup	City of Flatwoods	0.140608	1,000,000	141	12/1/2013	1/11/2014
Greenup	City of Greenup	1.440285	1,000,000	1,440	3/31/2014	5/7/2014
Greenup	City of Raceland	1.837140	1,000,000	1,837	11/14/2013	1/4/2014
Greenup	City of Russell	5.074838	1,000,000	5,075	1/29/2014	3/7/2014
Greenup	City of South Shore	1.818352	1,000,000	1,818	11/14/2013	1/4/2014
Greenup	City of Worthington	3.736215	1,000,000	3,736	12/16/2013	2/9/2014
Greenup	City of Wurtland	1.645630	1,000,000	1,646	11/14/2013	1/10/2014
Harrison	All Property	7.617433	1,000,000	7,617	11/3/2013	12/26/2013
Harrison	City of Cynthia	1.796154	1,000,000	1,796	11/10/2013	12/10/2013
Jessamine	All Property	8.900129	1,000,000	8,900	2/6/2014	4/1/2014
Johnson	All Property	6.397565	1,000,000	6,398	11/14/2013	1/5/2013
Knott	All Property	7.173949	1,000,000	7,174	11/14/2013	1/7/2014
Knott	Town of Hindman	0.974400	1,000,000	974	1/2/2011	2/7/2011
Lawrence	All Property	9.587710	1,000,000	9,588	11/10/2013	12/28/2013
Lawrence	City of Louisa	2.347502	1,000,000	2,348	3/31/2014	5/10/2014
Lee	All Property	10.866468	1,000,000	10,866	11/3/2013	12/31/2013
Lewis	All Property	7.169178	1,000,000	7,169	11/14/2013	12/29/2013
Madison	All Property	8.660691	1,000,000	8,661	11/14/2013	12/28/2013
Madison	City of Richmond	1.529899	1,000,000	1,530	11/10/2013	12/31/2013
Martin	All Property	8.988992	1,000,000	8,989	6/15/2014	7/21/2014
Mason	All Property	8.797370	1,000,000	8,797	11/10/2013	12/27/2013
Mason	City of Maysville	1.624000	1,000,000	1,624	11/14/2013	1/3/2014
Menifee	All Property	10.099514	1,000,000	10,100	11/10/2013	12/31/2013
Montgomery	All Property	8.814625	1,000,000	8,815	11/14/2013	1/6/2014
Montgomery	City of Mt. Sterling	2.630982	1,000,000	2,631	12/8/2013	1/12/2014
Nicholas	All Property	6.905593	1,000,000	6,906	11/14/2013	12/27/2013
Owsley	All Property	10.261904	1,000,000	10,262	1/1/2014	2/15/2014
Pike	All Property	8.695586	1,000,000	8,696	12/8/2013	1/31/2014
Robertson	All Property	10.796870	1,000,000	10,797	1/5/2014	2/22/2014
Scott	All Property	6.456334	1,000,000	6,456	11/14/2013	1/4/2014
Scott	City of Georgetown	0.866100	1,000,000	866	1/5/2014	2/15/2014
Woodford	Real Property	8.061638	1,000,000	8,062	11/10/2013	12/30/2013
Woodford	Tangible	8.003224	1,000,000	8,003	11/10/2013	12/30/2013
Woodford	City of Midway	1.184292	1,000,000	1,184	11/18/2013	12/29/2013
Woodford	City of Versailles	0.714692	1,000,000	715	11/10/2013	12/31/2013

Notes and Assumptions:

- (1) To calculate estimated tax rates for 2013, Columbia assumes that the prior year rates will increase by 1.5%. This estimated tax rate incorporates the allocation of the assessed value between real and personal property, which are taxed at different rates by each taxing authority.
- (2) Columbia assumes that assessed value is equal to the cost of the plant placed in service. Columbia also assumes that the \$1 million of new plant placed in service on January 1, 2012 occurred in each taxing jurisdiction.
- (3) Date sent and date due were calculated based on prior year dates.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 216
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

216. Rate Case Expense. Provide by account, the monthly amortization of rate case expense associated with the Company's last rate case proceeding.

Response:

Columbia recorded rate case amortization expense of \$7,412 per month through October 2012 related to its last rate case proceeding. This amount was recorded to Account 928.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

217. Rental Income. Please provide annual rental income for each year 2009 through 2012, 2013 year-to-date and the test year.

Response:

Please see the table below for 2009 through year-to-date June 2013. Please refer to Columbia's response to AG data requests Set 1 No. 219 for the forecasted test period.

Year	Account 493	Account 881	Account 930	Total
2009	\$0	\$0	\$0	\$0
2010	\$0	\$0	\$0	\$0
2011	\$16,824	\$924	\$28,572	\$46,320
2012	\$16,824	\$924	\$28,572	\$46,320
2013 June YTD	\$46,788	\$1,986	\$87,222	\$135,996

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013

218. Rental Income. Provide monthly rental income for the years 2012 and 2013
year-to-date.

Response:

Please see the table below.

Month	Account 493	Account 881	Account 930	Total
Jan-12	\$1,402	\$77	\$2,381	\$3,860
Feb-12	\$1,402	\$77	\$2,381	\$3,860
Mar-12	\$1,402	\$77	\$2,381	\$3,860
Apr-12	\$1,402	\$77	\$2,381	\$3,860
May-12	\$1,402	\$77	\$2,381	\$3,860
Jun-12	\$1,402	\$77	\$2,381	\$3,860
Jul-12	\$1,402	\$77	\$2,381	\$3,860
Aug-12	\$1,402	\$77	\$2,381	\$3,860
Sep-12	\$1,402	\$77	\$2,381	\$3,860
Oct-12	\$1,402	\$77	\$2,381	\$3,860
Nov-12	\$1,402	\$77	\$2,381	\$3,860
Dec-12	\$1,402	\$77	\$2,381	\$3,860
Jan-13	\$1,402	\$77	\$2,381	\$3,860
Feb-13	\$1,402	\$77	\$2,381	\$3,860
Mar-13	\$20,590	\$839	\$38,849	\$60,278
Apr-13	\$7,798	\$331	\$14,537	\$22,666
May-13	\$7,798	\$331	\$14,537	\$22,666
Jun-13	\$7,798	\$331	\$14,537	\$22,666

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 219
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

219. Rental Income. Please provide the budgeted rental income for base & test years.

Response:

Please see the table below.

Year	Other Gas Department Revenue	O&M Expense	Total
Base Period	\$16,824	\$29,496	\$46,320
Forecasted Test Period	\$16,824	\$29,496	\$46,320

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 220
Respondent: Judy M. Cooper

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

220. Research and Development. Identify the amount of research and development expense recorded during the test year and identify the account charged for each project. Provide a description of the project and any and all associated cost/benefit analysis. Also, identify whether the project is recurring in nature.

Response:

The research and development expense for Columbia's fully forecasted test period is the same as that in the base period, \$300,000. It is charged annually to account 32-232-x-x-x-14025. Please see Columbia's response to Commission Staff Data Request Set 1 No. 53.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

221. Research and Development

- a. Does the company undertake R&D projects for only those studies which will most beneficially impact its operations?
- b. How does the Company determine which R&D studies will be most cost beneficial?
- c. Provide a copy of any and all cost/benefit analyses for each research and development project for which the Company is incurring cost in the base & test years.
- d. Provide the amount of R&D expense recorded for each year 2009 through 2012, 2013 year-to-date and the base & test years and identify the accounts charged.

Response:

Please see Columbia's responses to AG data request Set 1 No. 220 and Commission Staff data request Set 1 No. 53.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 222
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

222. Employee Relocation Expense. List employee relocation expense included in the base & test years and the previous three calendar years. Indicate the accounts in which such expense is provided. Indicate the amount budgeted for 2013 and the level requested in each base & test years.

Response:

Columbia has not incurred relocation expense for the previous three calendar years. There is no relocation expense in the 2013 budget, base period, and forecasted test period.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 223
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

223. Reserve Accounts. Provide the monthly balances in each reserve account (e.g., injuries and damages reserve account) for each year 2009 through 2012, 2013 year-to-date and the base & test years. This listing should include the monthly debits and credits to the reserve accounts.

Response:

Please refer to Attachment A of this response for the Accumulated Provision for Uncollectible Accounts and Attachment B of this response for the Accumulated Provision for Injuries and Damages. Regarding the base period and forecasted test period, projected month balances are at the level of the last available actual month, which in this case is February 2013 as included in Columbia's filing.

Columbia Gas of Kentucky, Inc.
Accumulated Provision for Uncollectible Accounts
01/01/2009 Through 06/30/2013

144 Activity for 2009-YTD 2013

2009			2011				
Month	Debits	Credits	Monthly Balance	Month	Debits	Credits	Monthly Balance
Dec-08			(\$694,665)	Dec-11			(\$366,905)
Jan-09	\$61,669	(\$262,297)	(\$895,293)	Jan-12	\$637	(\$97,627)	(\$463,896)
Feb-09	\$74,626	(\$259,941)	(\$1,080,608)	Feb-12	\$995	(\$91,812)	(\$554,713)
Mar-09	\$140,036	(\$131,685)	(\$1,072,256)	Mar-12	\$1,429	(\$54,237)	(\$607,520)
Apr-09	\$234,091	(\$205,106)	(\$1,043,271)	Apr-12	\$639	(\$1,687)	(\$608,567)
May-09	\$405,667	(\$116,308)	(\$753,911)	May-12	\$3,160	\$0	(\$605,408)
Jun-09	\$432,834	(\$126,337)	(\$447,414)	Jun-12	\$77,903	\$0	(\$527,505)
Jul-09	\$493,588	(\$330,661)	(\$284,487)	Jul-12	\$339,324	\$0	(\$188,180)
Aug-09	\$399,874	(\$233,718)	(\$118,331)	Aug-12	\$412	(\$67,054)	(\$254,822)
Sep-09	\$249,345	(\$308,716)	(\$177,702)	Sep-12	\$20,733	\$0	(\$234,089)
Oct-09	\$129,062	(\$217,914)	(\$266,554)	Oct-12	\$612	(\$11,920)	(\$245,397)
Nov-09	\$126,989	(\$325,113)	(\$464,678)	Nov-12	\$24,662	(\$14)	(\$220,750)
Dec-09	\$217,364	(\$166,670)	(\$413,983)	Dec-12	\$1,711	(\$44,678)	(\$263,716)

2010			2012				
Month	Debits	Credits	Monthly Balance	Month	Debits	Credits	Monthly Balance
Dec-09			(\$413,983)	Dec-12			(\$263,716)
Jan-10	\$23,009	(\$393,547)	(\$784,521)	Jan-13	\$785	(\$83,232)	(\$346,164)
Feb-10	\$39,007	(\$387,939)	(\$1,133,453)	Feb-13	\$374	(\$61,406)	(\$407,196)
Mar-10	\$44,807	(\$253,094)	(\$1,341,739)	Mar-13	\$576	(\$38,143)	(\$444,762)
Apr-10	\$61,101	(\$227,455)	(\$1,508,093)	Apr-13	\$1,263	(\$23,417)	(\$466,916)
May-10	\$627,243	(\$16,449)	(\$897,299)	May-13	\$5,104	\$0	(\$461,813)
Jun-10	\$207,456	(\$72,228)	(\$762,071)	Jun-13	\$53,172	\$0	(\$408,641)
Jul-10	\$103,641	\$0	(\$658,430)	Jul-13			N/A
Aug-10	\$274,510	\$0	(\$383,920)	Aug-13			N/A
Sep-10	\$2,366	(\$156,718)	(\$538,271)	Sep-13			N/A
Oct-10	\$227,569	\$0	(\$310,702)	Oct-13			N/A
Nov-10	\$80,360	\$0	(\$230,342)	Nov-13			N/A
Dec-10	\$1,134	(\$10,321)	(\$239,528)	Dec-13			N/A

Month	Debits	Credits	Monthly Balance
Dec-10			(\$239,528)
Jan-11	\$1,065	(\$104,114)	(\$342,578)
Feb-11	\$1,399	(\$161,091)	(\$502,270)
Mar-11	\$1,173	(\$99,568)	(\$600,665)
Apr-11	\$18,176	\$0	(\$582,489)
May-11	\$135,238	\$0	(\$447,251)
Jun-11	\$165,629	\$0	(\$281,622)
Jul-11	\$132,109	\$0	(\$149,512)
Aug-11	\$248	(\$39,779)	(\$189,043)
Sep-11	\$706	(\$1,052)	(\$189,389)
Oct-11	\$1,779	(\$38,583)	(\$226,193)
Nov-11	\$18,764	\$0	(\$207,430)
Dec-11	\$2,880	(\$162,355)	(\$366,905)

Columbia Gas of Kentucky, Inc.
 Accumulated Provision for Uncollectible Accounts
 For the Base and the Forecasted Period

	Base Period		Monthly Balance	Forecasted Period		Monthly Balance
	Debits	Credits		Debits	Credits	
Aug-12			(\$254,822)			(\$407,196)
Sep-12	\$20,733	\$0	(\$234,089)			(\$407,196)
Oct-12	\$612	(\$11,920)	(\$245,397)			(\$407,196)
Nov-12	\$24,662	(\$14)	(\$220,750)			(\$407,196)
Dec-12	\$1,711	(\$44,678)	(\$263,716)			(\$407,196)
Jan-13	\$785	(\$83,232)	(\$346,164)			(\$407,196)
Feb-13	\$374	(\$61,406)	(\$407,196)			(\$407,196)
Mar-13			(\$407,196)			(\$407,196)
Apr-13			(\$407,196)			(\$407,196)
May-13			(\$407,196)			(\$407,196)
Jun-13			(\$407,196)			(\$407,196)
Jul-13			(\$407,196)			(\$407,196)
Aug-13			(\$407,196)			(\$407,196)
				Dec-13		(\$407,196)
				Jan-14		(\$407,196)
				Feb-14		(\$407,196)
				Mar-14		(\$407,196)
				Apr-14		(\$407,196)
				May-14		(\$407,196)
				Jun-14		(\$407,196)
				Jul-14		(\$407,196)
				Aug-14		(\$407,196)
				Sep-14		(\$407,196)
				Oct-14		(\$407,196)
				Nov-14		(\$407,196)
				Dec-14		(\$407,196)

Columbia Gas of Kentucky, Inc.
 Accumulated Provision for Injuries and Damages
 01/01/2009 Through 06/30/2013

228-2000 Activity for 2009-YTD 2013

Monthly Balance			Monthly Balance		
Debits	Credits	Balance	Debits	Credits	Balance
Dec-08		(\$53,547)	Dec-11		(\$132,579)
Jan-09	\$0	(\$53,547)	Jan-12	\$0	(\$134,895)
Feb-09	\$0	(\$53,547)	Feb-12	\$2,034	(\$132,861)
Mar-09	\$13,463	(\$40,084)	Mar-12	\$0	(\$140,981)
Apr-09	\$0	(\$40,084)	Apr-12	\$6,527	(\$134,454)
May-09	\$0	(\$40,084)	May-12	\$14,235	(\$120,219)
Jun-09	\$8,082	(\$32,002)	Jun-12	\$12,422	(\$107,797)
Jul-09	\$0	(\$32,002)	Jul-12	\$0	(\$122,534)
Aug-09	\$0	(\$32,002)	Aug-12	\$0	(\$11,309)
Sep-09	\$447	(\$208,099)	Sep-12	\$15,436	(\$118,407)
Oct-09	\$0	(\$208,099)	Oct-12	\$8,999	(\$109,408)
Nov-09	\$0	(\$208,099)	Nov-12	\$0	(\$109,758)
Dec-09	\$0	(\$241,626)	Dec-12	\$0	(\$31,500)
Dec-09		(\$241,626)	Dec-12		(\$141,258)
Jan-10	\$0	(\$241,626)	Jan-13	\$0	(\$144,258)
Feb-10	\$0	(\$241,626)	Feb-13	\$1,022	(\$143,236)
Mar-10	\$0	(\$248,973)	Mar-13	\$0	(\$153,093)
Apr-10	\$0	(\$248,973)	Apr-13	\$35,697	(\$117,396)
May-10	\$144,000	(\$104,973)	May-13	\$2,508	(\$114,888)
Jun-10	\$17,634	(\$87,339)	Jun-13	\$20,851	(\$94,037)
Jul-10	\$230	(\$87,109)	Jul-13		N/A
Aug-10	\$0	(\$87,109)	Aug-13		N/A
Sep-10	\$25,981	(\$61,128)	Sep-13		N/A
Oct-10	\$23,189	(\$37,939)	Oct-13		N/A
Nov-10	\$0	(\$132,734)	Nov-13		N/A
Dec-10	\$225	(\$148,526)	Dec-13		N/A
Dec-10		(\$148,526)			
Jan-11	\$6,975	(\$141,551)			
Feb-11	\$5,582	(\$135,969)			
Mar-11	\$336	(\$135,633)			
Apr-11	\$3	(\$135,630)			
May-11	\$2,421	(\$133,209)			
Jun-11	\$7,664	(\$125,545)			
Jul-11	\$0	(\$147,974)			
Aug-11	\$4,095	(\$143,879)			
Sep-11	\$3,773	(\$140,106)			
Oct-11	\$0	(\$142,770)			
Nov-11	\$115	(\$142,655)			
Dec-11	\$10,076	(\$132,579)			

Columbia Gas of Kentucky, Inc.
 Accumulated Provision for Injuries and Damages
 For the Base and the Forecasted Period

	Base Period		Monthly Balance	Forecasted Period		Monthly Balance
	Debits	Credits		Debits	Credits	
Aug-12			(\$133,843)	Dec-13		(\$143,000)
Sep-12	\$15,436	\$0	(\$118,407)	Jan-14		(\$143,000)
Oct-12	\$8,999	\$0	(\$109,408)	Feb-14		(\$143,000)
Nov-12	\$0	(\$350)	(\$109,758)	Mar-14		(\$143,000)
Dec-12	\$0	(\$31,500)	(\$141,258)	Apr-14		(\$143,000)
Jan-13	\$0	(\$3,000)	(\$144,258)	May-14		(\$143,000)
Feb-13	\$1,022	\$0	(\$143,236)	Jun-14		(\$143,000)
Mar-13			(\$143,000)	Jul-14		(\$143,000)
Apr-13			(\$143,000)	Aug-14		(\$143,000)
May-13			(\$143,000)	Sep-14		(\$143,000)
Jun-13			(\$143,000)	Oct-14		(\$143,000)
Jul-13			(\$143,000)	Nov-14		(\$143,000)
Aug-13			(\$143,000)	Dec-14		(\$143,000)

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

224. Revenues. Provide by month for each year 2009 through 2012, 2013 year-to-date and the test year, the revenues from customers.

Response:

The table below shows per book revenue from January 2009 through June 2013.

Please refer to Schedule M for the monthly revenue for the test year.

	<u>Total Revenue</u>
Jan-09	41,551,421
Feb-09	31,187,184
Mar-09	15,709,238
Apr-09	11,956,722
May-09	6,768,104
Jun-09	5,169,686
Jul-09	6,398,799
Aug-09	2,965,707
Sep-09	2,604,591
Oct-09	6,674,310
Nov-09	8,993,507
Dec-09	16,347,473
Jan-10	19,259,420
Feb-10	16,395,740
Mar-10	16,647,550
Apr-10	11,241,329
May-10	6,500,462

Jun-10	4,362,785
Jul-10	5,921,988
Aug-10	4,584,510
Sep-10	5,413,475
Oct-10	6,774,868
Nov-10	12,674,005
Dec-10	27,013,008
Jan-11	29,619,873
Feb-11	25,626,153
Mar-11	18,182,945
Apr-11	8,273,119
May-11	8,686,528
Jun-11	5,606,872
Jul-11	4,853,931
Aug-11	3,858,650
Sep-11	5,478,675
Oct-11	7,691,498
Nov-11	11,190,536
Dec-11	16,245,361
Jan-12	18,273,070
Feb-12	15,174,378
Mar-12	9,325,976
Apr-12	6,362,640
May-12	5,038,973
Jun-12	3,631,112
Jul-12	3,887,957
Aug-12	3,937,779
Sep-12	4,154,848
Oct-12	6,339,882
Nov-12	10,200,319
Dec-12	14,758,518
Jan-13	18,765,950
Feb-13	16,626,082
Mar-13	13,831,814
Apr-13	11,511,749
May-13	6,277,197
Jun-13	5,406,826

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 225
Respondent: Chad E. Notestone

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013

225. Other Revenues. Please provide the amount of Other Revenues by revenue type for each year 2009 through 2012, 2013 year-to-date and the base & test years.

Response:

	Non-Traditional Sales	Unbilled Revenue
	<u>Account 495-4xxx</u>	<u>Account 495-7xxx</u>
2009	6,081,566	(8,750,000)
2010	16,694,109	3,916,000
2011	27,039,610	(4,307,000)
2012	3,168,865	(390,000)
YTD 6/2013	11,036,959	(5,786,000)
BaseYear	5,701,218	4,674,002
Test Year	-	-

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013

226. Late Payment Revenues. Provide the annual actual late payment revenues for each year 2009 through 2012, 2013 year-to-date and the base & test years.

Response:

	Forfeited Discounts
	<u>Account 487</u>
2009	209,257
2010	493,933
2011	572,294
2012	406,197
YTD 6/2013	305,194
BaseYear	390,785
Test Year	356,864

KY PSC Case No. 2013-00167
 Response to AG's Data Request Set One No. 227
 Respondent: Chad E. Notestone

**COLUMBIA GAS OF KENTUCKY, INC.
 RESPONSE TO ATTORNEY GENERAL'S FIRST
 REQUEST FOR INFORMATION
 DATED JULY 19, 2013**

227. Miscellaneous Revenues. Provide the annual actual miscellaneous revenues for each year 2009 through 2012, 2013 year-to-date and the base & test years.

Response:

	Miscellaneous Service Revenue	Rent from Gas Property	Miscellaneous Other Gas Revenue
	<u>Account 488</u>	<u>Account 493</u>	<u>Account 495-9900</u>
2009	133,471	-	359,756
2010	139,468	-	420,196
2011	131,251	16,828	569,092
2012	149,537	16,824	572,555
YTD 6/2013	61,810	46,788	233,271
BaseYear	141,547	16,821	373,371
Test Year	139,623	16,623	368,597

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 228
Respondent: S. Mark Ktko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

228. Trial Balance. Provide the trial balances for the years ending December 31, 2009 through 2012 and 2013 year-to-date.

Response:

Please refer to the attached file on the separate CD labeled "Columbia Trial Balance 2009-June 2013.xlsx."

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

229. Uncollectibles. Provide for each year 2009-2012 and the test year the total amount of actual write-offs, the total amount of recoveries and the total revenues for the year.

Response:

Please see the table below for total actual write-offs for 2009-2012.

Year	Amount
2009	\$ 2,634,434
2010	\$ 971,914
2011	\$ 1,174,400
2012	\$ 577,904

Please see the table below for total actual recoveries for 2009-2012.

Year	Amount
2009	\$ 896,525
2010	\$ 768,506
2011	\$ 554,985
2012	\$ 354,491

Please refer to AG Set 1 No. 267 (b) for total revenue for 2009-2012.

Write-offs and recoveries are not separately identifiable in the forecasted test period.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 230
Respondent: Herbert A. Miller, Jr.

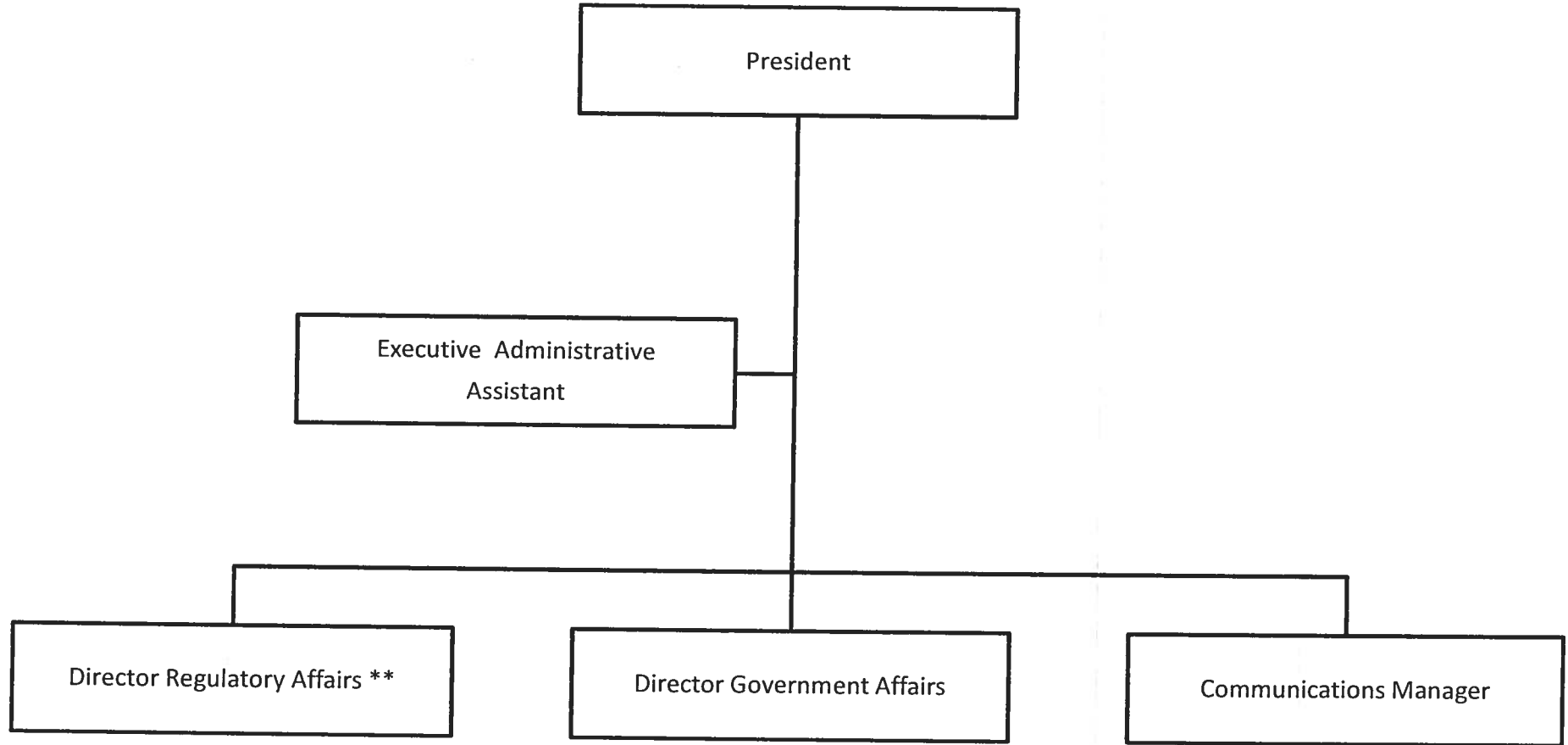
**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

230. Organization Chart. Provide a copy of the current Columbia organization charts.

Response:

Please refer to the organization chart attached to this response.

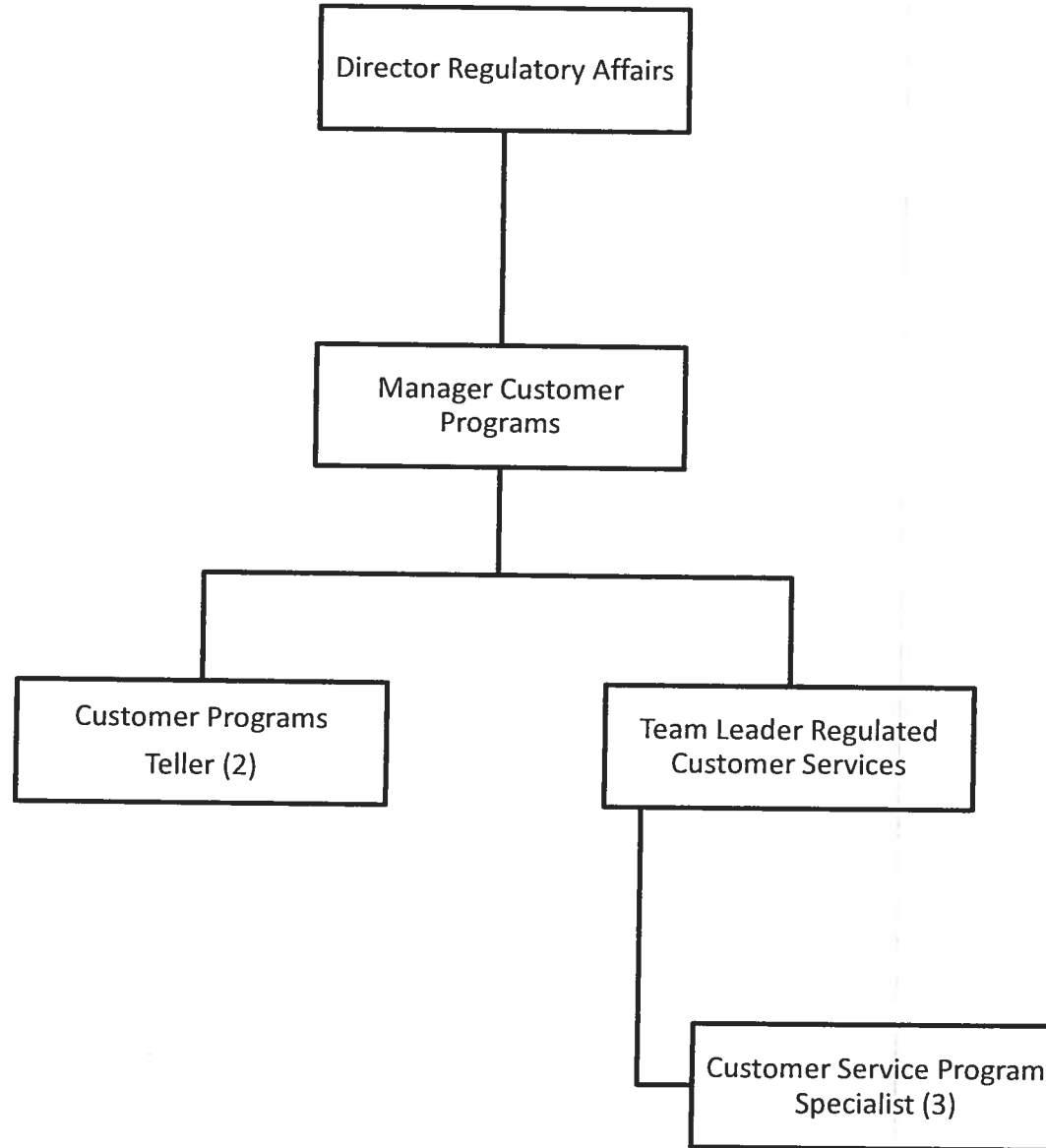
Columbia Gas of Kentucky
Regulated Revenue



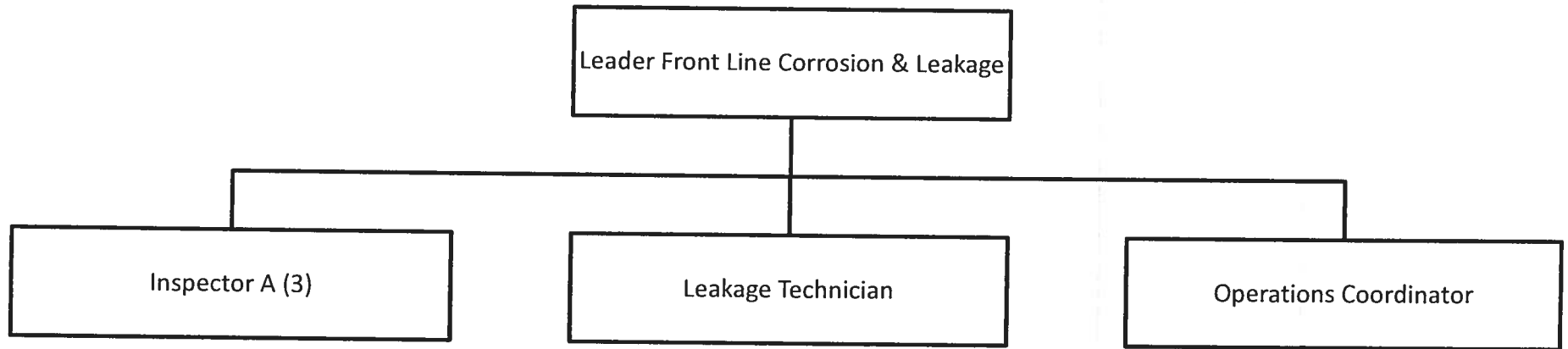
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CKY Total Headcount 136
Page Headcount: 4

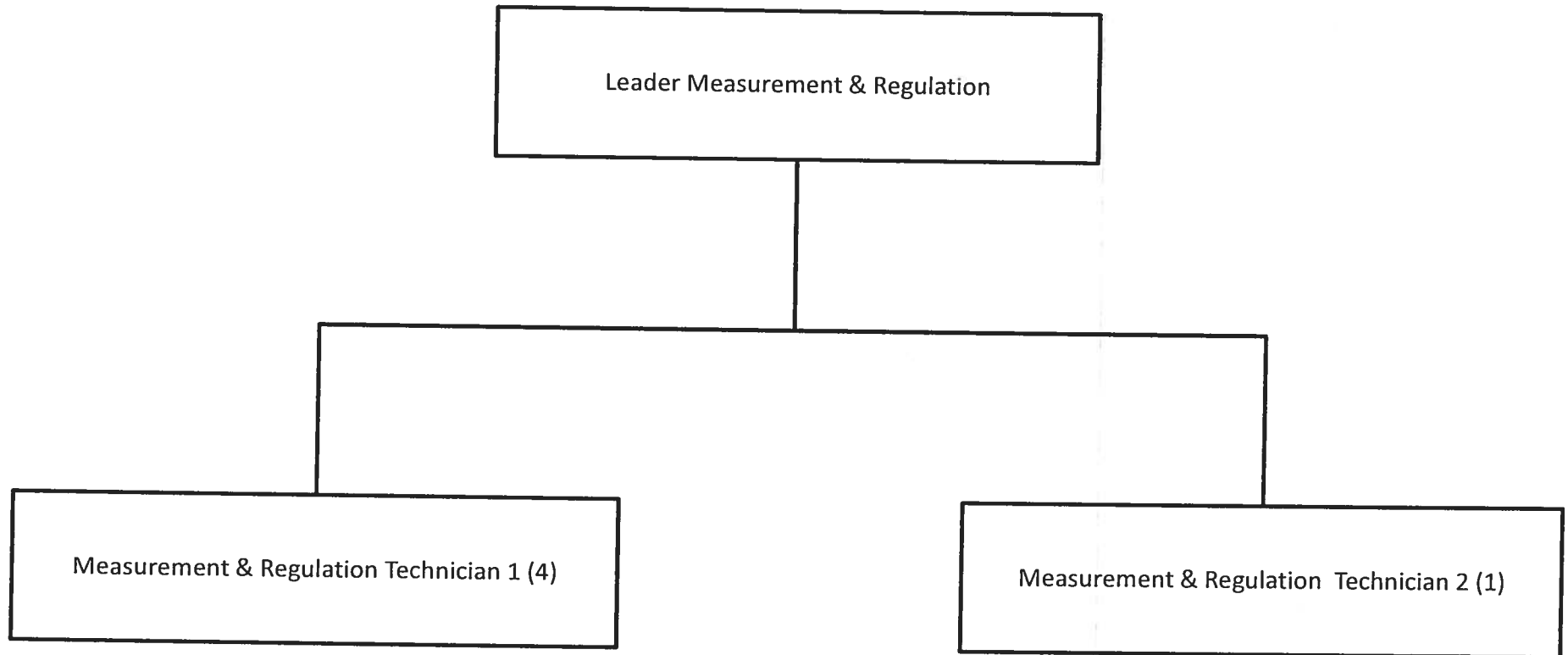
Columbia Gas of Kentucky
Regulated Revenue



Columbia Gas of Kentucky
Systems Operations



Columbia Gas of Kentucky
Systems Operations

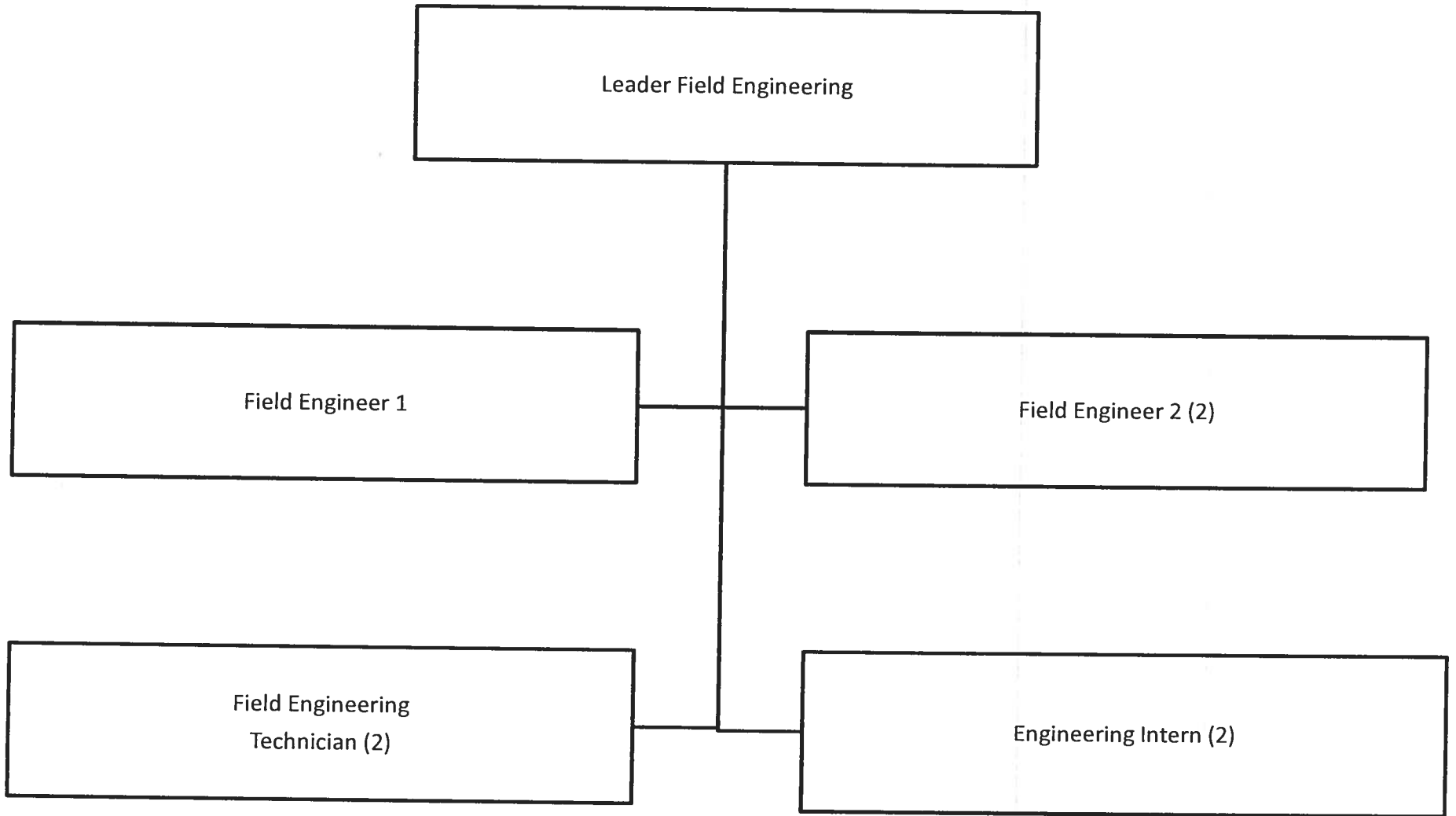


Columbia Gas of Kentucky
Systems Operations

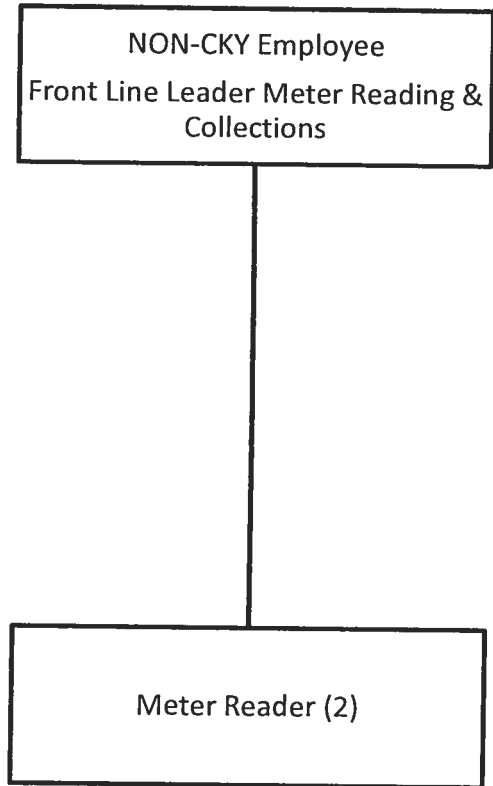
NON-CKY Employee
Leader Front Line Corrosion &
Leakage

Corrosion Technician (2)

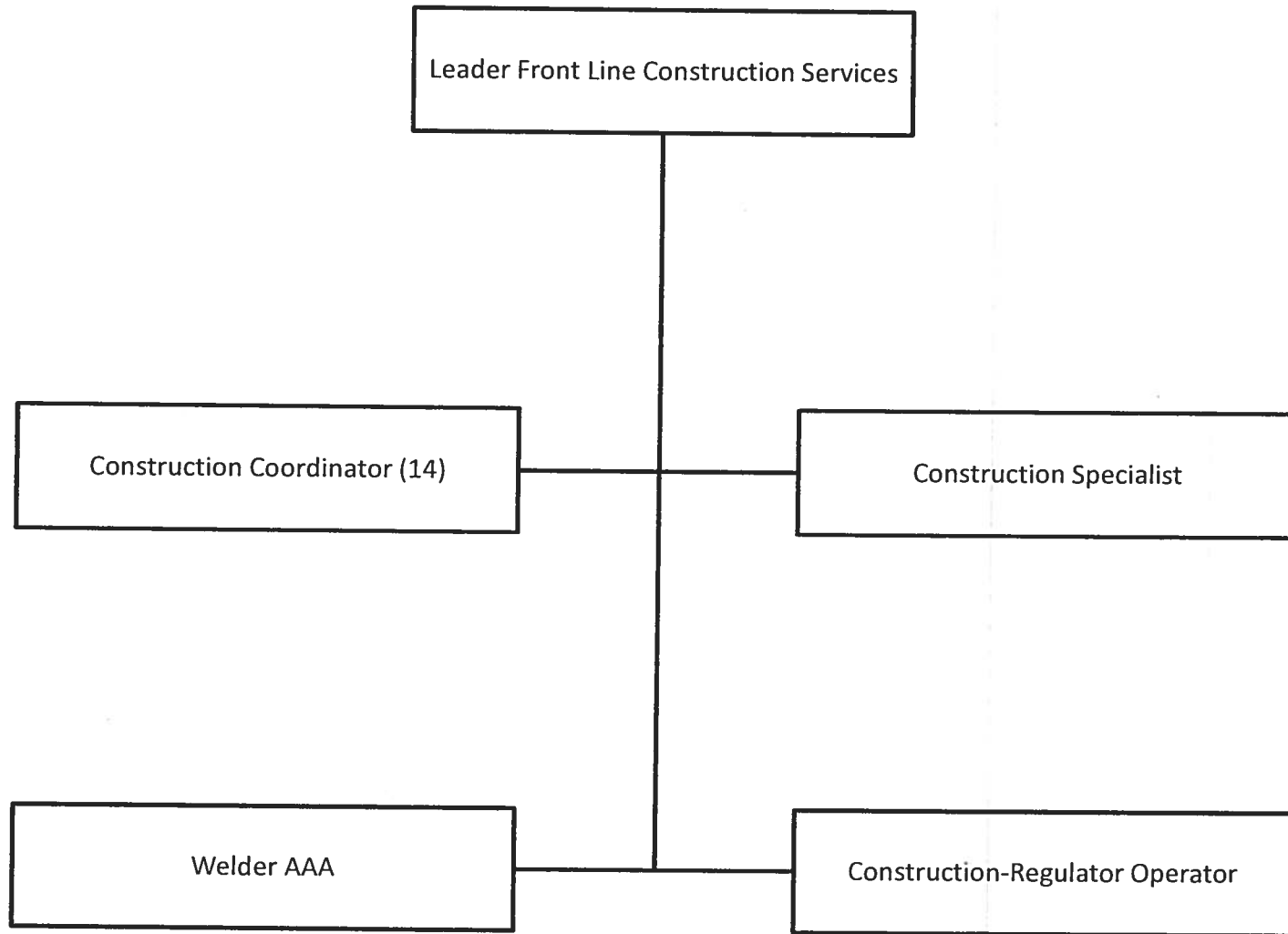
Columbia Gas of Kentucky
Field Engineering



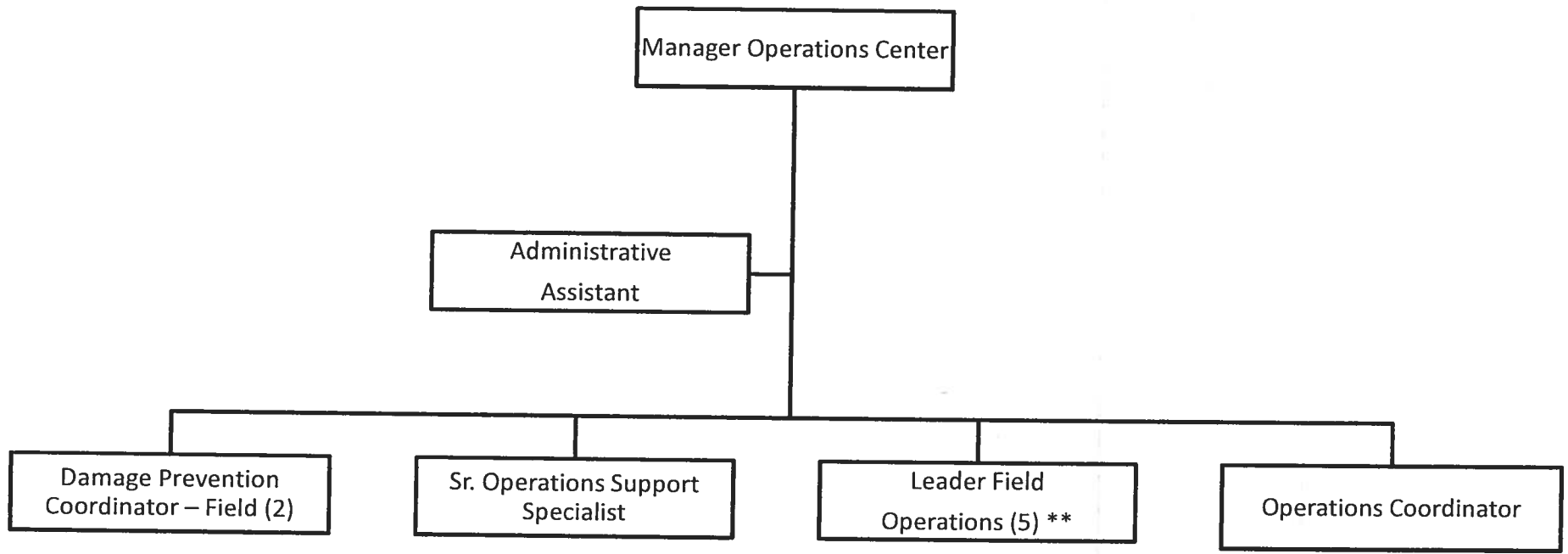
Columbia Gas of Kentucky
Meter Reading & Collections



Columbia Gas of Kentucky
Constructions Services

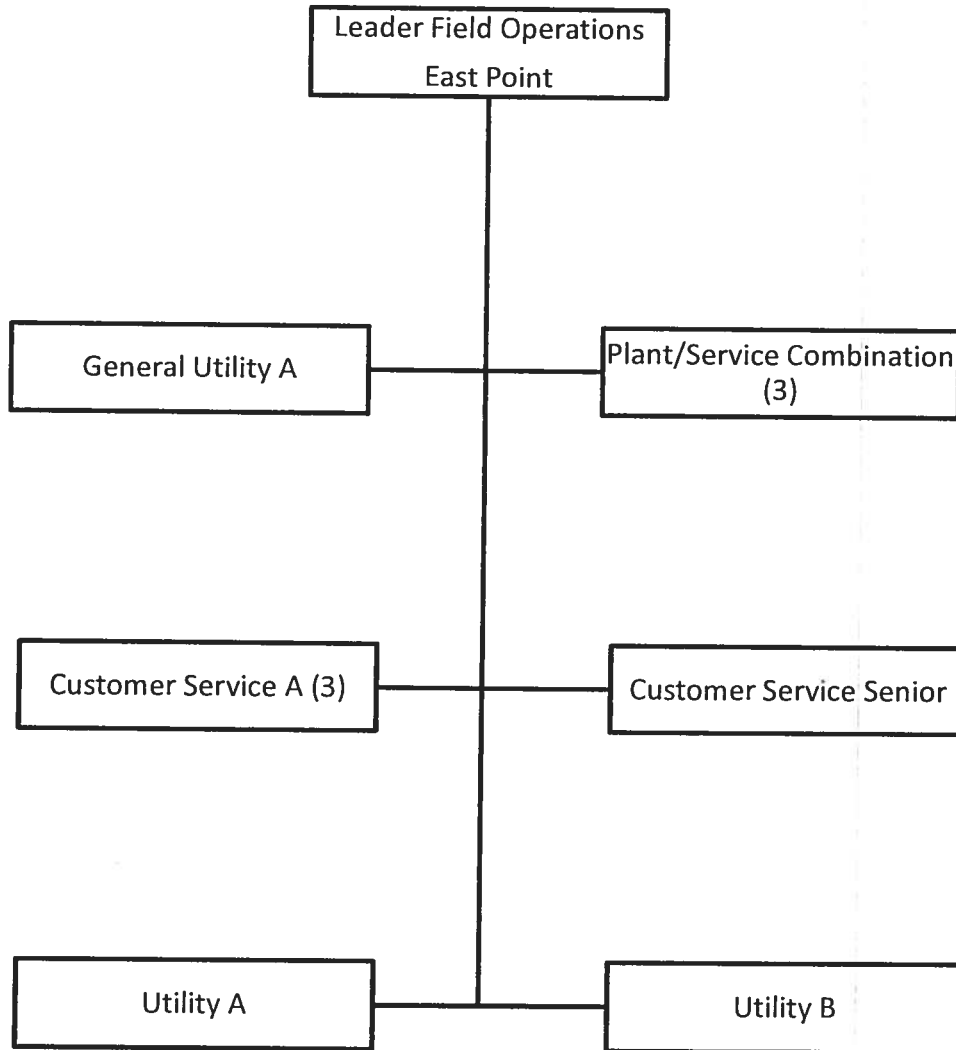


Columbia Gas of Kentucky
Field Operations

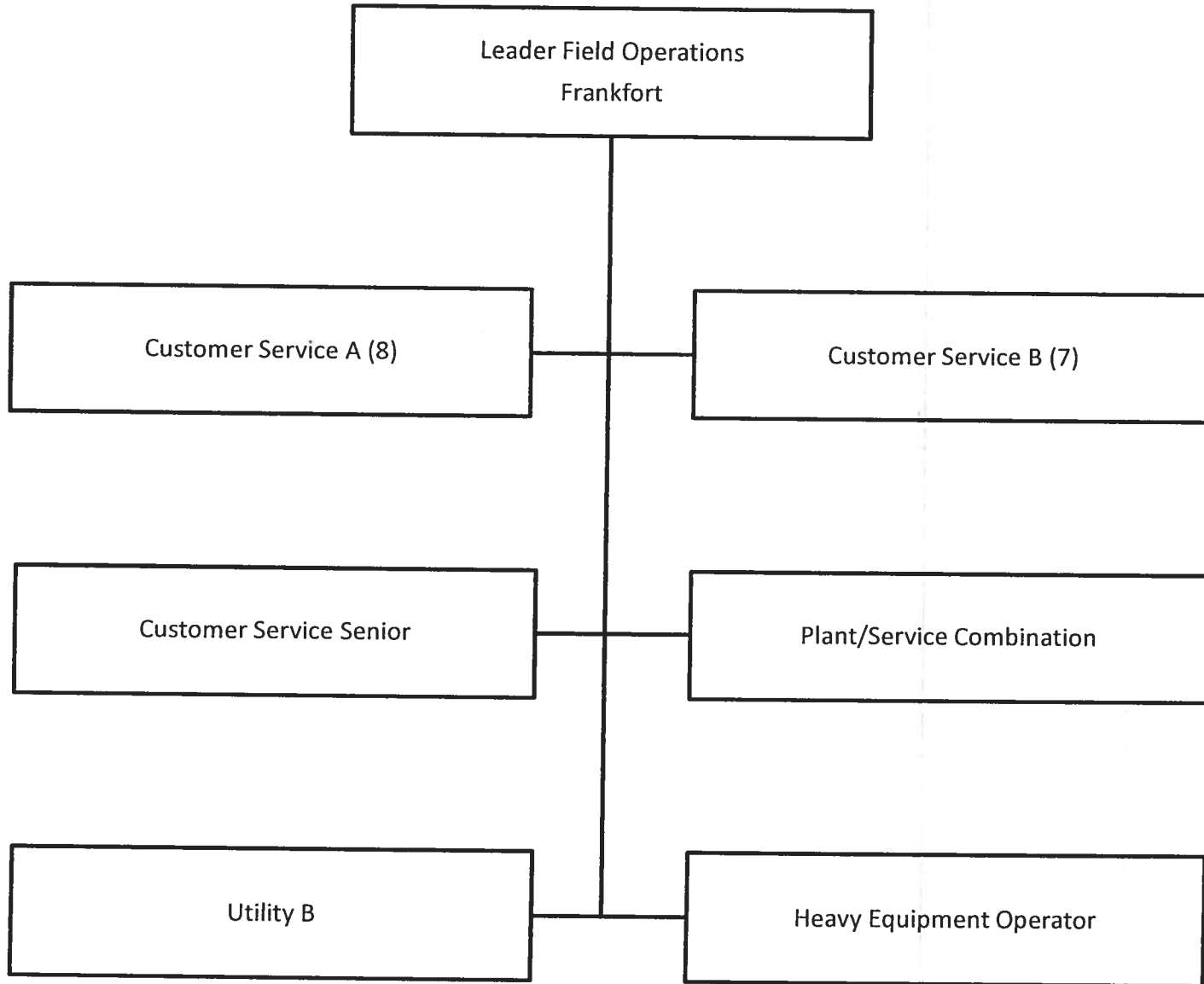


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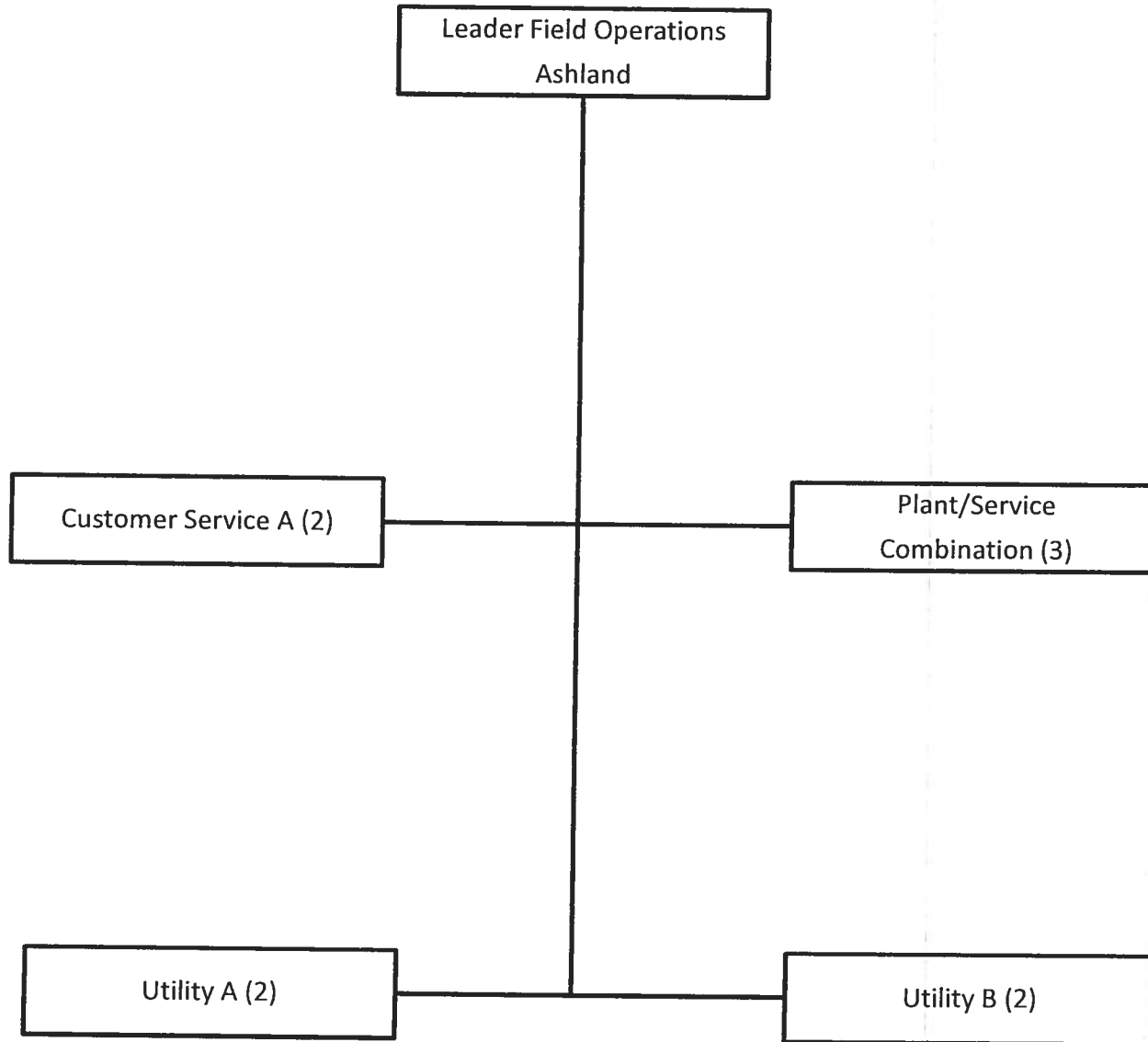
Columbia Gas of Kentucky
Field Operations



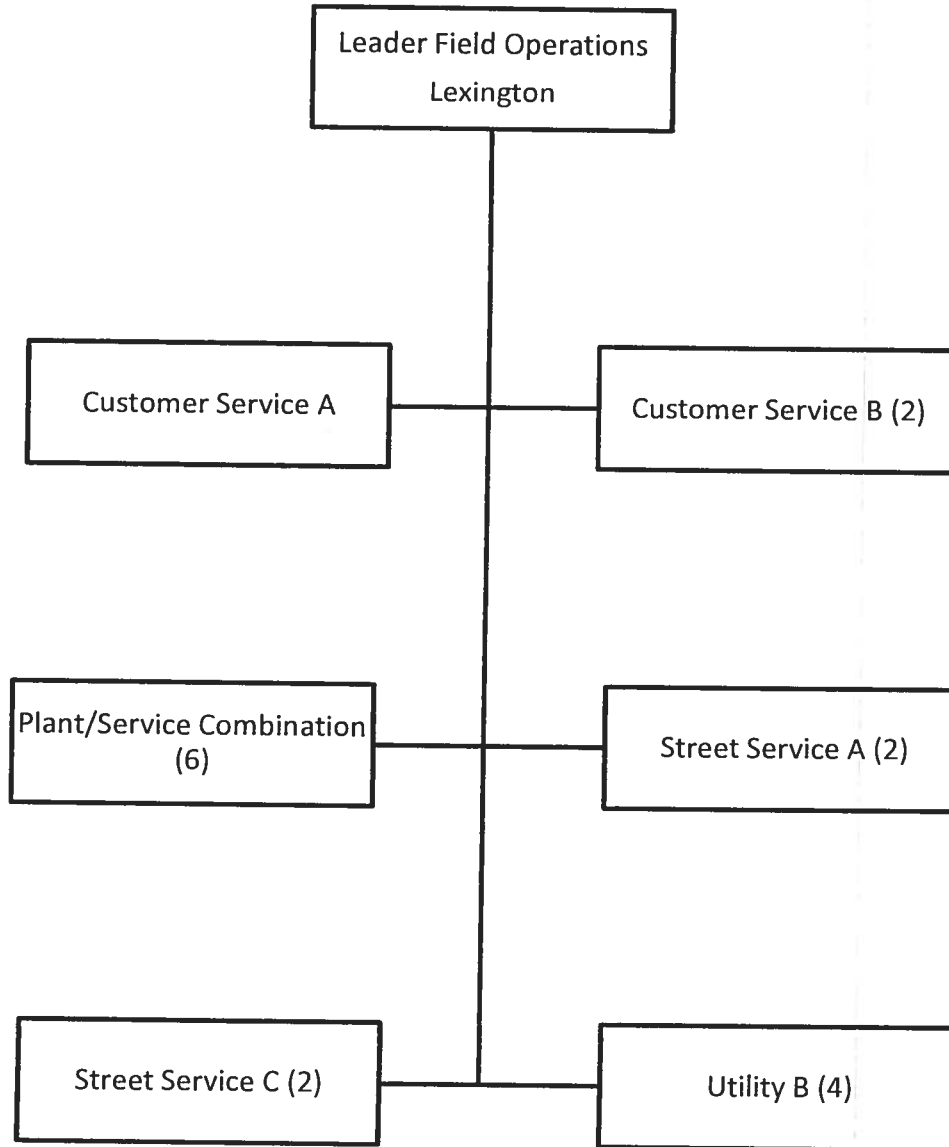
Columbia Gas of Kentucky
Field Operations



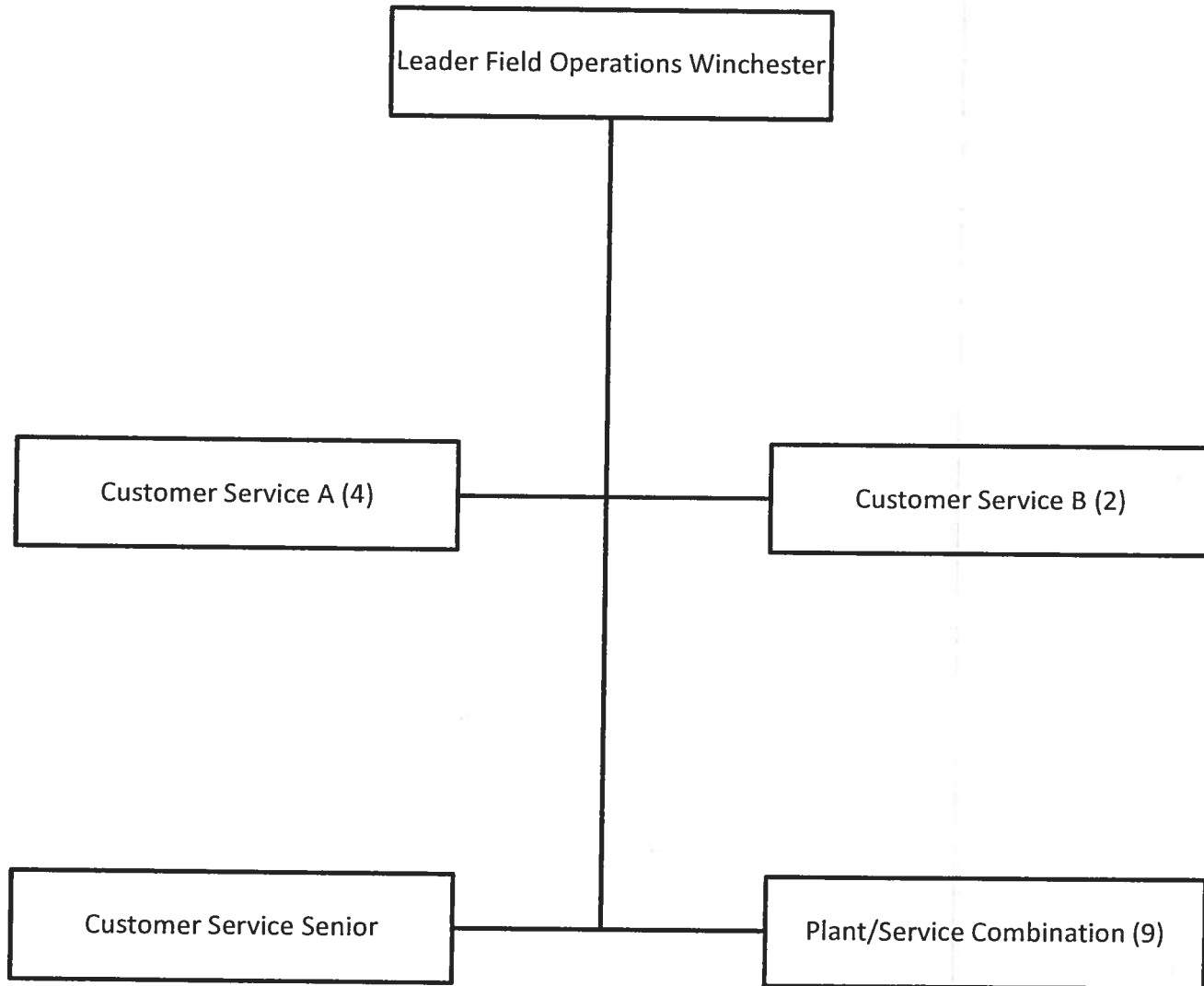
Columbia Gas of Kentucky
Field Operations



Columbia Gas of Kentucky
Field Operations



Columbia Gas of Kentucky
Field Operations



KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 231
Respondents: Herbert A. Miller, Jr. and S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

231. Spousal/Family Travel. What is the Company's policy regarding spousal/family travel? Include test year expense levels recorded above-the-line and those requested in the base & test years.

Response:

Company policy reads as follows:

"In certain situations, it may be appropriate for a spouse or other individual to participate with the employee in a business activity. In these situations, any meals or incremental travel expenses are to be reported under the appropriate Spousal Travel Expense category in ERS. The taxability of these expenditures will be calculated outside of the regular expense account process. All expenses will normally be included as imputed income on the employee's W-2."

There are no Columbia direct spousal expenses included in above-the-line expenses for the forecasted test period.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 232
Respondents: S. Mark Katko, C. Notestone

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

232. Reference testimony of Katko. Please provide all work papers, source documents and underlying data used in the development of the line item depreciation & amortization expense for Schedule D-2.3 Sheet 1 of 1 for both the forecast and base period and actual booked charges for the years 2009, 2010, 2011 and 2012.

Response:

Please refer to Columbia's response to AG data request Set 1 No. 107 Attachment, Tab WPB2.2 Plant Detail, Sheet 1 of 45, for the development of the depreciation and amortization expense referenced on Schedule D 2.3 Sheet 1 of 1 for the forecasted months in the test periods. AG DR Set 1 No. 232 Attachment E contains the source documents for the monthly depreciation expense used for the six months of actuals in the base period.

Please refer to AG DR Set 1 No. 232 Attachments A through D for the actual book accruals and calculations for the years 2009-2012, respectively.

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR N
 Attachment A
 Respondents: S. Mark Katko
 Chad E. Notestone
 Page 1 of 32

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Production</u>								
<u>CKY 30500 Structures & Improvements</u>								
Jan/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 31100 LPG Equipment</u>								
Jan/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR N
 Attachment A
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37440 Land Rights, Other Dist								
Jan/2009	555,084.60	555,084.60	1.5300%	707.73	126,122.45	0.0000%	0.00	-918.69
Feb/2009	555,084.60	555,084.60	1.5300%	707.73	126,830.18	0.0000%	0.00	-918.69
Mar/2009	555,084.60	555,419.60	1.5300%	708.16	127,538.34	0.0000%	0.00	-918.69
Apr/2009	555,754.60	555,740.34	1.5300%	708.57	128,218.39	0.0000%	0.00	-918.69
May/2009	555,726.08	555,726.08	1.5300%	708.55	128,926.94	0.0000%	0.00	-918.69
Jun/2009	555,726.08	534,037.91	1.5300%	680.90	129,607.84	0.0000%	0.00	-918.69
Jul/2009	512,349.74	519,377.14	1.5300%	662.21	117,233.18	0.0000%	0.00	-918.69
Aug/2009	526,404.53	528,873.53	1.5300%	674.31	117,907.49	0.0000%	0.00	-2,624.69
Sep/2009	531,342.53	531,532.53	1.5300%	677.70	118,585.19	0.0000%	0.00	-2,624.69
Oct/2009	531,722.53	531,722.53	1.5300%	677.95	119,263.14	0.0000%	0.00	-2,624.69
Nov/2009	531,722.53	531,563.33	1.5300%	677.74	119,622.48	0.0000%	0.00	-2,624.69
Dec/2009	531,404.13	531,445.92	1.5300%	677.59	120,300.07	0.0000%	0.00	-2,624.69
Depr Group Total:				8,269.14	120,300.07		0.00	-2,624.69
CKY 37450 Rights of Way								
Jan/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	676,425.93	0.0000%	0.00	0.00
Feb/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	679,138.75	0.0000%	0.00	0.00
Mar/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	681,851.57	0.0000%	0.00	0.00
Apr/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	684,564.39	0.0000%	0.00	0.00
May/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	687,277.21	0.0000%	0.00	0.00
Jun/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	689,990.03	0.0000%	0.00	0.00
Jul/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	692,702.85	0.0000%	0.00	0.00
Aug/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	695,415.67	0.0000%	0.00	0.00
Sep/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	698,128.49	0.0000%	0.00	0.00
Oct/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	700,841.31	0.0000%	0.00	0.00
Nov/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	703,554.13	0.0000%	0.00	0.00
Dec/2009	2,668,348.92	2,668,348.92	1.2200%	2,712.82	706,266.95	0.0000%	0.00	0.00
Depr Group Total:				32,553.84	706,266.95		0.00	0.00

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR N
 Attachment A
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37520 CG M&R Structures								
Jan/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Feb/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Mar/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Apr/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
May/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Jun/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Jul/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Aug/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Sep/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Oct/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Nov/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Dec/2009	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Depr Group Total:				0.00	5,523.29		0.00	0.00
CKY 37530 General M&R Structures								
Jan/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Feb/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Mar/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Apr/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
May/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Jun/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Jul/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Aug/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Sep/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Oct/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Nov/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Dec/2009	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Depr Group Total:				0.00	10,948.17		0.00	0.00

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR N
 Attachment A
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37540 Regulating Structures								
Jan/2009	628,347.37	629,839.38	1.9600%	1,028.74	347,610.08	0.0000%	0.00	-31,654.48
Feb/2009	631,331.39	631,187.88	1.9600%	1,030.94	348,353.99	0.0000%	0.00	-31,654.48
Mar/2009	631,044.36	632,668.53	1.9600%	1,033.36	349,387.35	0.0000%	0.00	-33,479.07
Apr/2009	634,292.70	632,963.88	1.9600%	1,033.84	347,763.54	0.0000%	0.00	-33,479.07
May/2009	631,635.05	631,635.05	1.9600%	1,031.67	348,795.21	0.0000%	0.00	-33,479.07
Jun/2009	631,635.05	632,817.62	1.9600%	1,033.60	349,828.81	0.0000%	0.00	-36,079.75
Jul/2009	634,000.18	633,827.66	1.9600%	1,035.25	349,656.41	0.0000%	0.00	-36,079.75
Aug/2009	633,655.14	636,681.86	1.9600%	1,039.91	350,696.32	0.0000%	0.00	-36,079.75
Sep/2009	639,708.57	640,636.41	1.9600%	1,046.37	351,742.69	0.0000%	0.00	-36,079.75
Oct/2009	641,564.25	641,598.58	1.9600%	1,047.94	352,790.63	0.0000%	0.00	-36,804.75
Nov/2009	641,632.91	641,632.91	1.9600%	1,048.00	353,838.63	0.0000%	0.00	-38,236.75
Dec/2009	641,632.91	642,032.89	1.9600%	1,048.65	354,887.28	0.0000%	0.00	-38,236.75
Depr Group Total:				12,458.27	354,887.28		0.00	-38,236.75
CKY 37560 Dist Ind M&R Structures								
Jan/2009	88,210.20	88,210.20	1.9600%	144.08	40,502.02	0.0000%	0.00	0.00
Feb/2009	88,210.20	88,210.20	1.9600%	144.08	40,646.10	0.0000%	0.00	0.00
Mar/2009	88,210.20	88,210.20	1.9600%	144.08	40,790.18	0.0000%	0.00	0.00
Apr/2009	88,210.20	88,210.20	1.9600%	144.08	40,934.26	0.0000%	0.00	0.00
May/2009	88,210.20	88,210.20	1.9600%	144.08	41,078.34	0.0000%	0.00	0.00
Jun/2009	88,210.20	88,210.20	1.9600%	144.08	41,222.42	0.0000%	0.00	0.00
Jul/2009	88,210.20	88,210.20	1.9600%	144.08	41,366.50	0.0000%	0.00	0.00
Aug/2009	88,210.20	88,210.20	1.9600%	144.08	41,510.58	0.0000%	0.00	0.00
Sep/2009	88,210.20	88,210.20	1.9600%	144.08	41,654.66	0.0000%	0.00	0.00
Oct/2009	88,210.20	88,210.20	1.9600%	144.08	41,798.74	0.0000%	0.00	0.00
Nov/2009	88,210.20	88,210.20	1.9600%	144.08	41,942.82	0.0000%	0.00	0.00
Dec/2009	88,210.20	88,210.20	1.9600%	144.08	42,086.90	0.0000%	0.00	0.00
Depr Group Total:				1,728.96	42,086.90		0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
 Financial/SEC

NISource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37570 Other Structures								
Jan/2009	7,179,383.52	7,179,383.52	1.9900%	11,905.81	2,141,330.43	0.0000%	0.00	-8,117.24
Feb/2009	7,179,383.52	7,179,383.52	1.9900%	11,905.81	2,153,236.24	0.0000%	0.00	-8,117.24
Mar/2009	7,179,383.52	7,179,383.52	1.9900%	11,905.81	2,165,142.05	0.0000%	0.00	-8,117.24
Apr/2009	7,179,383.52	7,179,383.52	1.9900%	11,905.81	2,177,047.86	0.0000%	0.00	-8,117.24
May/2009	7,179,383.52	7,179,383.52	1.9900%	11,905.81	2,188,953.67	0.0000%	0.00	-8,117.24
Jun/2009	7,179,383.52	7,182,646.11	1.9900%	11,911.22	2,200,864.89	0.0000%	0.00	-8,117.24
Jul/2009	7,185,908.69	7,187,590.39	1.9900%	11,919.42	2,212,784.31	0.0000%	0.00	-8,117.24
Aug/2009	7,189,272.09	7,189,272.09	1.9900%	11,922.21	2,224,706.52	0.0000%	0.00	-8,117.24
Sep/2009	7,189,272.09	7,189,272.09	1.9900%	11,922.21	2,236,628.73	0.0000%	0.00	-8,117.24
Oct/2009	7,189,272.09	7,159,128.26	1.9900%	11,872.22	2,246,960.81	0.0000%	0.00	-8,111.65
Nov/2009	7,128,984.43	7,128,984.43	1.9900%	11,822.23	2,258,783.04	0.0000%	0.00	-8,111.65
Dec/2009	7,128,984.43	7,145,472.82	1.9900%	11,849.58	2,270,632.62	0.0000%	0.00	-8,111.65
Depr Group Total:				142,748.14	2,270,632.62		0.00	-8,111.65
CKY 37580 Communication Structures								
Jan/2009	33,260.58	33,260.58	5.3200%	147.46	25,933.39	0.0000%	0.00	0.00
Feb/2009	33,260.58	33,260.58	5.3200%	147.46	26,080.85	0.0000%	0.00	0.00
Mar/2009	33,260.58	33,260.58	5.3200%	147.46	26,228.31	0.0000%	0.00	0.00
Apr/2009	33,260.58	33,260.58	5.3200%	147.46	26,375.77	0.0000%	0.00	0.00
May/2009	33,260.58	33,260.58	5.3200%	147.46	26,523.23	0.0000%	0.00	0.00
Jun/2009	33,260.58	33,260.58	5.3200%	147.46	26,670.69	0.0000%	0.00	0.00
Jul/2009	33,260.58	33,260.58	5.3200%	147.46	26,818.15	0.0000%	0.00	0.00
Aug/2009	33,260.58	33,260.58	5.3200%	147.46	26,965.61	0.0000%	0.00	0.00
Sep/2009	33,260.58	33,260.58	5.3200%	147.46	27,113.07	0.0000%	0.00	0.00
Oct/2009	33,260.58	33,260.58	5.3200%	147.46	27,260.53	0.0000%	0.00	0.00
Nov/2009	33,260.58	33,260.58	5.3200%	147.46	27,407.99	0.0000%	0.00	0.00
Dec/2009	33,260.58	33,260.58	5.3200%	147.46	27,555.45	0.0000%	0.00	0.00
Depr Group Total:				1,769.52	27,555.45		0.00	0.00

Depreciation Summary History

PSC Case No. 0167
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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37600 Mains								
Jan/2009	136,589,627.37	137,165,440.78	1.5700%	179,458.12	46,458,197.95	0.0000%	0.00	-619,751.07
Feb/2009	137,741,254.19	137,830,360.79	1.5700%	180,328.06	46,636,148.88	0.0000%	0.00	-620,717.86
Mar/2009	137,919,467.39	138,093,958.34	1.5700%	180,672.93	46,806,083.85	0.0000%	0.00	-628,479.20
Apr/2009	138,268,449.29	138,464,103.60	1.5700%	181,157.20	46,754,364.11	0.0000%	0.00	-640,865.43
May/2009	138,659,757.91	138,755,133.40	1.5700%	181,537.97	46,836,240.97	0.0000%	0.00	-646,032.68
Jun/2009	138,850,508.89	138,873,187.49	1.5700%	181,692.42	46,919,487.58	0.0000%	0.00	-673,652.89
Jul/2009	138,895,866.08	138,988,613.93	1.5700%	181,843.44	47,090,295.03	0.0000%	0.00	-674,157.56
Aug/2009	139,081,361.78	140,107,488.80	1.5700%	183,307.30	47,246,732.76	0.0000%	0.00	-677,382.04
Sep/2009	141,133,615.81	141,229,533.54	1.5700%	184,775.31	47,405,763.65	0.0000%	0.00	-689,551.45
Oct/2009	141,325,451.27	139,495,897.12	1.5700%	182,507.13	47,389,127.80	0.0000%	0.00	-688,951.83
Nov/2009	137,666,342.96	137,915,955.99	1.5700%	180,440.04	47,456,122.46	0.0000%	0.00	-691,651.30
Dec/2009	138,165,569.01	138,286,784.13	1.5700%	180,925.21	47,403,875.66	0.0000%	0.00	-693,150.49
Depr Group Total:				2,178,645.13	47,403,875.66		0.00	-693,150.49
CKY 37620 Mains - Coated/Wrapped								
Jan/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

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 AG Set 1 DR No.
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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 37625 Mains Replacement								
Sep/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	1,891,911.85	1.5700%	2,475.25	36,507.75	0.0000%	0.00	-495.05
Nov/2009	3,783,823.69	3,630,607.06	1.5700%	4,750.04	41,257.79	0.0000%	0.00	-495.05
Dec/2009	3,477,390.42	3,602,452.26	1.5700%	4,713.21	45,658.17	0.0000%	0.00	-495.05
Depr Group Total:				11,938.50	45,658.17		0.00	-495.05
CKY 37630 Mains - Bare Steel								
Jan/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 37640 Mains - Plastic								
Jan/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 1167
 AG Set 1 DR No.
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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 37640 Mains - Plastic								
Sep/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 37650 Mains - Joint Seals								
Jan/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 37660 Mains - Cathodic Protect								
Jan/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR No.
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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37660 Mains - Cathodic Protect</u>								
Sep/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37670 Mains - Other Valves</u>								
Jan/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37680 Mains - Cast Iron</u>								
Jan/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR No. 1
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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2009
 End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve	
						COR Rate	COR Depr Exp		
Depreciable Assets									
<u>Distribution</u>									
<u>CKY 37680 Mains - Cast Iron</u>									
Sep/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Oct/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Nov/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Dec/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Depr Group Total:				0.00	0.00		0.00	0.00	
<u>CKY 37690 Mains - Fittings</u>									
Jan/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Feb/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Mar/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Apr/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
May/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Jun/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Jul/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Aug/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Sep/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Oct/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Nov/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Dec/2009	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00	
Depr Group Total:				0.00	0.00		0.00	0.00	
<u>CKY 37810 M&R Equip-General</u>									
Jan/2009	250,523.10	250,523.10	2.3500%	0.00	263,110.37	0.0000%	0.00	-83.90	
Feb/2009	250,523.10	251,134.24	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90	
Mar/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90	
Apr/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90	
May/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90	
Jun/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90	
Jul/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90	
Aug/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90	

Depreciation Summary History

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Columbia Gas of Kentucky
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NISource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37810 M&R Equip-General								
Sep/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90
Oct/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90
Nov/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90
Dec/2009	251,745.37	251,745.37	2.3500%	0.00	264,332.64	0.0000%	0.00	-83.90
Depr Group Total:				0.00	264,332.64		0.00	-83.90
CKY 37820 M&R Equip-General-Reg								
Jan/2009	4,542,334.07	4,591,125.19	2.3500%	8,990.95	2,277,418.60	0.0000%	0.00	-45,302.62
Feb/2009	4,639,916.30	4,638,051.80	2.3500%	9,082.85	2,281,384.43	0.0000%	0.00	-49,502.63
Mar/2009	4,636,187.30	4,636,706.06	2.3500%	9,080.22	2,290,464.65	0.0000%	0.00	-49,547.47
Apr/2009	4,637,224.81	4,627,827.94	2.3500%	9,062.83	2,280,733.54	0.0000%	0.00	-49,547.47
May/2009	4,618,431.06	4,615,968.95	2.3500%	9,039.61	2,284,848.92	0.0000%	0.00	-53,533.04
Jun/2009	4,613,506.83	4,643,420.72	2.3500%	9,093.37	2,293,942.29	0.0000%	0.00	-57,663.75
Jul/2009	4,673,334.61	4,673,391.90	2.3500%	9,152.06	2,303,094.35	0.0000%	0.00	-57,663.75
Aug/2009	4,673,449.19	4,673,449.19	2.3500%	9,152.17	2,312,246.52	0.0000%	0.00	-57,663.75
Sep/2009	4,673,449.19	4,673,214.33	2.3500%	9,151.71	2,320,928.50	0.0000%	0.00	-57,997.63
Oct/2009	4,672,979.46	4,676,558.71	2.3500%	9,158.26	2,323,662.44	0.0000%	0.00	-57,997.63
Nov/2009	4,680,137.95	4,672,096.08	2.3500%	9,149.52	2,314,982.66	0.0000%	0.00	-57,997.63
Dec/2009	4,664,054.20	4,675,208.52	2.3500%	9,155.62	2,324,036.52	0.0000%	0.00	-57,997.63
Depr Group Total:				109,269.17	2,324,036.52		0.00	-57,997.63
CKY 37830 M&R Eq-Local Gas Purc								
Jan/2009	45,443.08	45,443.08	2.3500%	88.99	27,489.08	0.0000%	0.00	-65.19
Feb/2009	45,443.08	45,443.08	2.3500%	88.99	27,578.07	0.0000%	0.00	-65.19
Mar/2009	45,443.08	45,443.08	2.3500%	88.99	27,667.06	0.0000%	0.00	-65.19
Apr/2009	45,443.08	45,443.08	2.3500%	88.99	27,756.05	0.0000%	0.00	-65.19
May/2009	45,443.08	45,443.08	2.3500%	88.99	27,845.04	0.0000%	0.00	-65.19
Jun/2009	45,443.08	45,443.08	2.3500%	88.99	27,934.03	0.0000%	0.00	-65.19
Jul/2009	45,443.08	45,443.08	2.3500%	88.99	28,023.02	0.0000%	0.00	-65.19
Aug/2009	45,443.08	45,443.08	2.3500%	88.99	28,112.01	0.0000%	0.00	-65.19

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NISource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37830 M&R Eq-Local Gas Purc</u>								
Sep/2009	45,443.08	45,443.08	2.3500%	88.99	28,201.00	0.0000%	0.00	-65.19
Oct/2009	45,443.08	45,443.08	2.3500%	88.99	28,289.99	0.0000%	0.00	-65.19
Nov/2009	45,443.08	45,443.08	2.3500%	88.99	28,378.98	0.0000%	0.00	-65.19
Dec/2009	45,443.08	45,443.08	2.3500%	88.99	28,467.97	0.0000%	0.00	-65.19
Depr Group Total:				1,067.88	28,467.97		0.00	-65.19
<u>CKY 37910 M&R Equip-CG-Check St</u>								
Jan/2009	257,908.74	257,908.74	2.2700%	487.88	262,429.10	0.0000%	0.00	-128.40
Feb/2009	257,908.74	257,908.74	2.2700%	487.88	262,916.98	0.0000%	0.00	-128.40
Mar/2009	257,908.74	257,908.74	2.2700%	487.88	263,404.86	0.0000%	0.00	-128.40
Apr/2009	257,908.74	257,908.74	2.2700%	487.88	263,892.74	0.0000%	0.00	-128.40
May/2009	257,908.74	257,908.74	2.2700%	487.88	264,380.62	0.0000%	0.00	-128.40
Jun/2009	257,908.74	257,908.74	2.2700%	487.88	264,868.50	0.0000%	0.00	-128.40
Jul/2009	257,908.74	257,908.74	2.2700%	487.88	265,356.38	0.0000%	0.00	-128.40
Aug/2009	257,908.74	257,908.74	2.2700%	487.88	265,844.26	0.0000%	0.00	-128.40
Sep/2009	257,908.74	257,908.74	2.2700%	487.88	266,332.14	0.0000%	0.00	-128.40
Oct/2009	257,908.74	257,908.74	2.2700%	487.88	266,820.02	0.0000%	0.00	-128.40
Nov/2009	257,908.74	257,908.74	2.2700%	487.88	267,307.90	0.0000%	0.00	-128.40
Dec/2009	257,908.74	257,908.74	2.2700%	487.88	267,795.78	0.0000%	0.00	-128.40
Depr Group Total:				5,854.56	267,795.78		0.00	-128.40
<u>CKY 38000 Services</u>								
Jan/2009	80,363,819.98	80,403,158.29	2.5900%	173,536.82	52,774,921.87	0.0000%	0.00	-1,908,064.57
Feb/2009	80,442,496.60	80,584,368.14	2.5900%	173,927.93	52,940,662.95	0.0000%	0.00	-1,928,234.53
Mar/2009	80,726,239.67	80,862,314.35	2.5900%	174,527.83	53,061,193.73	0.0000%	0.00	-1,942,314.52
Apr/2009	80,998,389.03	81,113,155.85	2.5900%	175,069.23	53,132,369.79	0.0000%	0.00	-2,105,680.20
May/2009	81,227,922.67	81,356,255.29	2.5900%	175,593.92	53,259,545.63	0.0000%	0.00	-2,122,845.09
Jun/2009	81,484,587.91	81,722,009.02	2.5900%	176,383.34	53,379,509.07	0.0000%	0.00	-2,148,881.19
Jul/2009	81,959,430.13	82,210,352.93	2.5900%	177,437.35	53,447,160.67	0.0000%	0.00	-2,195,315.46
Aug/2009	82,461,275.73	82,624,031.92	2.5900%	178,330.20	53,526,797.45	0.0000%	0.00	-2,234,873.81

Depreciation Summary History

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NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38000 Services								
Sep/2009	82,786,788.10	82,880,723.77	2.5900%	178,884.23	53,612,232.54	0.0000%	0.00	-2,279,623.00
Oct/2009	82,974,659.44	83,085,770.33	2.5900%	179,326.79	53,712,308.80	0.0000%	0.00	-2,321,722.32
Nov/2009	83,196,881.22	83,269,117.19	2.5900%	179,722.51	53,823,810.87	0.0000%	0.00	-2,347,815.42
Dec/2009	83,341,353.15	83,542,883.31	2.5900%	180,313.39	53,948,259.98	0.0000%	0.00	-2,368,087.49
Depr Group Total:				2,123,053.54	53,948,259.98		0.00	-2,368,087.49
CKY 38025 Services Replacement								
Sep/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	22,357.17	2.5900%	48.25	48.25	0.0000%	0.00	0.00
Nov/2009	44,714.33	73,787.33	2.5900%	159.26	207.51	0.0000%	0.00	0.00
Dec/2009	102,860.33	161,635.38	2.5900%	348.86	556.37	0.0000%	0.00	0.00
Depr Group Total:				556.37	556.37		0.00	0.00
CKY 38100 Meters								
Jan/2009	11,782,894.09	11,713,483.10	2.5900%	25,281.60	3,949,909.48	0.0000%	0.00	617.02
Feb/2009	11,644,072.11	11,643,862.47	2.5900%	25,131.34	3,974,846.77	0.0000%	0.00	617.02
Mar/2009	11,643,652.83	11,704,514.82	2.5900%	25,262.24	3,992,504.19	0.0000%	0.00	617.02
Apr/2009	11,765,376.81	11,752,598.71	2.5900%	25,366.03	3,996,927.49	0.0000%	0.00	617.02
May/2009	11,739,820.60	11,735,744.00	2.5900%	25,329.65	4,014,160.12	0.0000%	0.00	617.02
Jun/2009	11,731,667.40	11,804,321.56	2.5900%	25,477.66	3,998,234.49	0.0000%	0.00	617.02
Jul/2009	11,876,975.71	11,861,131.11	2.5900%	25,600.27	4,065,923.68	0.0000%	0.00	10,635.27
Aug/2009	11,845,286.51	11,846,073.80	2.5900%	25,567.78	3,986,141.98	0.0000%	0.00	10,635.27
Sep/2009	11,846,861.08	11,835,991.80	2.5900%	25,546.02	3,947,795.55	0.0000%	0.00	10,635.27
Oct/2009	11,825,122.52	11,801,052.02	2.5900%	25,470.60	3,925,181.92	0.0000%	0.00	10,635.27
Nov/2009	11,776,981.51	11,795,741.17	2.5900%	25,459.14	3,940,192.83	0.0000%	0.00	10,635.27
Dec/2009	11,814,500.82	11,824,242.43	2.5900%	25,520.66	3,969,529.49	0.0000%	0.00	10,635.27
Depr Group Total:				305,012.99	3,969,529.49		0.00	10,635.27
CKY 38200 Meter Installations								
Jan/2009	7,818,665.10	7,820,596.03	2.3900%	15,576.02	3,385,127.62	0.0000%	0.00	-25,456.27
Feb/2009	7,822,526.96	7,828,185.82	2.3900%	15,591.14	3,400,948.13	0.0000%	0.00	-25,456.27

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NISource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38200 Meter Installations								
Mar/2009	7,833,844.67	7,836,664.12	2.3900%	15,608.02	3,412,247.67	0.0000%	0.00	-25,456.27
Apr/2009	7,839,483.57	7,840,418.33	2.3900%	15,615.50	3,422,199.26	0.0000%	0.00	-25,456.27
May/2009	7,841,353.08	7,843,734.89	2.3900%	15,622.11	3,430,495.54	0.0000%	0.00	-25,456.27
Jun/2009	7,846,116.70	7,846,105.42	2.3900%	15,626.83	3,437,815.56	0.0000%	0.00	-25,456.27
Jul/2009	7,846,094.14	7,848,850.22	2.3900%	15,632.29	3,444,770.57	0.0000%	0.00	-25,456.27
Aug/2009	7,851,606.30	7,850,623.40	2.3900%	15,635.82	3,450,376.87	0.0000%	0.00	-25,456.27
Sep/2009	7,849,640.50	7,849,441.55	2.3900%	15,633.47	3,457,778.39	0.0000%	0.00	-25,456.27
Oct/2009	7,849,242.60	7,852,363.04	2.3900%	15,639.29	3,468,264.88	0.0000%	0.00	-25,456.27
Nov/2009	7,855,483.48	7,859,966.07	2.3900%	15,654.43	3,474,265.92	0.0000%	0.00	-25,456.27
Dec/2009	7,864,448.66	7,873,212.10	2.3900%	15,680.81	3,486,838.91	0.0000%	0.00	-25,456.27
Depr Group Total:				187,515.73	3,486,838.91		0.00	-25,456.27
CKY 38300 House Regulators								
Jan/2009	3,575,312.32	3,588,996.64	1.3900%	4,157.25	1,030,909.45	0.0000%	0.00	-815.77
Feb/2009	3,602,680.96	3,620,432.72	1.3900%	4,193.67	1,035,609.61	0.0000%	0.00	-815.77
Mar/2009	3,638,184.48	3,651,358.66	1.3900%	4,229.49	1,040,014.91	0.0000%	0.00	-815.77
Apr/2009	3,664,532.83	3,674,035.79	1.3900%	4,255.76	1,043,601.32	0.0000%	0.00	-815.77
May/2009	3,683,538.75	3,693,563.52	1.3900%	4,278.38	1,046,921.55	0.0000%	0.00	-815.77
Jun/2009	3,703,588.28	3,716,065.12	1.3900%	4,304.44	1,050,242.33	0.0000%	0.00	-815.77
Jul/2009	3,728,541.95	3,739,993.84	1.3900%	4,332.16	1,053,590.94	0.0000%	0.00	-815.77
Aug/2009	3,751,445.73	3,757,229.16	1.3900%	4,352.12	1,056,729.38	0.0000%	0.00	-815.77
Sep/2009	3,763,012.59	3,776,398.73	1.3900%	4,374.33	1,060,323.13	0.0000%	0.00	-815.77
Oct/2009	3,789,784.86	3,802,886.64	1.3900%	4,405.01	1,064,100.46	0.0000%	0.00	-815.77
Nov/2009	3,815,988.42	3,826,680.72	1.3900%	4,432.57	1,065,802.23	0.0000%	0.00	-815.77
Dec/2009	3,837,373.02	3,852,595.84	1.3900%	4,462.59	1,069,870.52	0.0000%	0.00	-815.77
Depr Group Total:				51,777.77	1,069,870.52		0.00	-815.77
CKY 38400 House Reg Installation								
Jan/2009	2,327,988.32	2,327,988.32	1.1000%	2,133.99	1,642,930.15	0.0000%	0.00	-93.19
Feb/2009	2,327,988.32	2,327,988.32	1.1000%	2,133.99	1,645,064.14	0.0000%	0.00	-93.19

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NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 38400 House Reg Installation</u>								
Mar/2009	2,327,988.32	2,327,988.32	1.1000%	2,133.99	1,647,198.13	0.0000%	0.00	-93.19
Apr/2009	2,327,988.32	2,325,848.72	1.1000%	2,132.03	1,645,050.96	0.0000%	0.00	-93.19
May/2009	2,323,709.12	2,323,709.12	1.1000%	2,130.07	1,647,181.03	0.0000%	0.00	-93.19
Jun/2009	2,323,709.12	2,323,709.12	1.1000%	2,130.07	1,649,311.10	0.0000%	0.00	-93.19
Jul/2009	2,323,709.12	2,323,709.12	1.1000%	2,130.07	1,651,441.17	0.0000%	0.00	-93.19
Aug/2009	2,323,709.12	2,323,709.12	1.1000%	2,130.07	1,653,571.24	0.0000%	0.00	-93.19
Sep/2009	2,323,709.12	2,323,709.12	1.1000%	2,130.07	1,655,701.31	0.0000%	0.00	-93.19
Oct/2009	2,323,709.12	2,323,709.12	1.1000%	2,130.07	1,657,831.38	0.0000%	0.00	-93.19
Nov/2009	2,323,709.12	2,321,370.79	1.1000%	2,127.92	1,655,282.64	0.0000%	0.00	-93.19
Dec/2009	2,319,032.46	2,308,250.29	1.1000%	2,115.90	1,635,834.20	0.0000%	0.00	-93.19
			Depr Group Total:	25,558.24	1,635,834.20		0.00	-93.19
<u>CKY 38500 Ind M&R Equipment</u>								
Jan/2009	2,717,196.56	2,719,097.57	2.0900%	4,735.76	967,240.72	0.0000%	0.00	-29,453.96
Feb/2009	2,720,998.58	2,719,207.83	2.0900%	4,735.95	965,566.80	0.0000%	0.00	-31,845.95
Mar/2009	2,717,417.08	2,715,861.42	2.0900%	4,730.13	967,163.15	0.0000%	0.00	-31,999.34
Apr/2009	2,714,305.75	2,714,717.41	2.0900%	4,728.13	971,647.52	0.0000%	0.00	-32,336.12
May/2009	2,715,129.07	2,713,229.77	2.0900%	4,725.54	972,323.16	0.0000%	0.00	-32,336.12
Jun/2009	2,711,330.46	2,706,850.77	2.0900%	4,714.43	977,037.59	0.0000%	0.00	-32,561.41
Jul/2009	2,702,371.08	2,702,846.38	2.0900%	4,707.46	981,011.37	0.0000%	0.00	-32,562.15
Aug/2009	2,703,321.68	2,717,311.94	2.0900%	4,732.65	985,744.02	0.0000%	0.00	-32,562.15
Sep/2009	2,731,302.20	2,725,541.98	2.0900%	4,746.99	970,513.47	0.0000%	0.00	-33,178.09
Oct/2009	2,719,781.75	2,721,183.00	2.0900%	4,739.39	975,252.86	0.0000%	0.00	-40,663.66
Nov/2009	2,722,584.25	2,718,995.33	2.0900%	4,735.58	972,714.15	0.0000%	0.00	-40,667.88
Dec/2009	2,715,406.40	2,731,132.29	2.0900%	4,756.72	980,971.34	0.0000%	0.00	-41,600.61
			Depr Group Total:	56,788.73	980,971.34		0.00	-41,600.61
<u>CKY 38720 Other Eq-Odorization</u>								
Jan/2009	28,895.00	28,895.00	4.2200%	101.61	-25,598.49	0.0000%	0.00	-9,031.50
Feb/2009	28,895.00	28,895.00	4.2200%	101.61	-25,496.88	0.0000%	0.00	-9,031.50

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Start Month: Jan/2009

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38720 Other Eq-Odorization								
Mar/2009	28,895.00	28,895.00	4.2200%	101.61	-25,395.27	0.0000%	0.00	-9,031.50
Apr/2009	28,895.00	28,895.00	4.2200%	101.61	-25,293.66	0.0000%	0.00	-9,031.50
May/2009	28,895.00	28,895.00	4.2200%	101.61	-25,192.05	0.0000%	0.00	-9,031.50
Jun/2009	28,895.00	28,895.00	4.2200%	101.61	-25,090.44	0.0000%	0.00	-9,031.50
Jul/2009	28,895.00	28,895.00	4.2200%	101.61	-24,988.83	0.0000%	0.00	-9,031.50
Aug/2009	28,895.00	28,895.00	4.2200%	101.61	-24,887.22	0.0000%	0.00	-9,031.50
Sep/2009	28,895.00	28,895.00	4.2200%	101.61	-24,785.61	0.0000%	0.00	-9,031.50
Oct/2009	28,895.00	28,895.00	4.2200%	101.61	-24,684.00	0.0000%	0.00	-9,031.50
Nov/2009	28,895.00	28,895.00	4.2200%	101.61	-24,582.39	0.0000%	0.00	-9,031.50
Dec/2009	28,895.00	28,895.00	4.2200%	101.61	-24,480.78	0.0000%	0.00	-9,031.50
Depr Group Total:				1,219.32	-24,480.78		0.00	-9,031.50
CKY 38741 Other Eq-Telephone								
Jan/2009	711,152.01	711,152.01	2.3400%	1,386.75	245,244.77	0.0000%	0.00	-0.18
Feb/2009	711,152.01	711,152.01	2.3400%	1,386.75	246,631.52	0.0000%	0.00	-0.18
Mar/2009	711,152.01	711,152.01	2.3400%	1,386.75	248,018.27	0.0000%	0.00	-0.18
Apr/2009	711,152.01	711,152.01	2.3400%	1,386.75	249,405.02	0.0000%	0.00	-0.18
May/2009	711,152.01	711,152.01	2.3400%	1,386.75	250,791.77	0.0000%	0.00	-0.18
Jun/2009	711,152.01	711,152.01	2.3400%	1,386.75	252,178.52	0.0000%	0.00	-0.18
Jul/2009	711,152.01	711,152.01	2.3400%	1,386.75	253,565.27	0.0000%	0.00	-0.18
Aug/2009	711,152.01	711,152.01	2.3400%	1,386.75	254,952.02	0.0000%	0.00	-0.18
Sep/2009	711,152.01	711,152.01	2.3400%	1,386.75	256,338.77	0.0000%	0.00	-0.18
Oct/2009	711,152.01	711,152.01	2.3400%	1,386.75	257,725.52	0.0000%	0.00	-0.18
Nov/2009	711,152.01	711,152.01	2.3400%	1,386.75	259,112.27	0.0000%	0.00	-0.18
Dec/2009	711,152.01	711,152.01	2.3400%	1,386.75	260,499.02	0.0000%	0.00	-0.18
Depr Group Total:				16,641.00	260,499.02		0.00	-0.18
CKY 38742 Other Eq-Radio								
Jan/2009	872,759.08	872,759.08	2.3400%	1,701.88	509,592.90	0.0000%	0.00	-9,447.07
Feb/2009	872,759.08	872,759.08	2.3400%	1,701.88	511,294.78	0.0000%	0.00	-9,447.07

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NISource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38742 Other Eq-Radio								
Mar/2009	872,759.08	872,759.08	2.3400%	1,701.88	512,996.66	0.0000%	0.00	-9,447.07
Apr/2009	872,759.08	872,759.08	2.3400%	1,701.88	514,698.54	0.0000%	0.00	-9,447.07
May/2009	872,759.08	872,759.08	2.3400%	1,701.88	516,400.42	0.0000%	0.00	-9,447.07
Jun/2009	872,759.08	872,759.08	2.3400%	1,701.88	518,102.30	0.0000%	0.00	-9,447.07
Jul/2009	872,759.08	872,759.08	2.3400%	1,701.88	519,804.18	0.0000%	0.00	-9,447.07
Aug/2009	872,759.08	872,759.08	2.3400%	1,701.88	521,506.06	0.0000%	0.00	-9,447.07
Sep/2009	872,759.08	872,759.08	2.3400%	1,701.88	523,207.94	0.0000%	0.00	-9,447.07
Oct/2009	872,759.08	872,759.08	2.3400%	1,701.88	524,909.82	0.0000%	0.00	-9,447.07
Nov/2009	872,759.08	872,759.08	2.3400%	1,701.88	526,611.70	0.0000%	0.00	-9,447.07
Dec/2009	872,759.08	872,759.08	2.3400%	1,701.88	528,313.58	0.0000%	0.00	-9,447.07
Depr Group Total:				20,422.56	528,313.58		0.00	-9,447.07
CKY 38744 Other Eq-Other Comm								
Jan/2009	169,912.74	169,912.74	2.3400%	331.33	57,802.63	0.0000%	0.00	0.00
Feb/2009	169,912.74	169,912.74	2.3400%	331.33	58,133.96	0.0000%	0.00	0.00
Mar/2009	169,912.74	169,912.74	2.3400%	331.33	58,465.29	0.0000%	0.00	0.00
Apr/2009	169,912.74	169,912.74	2.3400%	331.33	58,796.62	0.0000%	0.00	0.00
May/2009	169,912.74	169,912.74	2.3400%	331.33	59,127.95	0.0000%	0.00	0.00
Jun/2009	169,912.74	169,949.56	2.3400%	331.40	59,459.35	0.0000%	0.00	0.00
Jul/2009	169,986.37	169,986.37	2.3400%	331.47	59,790.82	0.0000%	0.00	0.00
Aug/2009	169,986.37	169,986.37	2.3400%	331.47	60,122.29	0.0000%	0.00	0.00
Sep/2009	169,986.37	169,980.25	2.3400%	331.46	60,453.75	0.0000%	0.00	0.00
Oct/2009	169,974.13	169,974.13	2.3400%	331.45	60,785.20	0.0000%	0.00	0.00
Nov/2009	169,974.13	169,974.13	2.3400%	331.45	61,116.65	0.0000%	0.00	0.00
Dec/2009	169,974.13	169,974.13	2.3400%	331.45	61,448.10	0.0000%	0.00	0.00
Depr Group Total:				3,976.80	61,448.10		0.00	0.00
CKY 38745 Other Eq-Telemetering								
Jan/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	430,751.77	0.0000%	0.00	-294.48
Feb/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	433,371.78	0.0000%	0.00	-294.48

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NISource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 38745 Other Eq-Telemetering								
Mar/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	435,991.79	0.0000%	0.00	-294.48
Apr/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	438,611.80	0.0000%	0.00	-294.48
May/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	441,231.81	0.0000%	0.00	-294.48
Jun/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	443,851.82	0.0000%	0.00	-294.48
Jul/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	446,471.83	0.0000%	0.00	-294.48
Aug/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	449,091.84	0.0000%	0.00	-294.48
Sep/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	451,711.85	0.0000%	0.00	-294.48
Oct/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	454,331.86	0.0000%	0.00	-294.48
Nov/2009	1,343,593.93	1,343,593.93	2.3400%	2,620.01	456,951.87	0.0000%	0.00	-294.48
Dec/2009	1,343,593.93	1,359,376.40	2.3400%	2,650.78	459,602.65	0.0000%	0.00	-294.48
Depr Group Total:				31,470.89	459,602.65		0.00	-294.48
CKY 38746 Other Eq-Cust Info Se								
Jan/2009	127,354.97	127,354.97	2.3400%	248.34	103,596.44	0.0000%	0.00	-6.36
Feb/2009	127,354.97	127,354.97	2.3400%	248.34	103,844.78	0.0000%	0.00	-6.36
Mar/2009	127,354.97	127,354.97	2.3400%	248.34	104,093.12	0.0000%	0.00	-6.36
Apr/2009	127,354.97	127,354.97	2.3400%	248.34	104,341.46	0.0000%	0.00	-6.36
May/2009	127,354.97	127,354.97	2.3400%	248.34	104,589.80	0.0000%	0.00	-6.36
Jun/2009	127,354.97	127,354.97	2.3400%	248.34	104,838.14	0.0000%	0.00	-6.36
Jul/2009	127,354.97	127,354.97	2.3400%	248.34	105,086.48	0.0000%	0.00	-6.36
Aug/2009	127,354.97	127,354.97	2.3400%	248.34	105,334.82	0.0000%	0.00	-6.36
Sep/2009	127,354.97	127,354.97	2.3400%	248.34	105,583.16	0.0000%	0.00	-6.36
Oct/2009	127,354.97	127,354.97	2.3400%	248.34	105,831.50	0.0000%	0.00	-6.36
Nov/2009	127,354.97	127,354.97	2.3400%	248.34	106,079.84	0.0000%	0.00	-6.36
Dec/2009	127,354.97	127,354.97	2.3400%	248.34	106,328.18	0.0000%	0.00	-6.36
Depr Group Total:				2,980.08	106,328.18		0.00	-6.36
Depr Summ2 Total:				5,333,277.13	120,355,939.03		0.00	-3,245,091.40

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Start Month: Jan/2009

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
General								
CKY 39220 Trailers over 1,000								
Jan/2009	113,219.98	113,219.98	2.9400%	277.39	40,490.90	0.0000%	0.00	0.00
Feb/2009	113,219.98	113,219.98	2.9400%	277.39	40,768.29	0.0000%	0.00	0.00
Mar/2009	113,219.98	113,219.98	2.9400%	277.39	41,045.68	0.0000%	0.00	0.00
Apr/2009	113,219.98	113,219.98	2.9400%	277.39	41,323.07	0.0000%	0.00	0.00
May/2009	113,219.98	113,219.98	2.9400%	277.39	41,600.46	0.0000%	0.00	0.00
Jun/2009	113,219.98	113,219.98	2.9400%	277.39	41,877.85	0.0000%	0.00	0.00
Jul/2009	113,219.98	113,219.98	2.9400%	277.39	42,155.24	0.0000%	0.00	0.00
Aug/2009	113,219.98	113,219.98	2.9400%	277.39	42,432.63	0.0000%	0.00	0.00
Sep/2009	113,219.98	113,219.98	2.9400%	277.39	42,710.02	0.0000%	0.00	0.00
Oct/2009	113,219.98	113,219.98	2.9400%	277.39	42,987.41	0.0000%	0.00	0.00
Nov/2009	113,219.98	113,219.98	2.9400%	277.39	43,264.80	0.0000%	0.00	0.00
Dec/2009	113,219.98	113,219.98	2.9400%	277.39	43,542.19	0.0000%	0.00	0.00
Depr Group Total:				3,328.68	43,542.19		0.00	0.00
CKY 39221 Trailers 1,000 & less								
Jan/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Feb/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Mar/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Apr/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
May/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Jun/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Jul/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Aug/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Sep/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Oct/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Nov/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Dec/2009	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Depr Group Total:				0.00	3,398.75		0.00	0.00

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NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>General</u>								
<u>CKY 39411 CNG Equip, Stationary</u>								
Jan/2009	335,308.07	335,308.07	13.7700%	3,847.66	245,339.66	0.0000%	0.00	-33,297.95
Feb/2009	335,308.07	335,308.07	13.7700%	3,847.66	249,187.32	0.0000%	0.00	-33,297.95
Mar/2009	335,308.07	335,308.07	13.7700%	3,847.66	253,034.98	0.0000%	0.00	-33,297.95
Apr/2009	335,308.07	335,308.07	13.7700%	3,847.66	256,882.64	0.0000%	0.00	-33,297.95
May/2009	335,308.07	335,308.07	13.7700%	3,847.66	260,730.30	0.0000%	0.00	-33,297.95
Jun/2009	335,308.07	335,308.07	13.7700%	3,847.66	264,577.96	0.0000%	0.00	-33,297.95
Jul/2009	335,308.07	335,308.07	13.7700%	3,847.66	268,425.62	0.0000%	0.00	-33,297.95
Aug/2009	335,308.07	335,308.07	13.7700%	3,847.66	272,273.28	0.0000%	0.00	-33,297.95
Sep/2009	335,308.07	335,308.07	13.7700%	3,847.66	276,120.94	0.0000%	0.00	-33,297.95
Oct/2009	335,308.07	335,308.07	13.7700%	3,847.66	279,968.60	0.0000%	0.00	-33,297.95
Nov/2009	335,308.07	335,308.07	13.7700%	3,847.66	283,816.26	0.0000%	0.00	-33,297.95
Dec/2009	335,308.07	335,308.07	13.7700%	3,847.66	287,663.92	0.0000%	0.00	-33,297.95
Depr Group Total:				46,171.92	287,663.92		0.00	-33,297.95
<u>CKY 39600 Power Oper Equipment</u>								
Jan/2009	653,814.37	653,814.37	0.0000%	0.00	552,541.95	0.0000%	0.00	0.00
Feb/2009	653,814.37	653,814.37	0.0000%	0.00	552,541.95	0.0000%	0.00	0.00
Mar/2009	653,814.37	653,814.37	0.0000%	0.00	552,541.95	0.0000%	0.00	0.00
Apr/2009	653,814.37	653,814.37	0.0000%	0.00	552,541.95	0.0000%	0.00	0.00
May/2009	653,814.37	653,814.37	0.0000%	0.00	552,541.95	0.0000%	0.00	0.00
Jun/2009	653,814.37	653,814.37	0.0000%	0.00	552,541.95	0.0000%	0.00	0.00
Jul/2009	653,814.37	653,814.37	0.0000%	0.00	552,541.95	0.0000%	0.00	0.00
Aug/2009	653,814.37	653,814.37	0.0000%	0.00	563,326.95	0.0000%	0.00	0.00
Sep/2009	653,814.37	650,295.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Oct/2009	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Nov/2009	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Depreciable Assets								
General								
CKY 39600 Power Oper Equipment								
Dec/2009	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Depr Group Total:				0.00	556,288.95		0.00	0.00
Depr Summ2 Total:				49,500.60	890,893.81		0.00	-33,297.95
Depr Summ1 Total:				5,382,777.73	121,246,832.84		0.00	-3,278,389.35
Amortizable Assets								
Intangibles								
CKY 30100 Organization Costs								
Jan/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 30300 Intangible Plant								
Jan/2009	164,630.54	46,309.23	0.0000%	206.53	118,527.84	0.0000%	0.00	0.00
Feb/2009	164,630.54	46,102.70	0.0000%	206.52	118,734.36	0.0000%	0.00	0.00
Mar/2009	164,630.54	45,896.18	0.0000%	206.53	118,940.89	0.0000%	0.00	0.00
Apr/2009	164,630.54	45,689.65	0.0000%	206.52	119,147.41	0.0000%	0.00	0.00
May/2009	164,630.54	45,483.13	0.0000%	206.52	119,353.93	0.0000%	0.00	0.00
Jun/2009	164,630.54	45,276.61	0.0000%	206.52	119,560.45	0.0000%	0.00	0.00
Jul/2009	164,630.54	45,070.09	0.0000%	206.53	29,483.95	0.0000%	0.00	0.00

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Start Month: Jan/2009

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Amortizable Assets								
<u>Intangibles</u>								
<u>CKY 30300 Intangible Plant</u>								
Aug/2009	74,347.51	44,863.56	0.0000%	206.53	29,690.48	0.0000%	0.00	0.00
Sep/2009	74,347.51	44,657.03	0.0000%	206.52	29,897.00	0.0000%	0.00	0.00
Oct/2009	74,347.51	44,450.51	0.0000%	206.52	30,103.52	0.0000%	0.00	0.00
Nov/2009	74,347.51	44,243.99	0.0000%	206.53	30,310.05	0.0000%	0.00	0.00
Dec/2009	74,347.51	44,037.46	0.0000%	206.53	30,516.58	0.0000%	0.00	0.00
Depr Group Total:				2,478.30	30,516.58		0.00	0.00
Depr Summ2 Total:				2,478.30	30,516.58		0.00	0.00
<u>Software</u>								
<u>CKY 30310 DIS Software</u>								
Jan/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 30320 FARA Software</u>								
Jan/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR No.
 Attachment A
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Amortizable Assets								
<u>Software</u>								
<u>CKY 30320 FARA Software</u>								
Jun/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 30330 Other Software</u>								
Jan/2009	1,285,367.95	537,204.99	0.0000%	15,053.08	763,215.04	0.0000%	0.00	0.00
Feb/2009	1,285,367.95	522,151.91	0.0000%	15,053.08	778,268.12	0.0000%	0.00	0.00
Mar/2009	1,285,367.95	507,098.83	0.0000%	15,053.06	793,321.18	0.0000%	0.00	0.00
Apr/2009	1,285,367.95	492,045.77	0.0000%	15,053.07	808,374.25	0.0000%	0.00	0.00
May/2009	1,285,367.95	476,992.70	0.0000%	15,053.06	823,427.31	0.0000%	0.00	0.00
Jun/2009	1,285,367.95	461,939.64	0.0000%	15,053.08	579,495.88	0.0000%	0.00	0.00
Jul/2009	1,026,383.44	823,121.34	0.0000%	63,009.06	642,504.94	0.0000%	0.00	0.00
Aug/2009	1,444,455.81	801,949.87	0.0000%	20,322.00	662,826.94	0.0000%	0.00	0.00
Sep/2009	1,444,455.81	781,627.87	0.0000%	20,321.98	635,578.03	0.0000%	0.00	0.00
Oct/2009	1,396,884.92	761,305.89	0.0000%	20,322.01	655,900.04	0.0000%	0.00	0.00
Nov/2009	1,396,884.92	740,983.88	0.0000%	19,810.06	675,710.10	0.0000%	0.00	0.00
Dec/2009	1,396,884.92	767,542.80	0.0000%	20,071.01	695,781.11	0.0000%	0.00	0.00
Depr Group Total:				254,174.55	695,781.11		0.00	0.00
Depr Summ2 Total:				254,174.55	695,781.11		0.00	0.00
<u>Leaseholds - Distribution</u>								
<u>CKY 37571 Lse 451 Ashland, KY</u>								
Jan/2009	0.00	0.00	1,200.0000%	0.00	0.00	1200.0000%	0.00	0.00
Feb/2009	0.00	0.00	1,200.0000%	0.00	0.00	1200.0000%	0.00	0.00
Mar/2009	0.00	0.00	1,200.0000%	0.00	0.00	1200.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR N
 Attachment A
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>Leaseholds - Distribution</u>								
<u>CKY 37571 Lse 451 Ashland, KY</u>								
Apr/2009	0.00	0.00	1,200.0000%	0.00	0.00	1200.0000%	0.00	0.00
May/2009	0.00	0.00	1,200.0000%	0.00	0.00	1200.0000%	0.00	0.00
Jun/2009	0.00	0.00	1,200.0000%	0.00	0.00	1200.0000%	0.00	0.00
Jul/2009	0.00	0.00	1,200.0000%	0.00	0.00	1200.0000%	0.00	0.00
Aug/2009	0.00	0.00	1,200.0000%	0.00	0.00	1200.0000%	0.00	0.00
Sep/2009	0.00	0.00	1,200.0000%	0.00	0.00	1200.0000%	0.00	0.00
Oct/2009	0.00	29,373.76	12.2449%	299.73	1,839.87	12.2449%	0.03	-5.56
Nov/2009	60,287.66	58,447.79	12.3711%	602.55	2,442.42	12.3711%	0.06	-5.50
Dec/2009	60,287.66	57,845.24	12.5000%	602.55	3,044.97	12.5000%	0.06	-5.44
Depr Group Total:				1,504.83	3,044.97		0.15	-5.44
Depr Summ2 Total:				1,504.83	3,044.97		0.15	-5.44
<u>General</u>								
<u>CKY 39110 Office Furniture & Equip</u>								
Jan/2009	1,213,530.11	1,213,530.11	5.0000%	5,056.38	592,779.93	0.0000%	0.00	0.00
Feb/2009	1,213,530.11	1,213,530.11	5.0000%	5,056.38	597,836.31	0.0000%	0.00	0.00
Mar/2009	1,213,530.11	1,213,530.11	5.0000%	5,056.38	602,892.69	0.0000%	0.00	0.00
Apr/2009	1,213,530.11	1,212,731.17	5.0000%	5,053.05	606,347.86	0.0000%	0.00	0.00
May/2009	1,211,932.23	1,211,932.23	5.0000%	5,049.72	611,397.58	0.0000%	0.00	0.00
Jun/2009	1,211,932.23	1,211,932.23	5.0000%	5,049.72	616,447.30	0.0000%	0.00	0.00
Jul/2009	1,211,932.23	1,211,720.39	5.0000%	5,048.83	621,072.45	0.0000%	0.00	0.00
Aug/2009	1,211,508.55	1,211,508.55	5.0000%	5,047.95	626,120.40	0.0000%	0.00	0.00
Sep/2009	1,211,508.55	1,201,571.27	5.0000%	5,006.55	611,252.38	0.0000%	0.00	0.00
Oct/2009	1,191,633.98	1,191,633.98	5.0000%	4,965.14	616,217.52	0.0000%	0.00	0.00
Nov/2009	1,191,633.98	1,191,633.98	5.0000%	4,965.14	621,182.66	0.0000%	0.00	0.00
Dec/2009	1,191,633.98	1,191,633.98	5.0000%	4,965.14	626,147.80	0.0000%	0.00	0.00
Depr Group Total:				60,320.38	626,147.80		0.00	0.00
<u>CKY 39111 Data Handling Equip</u>								
Jan/2009	13,816.01	13,816.01	6.6667%	76.76	-24,316.40	0.0000%	0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
 Financial/SEC

NISource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
General								
CKY 39111 Data Handling Equip								
Feb/2009	13,816.01	13,816.01	6.6667%	76.76	-24,239.64	0.0000%	0.00	0.00
Mar/2009	13,816.01	13,816.01	6.6667%	76.76	-24,162.88	0.0000%	0.00	0.00
Apr/2009	13,816.01	13,816.01	6.6667%	76.76	-24,086.12	0.0000%	0.00	0.00
May/2009	13,816.01	13,816.01	6.6667%	76.76	-24,009.36	0.0000%	0.00	0.00
Jun/2009	13,816.01	13,816.01	6.6667%	76.76	-23,932.60	0.0000%	0.00	0.00
Jul/2009	13,816.01	13,513.26	6.6667%	75.07	-24,463.04	0.0000%	0.00	0.00
Aug/2009	13,210.50	13,210.50	6.6667%	73.39	-24,389.65	0.0000%	0.00	0.00
Sep/2009	13,210.50	8,518.35	6.6667%	47.32	-33,726.64	0.0000%	0.00	0.00
Oct/2009	3,826.19	3,826.19	6.6667%	21.26	-33,705.38	0.0000%	0.00	0.00
Nov/2009	3,826.19	3,826.19	6.6667%	21.26	-33,684.12	0.0000%	0.00	0.00
Dec/2009	3,826.19	3,700.58	6.6667%	20.56	-33,914.78	0.0000%	0.00	0.00
Depr Group Total:				719.42	-33,914.78		0.00	0.00
CKY 39112 Information Systems								
Jan/2009	269,713.82	269,713.82	20.0000%	4,495.23	265,485.69	0.0000%	0.00	0.00
Feb/2009	269,713.82	269,713.82	20.0000%	4,228.13	269,713.82	0.0000%	0.00	0.00
Mar/2009	269,713.82	269,713.82	20.0000%	0.00	269,713.82	0.0000%	0.00	0.00
Apr/2009	269,713.82	269,713.82	20.0000%	0.00	269,713.82	0.0000%	0.00	0.00
May/2009	269,713.82	269,713.82	20.0000%	0.00	269,713.82	0.0000%	0.00	0.00
Jun/2009	269,713.82	269,713.82	20.0000%	0.00	269,713.82	0.0000%	0.00	0.00
Jul/2009	269,713.82	253,557.59	20.0000%	0.00	237,401.36	0.0000%	0.00	0.00
Aug/2009	237,401.36	237,401.36	20.0000%	0.00	237,401.36	0.0000%	0.00	0.00
Sep/2009	237,401.36	237,401.36	20.0000%	0.00	237,401.36	0.0000%	0.00	0.00
Oct/2009	237,401.36	237,401.36	20.0000%	0.00	237,401.36	0.0000%	0.00	0.00
Nov/2009	237,401.36	237,401.36	20.0000%	0.00	237,401.36	0.0000%	0.00	0.00
Dec/2009	237,401.36	157,167.88	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Depr Group Total:				8,723.36	76,934.39		0.00	0.00
CKY 39300 Stores Equipment								
Jan/2009	0.00	0.00	5.0000%	0.00	833.02	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 10167
 AG Set 1 DR No. 10167
 Attachment A
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
General								
CKY 39300 Stores Equipment								
Feb/2009	0.00	0.00	5.0000%	0.00	833.02	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	5.0000%	0.00	833.02	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	5.0000%	-833.02	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				-833.02	0.00		0.00	0.00
CKY 39410 Garage & Service Equip								
Jan/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Feb/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Mar/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Apr/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
May/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Jun/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Jul/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Aug/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Sep/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Oct/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Nov/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Dec/2009	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Depr Group Total:				0.00	662,848.00		0.00	-658,031.78
CKY 39420 Shop Equipment								
Jan/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR No.
 Attachment A
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
General								
CKY 39420 Shop Equipment								
Feb/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
May/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Depr Group Total:				0.00	185.21		0.00	0.00
CKY 39430 Tools & Other Equipment								
Jan/2009	1,948,106.19	1,948,106.19	4.0000%	6,493.69	950,521.04	0.0000%	0.00	0.00
Feb/2009	1,948,106.19	1,948,106.19	4.0000%	6,493.69	957,014.73	0.0000%	0.00	0.00
Mar/2009	1,948,106.19	1,948,106.19	4.0000%	6,493.69	963,508.42	0.0000%	0.00	0.00
Apr/2009	1,948,106.19	1,945,305.78	4.0000%	6,484.35	964,391.95	0.0000%	0.00	0.00
May/2009	1,942,505.37	1,942,505.37	4.0000%	6,475.02	970,866.97	0.0000%	0.00	0.00
Jun/2009	1,942,505.37	1,942,505.37	4.0000%	6,475.02	977,341.99	0.0000%	0.00	0.00
Jul/2009	1,942,505.37	1,920,442.57	4.0000%	6,401.48	939,617.87	0.0000%	0.00	0.00
Aug/2009	1,898,379.77	1,929,372.76	4.0000%	6,431.24	946,049.11	0.0000%	0.00	0.00
Sep/2009	1,960,365.74	1,958,682.44	4.0000%	6,528.94	949,211.44	0.0000%	0.00	0.00
Oct/2009	1,956,999.13	1,956,999.13	4.0000%	6,523.33	955,734.77	0.0000%	0.00	0.00
Nov/2009	1,956,999.13	1,956,999.13	4.0000%	6,523.33	962,258.10	0.0000%	0.00	0.00
Dec/2009	1,956,999.13	1,956,431.03	4.0000%	6,521.44	967,643.34	0.0000%	0.00	0.00
Depr Group Total:				77,845.22	967,643.34		0.00	0.00
CKY 39500 Laboratory Equipment								
Jan/2009	10,307.98	10,307.98	5.0000%	42.95	4,738.34	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 0167
 AG Set 1 DR No.
 Attachment A
 Respondents: S. Mark Katko
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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
General								
CKY 39500 Laboratory Equipment								
Feb/2009	10,307.98	10,307.98	5.0000%	42.95	4,781.29	0.0000%	0.00	0.00
Mar/2009	10,307.98	10,307.98	5.0000%	42.95	4,824.24	0.0000%	0.00	0.00
Apr/2009	10,307.98	10,307.98	5.0000%	42.95	4,867.19	0.0000%	0.00	0.00
May/2009	10,307.98	10,307.98	5.0000%	42.95	4,910.14	0.0000%	0.00	0.00
Jun/2009	10,307.98	10,307.98	5.0000%	42.95	4,953.09	0.0000%	0.00	0.00
Jul/2009	10,307.98	10,307.98	5.0000%	42.95	4,996.04	0.0000%	0.00	0.00
Aug/2009	10,307.98	10,307.98	5.0000%	42.95	5,038.99	0.0000%	0.00	0.00
Sep/2009	10,307.98	10,307.98	5.0000%	42.95	5,081.94	0.0000%	0.00	0.00
Oct/2009	10,307.98	10,307.98	5.0000%	42.95	5,124.89	0.0000%	0.00	0.00
Nov/2009	10,307.98	10,307.98	5.0000%	42.95	5,167.84	0.0000%	0.00	0.00
Dec/2009	10,307.98	10,307.98	5.0000%	42.95	5,210.79	0.0000%	0.00	0.00
Depr Group Total:				515.40	5,210.79		0.00	0.00
CKY 39800 Misc Equipment								
Jan/2009	78,932.17	78,932.17	6.6667%	438.51	39,695.21	0.0000%	0.00	-121.90
Feb/2009	78,932.17	78,932.17	6.6667%	438.51	40,133.72	0.0000%	0.00	-121.90
Mar/2009	78,932.17	78,932.17	6.6667%	438.51	40,572.23	0.0000%	0.00	-121.90
Apr/2009	78,932.17	76,395.73	6.6667%	424.42	35,923.76	0.0000%	0.00	-121.90
May/2009	73,859.28	73,859.28	6.6667%	410.33	36,334.09	0.0000%	0.00	-121.90
Jun/2009	73,859.28	73,859.28	6.6667%	410.33	36,744.42	0.0000%	0.00	-121.90
Jul/2009	73,859.28	72,797.78	6.6667%	404.43	35,025.84	0.0000%	0.00	-121.90
Aug/2009	71,736.27	71,736.27	6.6667%	398.54	35,424.38	0.0000%	0.00	-121.90
Sep/2009	71,736.27	70,341.84	6.6667%	390.79	33,026.31	0.0000%	0.00	-121.90
Oct/2009	68,947.41	68,947.41	6.6667%	383.04	33,409.35	0.0000%	0.00	-121.90
Nov/2009	68,947.41	68,947.41	6.6667%	383.04	33,792.39	0.0000%	0.00	-121.90
Dec/2009	68,947.41	70,515.81	6.6667%	391.76	34,184.15	0.0000%	0.00	-121.90
Depr Group Total:				4,912.21	34,184.15		0.00	-121.90
Depr Summ2 Total:				152,202.97	2,339,238.90		0.00	-658,153.68

Depreciation Summary History

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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
<u>Other</u>								
<u>CKY 39413 Underground Tank Cleanup</u>								
Jan/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
May/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Depr Group Total:				0.00	37,937.36		0.00	0.00
Depr Summ2 Total:				0.00	37,937.36		0.00	0.00
Depr Summ1 Total:				410,360.65	3,106,518.92		0.15	-658,159.12
Future Use								
<u>Other</u>								
<u>CKY 105.000 Future Use</u>								
Jan/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Future Use								
Other								
CKY 105.000 Future Use								
Nov/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Depr Summ1 Total:				0.00	0.00		0.00	0.00
Non-Depreciable								
Production								
CKY 30410 Land								
Jan/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Distribution								
CKY 37410 Land, CG & ML Ind M&R								
Jan/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

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Columbia Gas of Kentucky
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Start Month: Jan/2009

End Month: Dec/2009

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Non-Depreciable								
<u>Distribution</u>								
<u>CKY 37410 Land, CG & ML Ind M&R</u>								
May/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37420 Land, Other Dist</u>								
Jan/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
<u>Other</u>								
<u>CKY None</u>								
Jan/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

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Start Month: Jan/2009

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Non-Depreciable								
<u>Other</u>								
<u>CKY None</u>								
Mar/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2009	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Depr Summ1 Total:				0.00	0.00		0.00	0.00
Company/Set of Books Total:				5,793,138.38	124,353,351.76		0.15	-3,936,548.47

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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
<u>Production</u>								
<u>CKY 30500 Structures & Improvements</u>								
Jan/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 31100 LPG Equipment</u>								
Jan/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37440 Land Rights, Other Dist</u>								
Jan/2010	531,487.70	532,391.20	1.5300%	678.80	120,978.87	0.0000%	0.00	-2,624.69
Feb/2010	533,294.70	533,294.70	1.5300%	679.95	121,658.82	0.0000%	0.00	-2,624.69
Mar/2010	533,294.70	533,444.70	1.5300%	680.14	122,338.96	0.0000%	0.00	-2,624.69
Apr/2010	533,594.70	533,594.70	1.5300%	680.33	123,019.29	0.0000%	0.00	-2,624.69
May/2010	533,594.70	534,844.70	1.5300%	681.93	123,701.22	0.0000%	0.00	-2,624.69
Jun/2010	536,094.70	536,094.70	1.5300%	683.52	124,384.74	0.0000%	0.00	-2,624.69
Jul/2010	536,094.70	536,094.70	1.5300%	683.52	125,068.26	0.0000%	0.00	-2,624.69
Aug/2010	536,094.70	536,094.70	1.5300%	683.52	125,751.78	0.0000%	0.00	-2,624.69
Sep/2010	536,094.70	536,844.70	1.5300%	684.48	126,436.26	0.0000%	0.00	-2,624.69
Oct/2010	537,594.70	537,594.70	1.5300%	685.43	127,121.69	0.0000%	0.00	-2,624.69
Nov/2010	537,594.70	542,290.74	1.5300%	691.42	127,813.11	0.0000%	0.00	-2,624.69
Dec/2010	546,986.78	557,746.13	1.5300%	711.13	128,524.24	0.0000%	0.00	-2,624.69
Depr Group Total:				8,224.17	128,524.24		0.00	-2,624.69
<u>CKY 37450 Rights of Way</u>								
Jan/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	708,979.77	0.0000%	0.00	0.00
Feb/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	711,692.59	0.0000%	0.00	0.00
Mar/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	714,405.41	0.0000%	0.00	0.00
Apr/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	717,118.23	0.0000%	0.00	0.00
May/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	719,831.05	0.0000%	0.00	0.00
Jun/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	722,543.87	0.0000%	0.00	0.00
Jul/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	725,256.69	0.0000%	0.00	0.00
Aug/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	727,969.51	0.0000%	0.00	0.00
Sep/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	730,682.33	0.0000%	0.00	0.00
Oct/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	733,395.15	0.0000%	0.00	0.00
Nov/2010	2,668,348.92	2,668,348.92	1.2200%	2,712.82	736,107.97	0.0000%	0.00	0.00
Dec/2010	2,668,348.92	2,668,349.24	1.2200%	2,712.82	738,820.79	0.0000%	0.00	0.00
Depr Group Total:				32,553.84	738,820.79		0.00	0.00

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 37520 CG M&R Structures								
Jan/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Feb/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Mar/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Apr/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
May/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Jun/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Jul/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Aug/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Sep/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Oct/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Nov/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Dec/2010	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Depr Group Total:				0.00	5,523.29		0.00	0.00
CKY 37530 General M&R Structures								
Jan/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Feb/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Mar/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Apr/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
May/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Jun/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Jul/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Aug/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Sep/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Oct/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Nov/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Dec/2010	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Depr Group Total:				0.00	10,948.17		0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37540 Regulating Structures								
Jan/2010	642,432.87	642,432.87	1.9600%	1,049.31	355,936.59	0.0000%	0.00	-38,236.75
Feb/2010	642,432.87	642,432.87	1.9600%	1,049.31	356,985.90	0.0000%	0.00	-38,236.75
Mar/2010	642,432.87	642,432.87	1.9600%	1,049.31	358,035.21	0.0000%	0.00	-38,236.75
Apr/2010	642,432.87	642,432.87	1.9600%	1,049.31	359,084.52	0.0000%	0.00	-38,236.75
May/2010	642,432.87	642,432.87	1.9600%	1,049.31	360,133.83	0.0000%	0.00	-38,545.15
Jun/2010	642,432.87	642,432.87	1.9600%	1,049.31	361,183.14	0.0000%	0.00	-38,545.15
Jul/2010	642,432.87	642,432.87	1.9600%	1,049.31	362,232.45	0.0000%	0.00	-38,545.15
Aug/2010	642,432.87	642,432.87	1.9600%	1,049.31	363,281.76	0.0000%	0.00	-38,545.15
Sep/2010	642,432.87	642,432.87	1.9600%	1,049.31	364,331.07	0.0000%	0.00	-38,545.15
Oct/2010	642,432.87	642,432.87	1.9600%	1,049.31	365,380.38	0.0000%	0.00	-38,545.15
Nov/2010	642,432.87	644,602.03	1.9600%	1,052.85	366,433.23	0.0000%	0.00	-38,545.15
Dec/2010	646,771.19	646,825.17	1.9600%	1,056.48	367,489.71	0.0000%	0.00	-38,545.15
Depr Group Total:				12,602.43	367,489.71		0.00	-38,545.15
CKY 37560 Dist Ind M&R Structures								
Jan/2010	88,210.20	88,210.20	1.9600%	144.08	42,230.98	0.0000%	0.00	0.00
Feb/2010	88,210.20	88,210.20	1.9600%	144.08	42,375.06	0.0000%	0.00	0.00
Mar/2010	88,210.20	88,210.20	1.9600%	144.08	42,519.14	0.0000%	0.00	0.00
Apr/2010	88,210.20	88,210.20	1.9600%	144.08	42,663.22	0.0000%	0.00	0.00
May/2010	88,210.20	88,210.20	1.9600%	144.08	42,807.30	0.0000%	0.00	0.00
Jun/2010	88,210.20	88,210.20	1.9600%	144.08	42,951.38	0.0000%	0.00	0.00
Jul/2010	88,210.20	88,210.20	1.9600%	144.08	43,095.46	0.0000%	0.00	0.00
Aug/2010	88,210.20	88,210.20	1.9600%	144.08	43,239.54	0.0000%	0.00	0.00
Sep/2010	88,210.20	88,210.20	1.9600%	144.08	43,383.62	0.0000%	0.00	0.00
Oct/2010	88,210.20	88,210.20	1.9600%	144.08	43,527.70	0.0000%	0.00	0.00
Nov/2010	88,210.20	88,210.20	1.9600%	144.08	43,671.78	0.0000%	0.00	0.00
Dec/2010	88,210.20	88,210.20	1.9600%	144.08	43,815.86	0.0000%	0.00	0.00
Depr Group Total:				1,728.96	43,815.86		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-0167
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37570 Other Structures</u>								
Jan/2010	7,161,961.20	7,165,288.12	1.9900%	11,882.44	2,282,515.06	0.0000%	0.00	-8,111.65
Feb/2010	7,168,615.03	7,168,615.03	1.9900%	11,887.95	2,294,403.01	0.0000%	0.00	-8,111.65
Mar/2010	7,168,615.03	7,168,615.03	1.9900%	11,887.95	2,306,290.96	0.0000%	0.00	-8,111.65
Apr/2010	7,168,615.03	7,168,615.03	1.9900%	11,887.95	2,318,178.91	0.0000%	0.00	-8,111.65
May/2010	7,168,615.03	7,159,805.19	1.9900%	11,873.34	2,330,052.25	0.0000%	0.00	-8,111.65
Jun/2010	7,150,995.34	7,150,995.34	1.9900%	11,858.73	2,341,910.98	0.0000%	0.00	-8,111.65
Jul/2010	7,150,995.34	7,150,995.34	1.9900%	11,858.73	2,353,769.71	0.0000%	0.00	-8,111.65
Aug/2010	7,150,995.34	7,150,995.34	1.9900%	11,858.73	2,365,628.44	0.0000%	0.00	-8,111.65
Sep/2010	7,150,995.34	7,149,317.62	1.9900%	11,855.95	2,377,484.39	0.0000%	0.00	-8,111.65
Oct/2010	7,147,639.89	7,147,639.89	1.9900%	11,853.17	2,389,337.56	0.0000%	0.00	-8,111.65
Nov/2010	7,147,639.89	7,147,639.89	1.9900%	11,853.17	2,401,190.73	0.0000%	0.00	-8,111.65
Dec/2010	7,147,639.89	7,147,639.89	1.9900%	11,853.17	2,413,043.90	0.0000%	0.00	-8,111.65
Depr Group Total:				142,411.28	2,413,043.90		0.00	-8,111.65
<u>CKY 37580 Communication Structures</u>								
Jan/2010	33,260.58	33,260.58	5.3200%	147.46	27,702.91	0.0000%	0.00	0.00
Feb/2010	33,260.58	33,260.58	5.3200%	147.46	27,850.37	0.0000%	0.00	0.00
Mar/2010	33,260.58	33,260.58	5.3200%	147.46	27,997.83	0.0000%	0.00	0.00
Apr/2010	33,260.58	33,260.58	5.3200%	147.46	28,145.29	0.0000%	0.00	0.00
May/2010	33,260.58	33,260.58	5.3200%	147.46	28,292.75	0.0000%	0.00	0.00
Jun/2010	33,260.58	33,260.58	5.3200%	147.46	28,440.21	0.0000%	0.00	0.00
Jul/2010	33,260.58	33,260.58	5.3200%	147.46	28,587.67	0.0000%	0.00	0.00
Aug/2010	33,260.58	33,260.58	5.3200%	147.46	28,735.13	0.0000%	0.00	0.00
Sep/2010	33,260.58	33,260.58	5.3200%	147.46	28,882.59	0.0000%	0.00	0.00
Oct/2010	33,260.58	33,260.58	5.3200%	147.46	29,030.05	0.0000%	0.00	0.00
Nov/2010	33,260.58	33,260.58	5.3200%	147.46	29,177.51	0.0000%	0.00	0.00
Dec/2010	33,260.58	33,260.58	5.3200%	147.46	29,324.97	0.0000%	0.00	0.00
Depr Group Total:				1,769.52	29,324.97		0.00	0.00

Depreciation Summary History

PSC Case No. 2012-0067
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

End Month: Dec/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37600 Mains								
Jan/2010	138,407,999.25	138,421,379.79	1.5700%	181,101.31	47,539,127.99	0.0000%	0.00	-698,983.78
Feb/2010	138,434,760.32	139,091,250.86	1.5700%	181,977.72	47,702,174.56	0.0000%	0.00	-700,454.33
Mar/2010	139,747,741.40	139,718,102.94	1.5700%	182,797.85	47,862,148.93	0.0000%	0.00	-702,959.63
Apr/2010	139,688,464.48	139,717,031.70	1.5700%	182,796.45	48,019,096.10	0.0000%	0.00	-707,450.98
May/2010	139,745,598.92	139,773,615.96	1.5700%	182,870.48	48,184,002.87	0.0000%	0.00	-729,470.40
Jun/2010	139,801,633.00	139,811,058.22	1.5700%	182,919.47	48,350,146.95	0.0000%	0.00	-732,048.70
Jul/2010	139,820,483.44	139,831,548.73	1.5700%	182,946.28	48,535,481.56	0.0000%	0.00	-747,330.66
Aug/2010	139,842,614.02	139,864,638.83	1.5700%	182,989.57	48,717,242.85	0.0000%	0.00	-746,465.05
Sep/2010	139,886,663.63	139,918,615.84	1.5700%	183,060.19	48,823,852.33	0.0000%	0.00	-746,465.05
Oct/2010	139,950,568.04	139,950,693.87	1.5700%	183,102.16	48,979,804.05	0.0000%	0.00	-755,414.41
Nov/2010	139,950,819.69	139,988,617.05	1.5700%	183,151.77	49,157,901.22	0.0000%	0.00	-756,446.12
Dec/2010	140,026,414.40	140,076,440.24	1.5700%	183,266.68	49,320,825.66	0.0000%	0.00	-759,842.89
Depr Group Total:				2,192,979.93	49,320,825.66		0.00	-759,842.89
CKY 37620 Mains - Coated/Wrapped								
Jan/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-067
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

End Month: Dec/2010 Page 7 of 33

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 37625 Mains Replacement								
Jan/2010	3,727,514.10	3,689,073.95	1.5700%	4,826.54	50,484.71	0.0000%	0.00	-495.05
Feb/2010	3,650,633.80	3,054,537.19	1.5700%	3,996.35	54,481.06	0.0000%	0.00	-495.05
Mar/2010	2,458,440.58	2,629,179.75	1.5700%	3,439.84	57,920.90	0.0000%	0.00	-495.05
Apr/2010	2,799,918.92	2,866,475.65	1.5700%	3,750.31	61,671.21	0.0000%	0.00	-496.50
May/2010	2,933,032.38	2,958,076.17	1.5700%	3,870.15	65,541.36	0.0000%	0.00	-496.50
Jun/2010	2,983,119.95	3,008,414.09	1.5700%	3,936.01	69,477.37	0.0000%	0.00	-496.50
Jul/2010	3,033,708.23	3,102,892.32	1.5700%	4,059.62	73,536.99	0.0000%	0.00	-496.50
Aug/2010	3,172,076.40	3,325,600.91	1.5700%	4,350.99	77,887.98	0.0000%	0.00	-496.50
Sep/2010	3,479,125.42	3,618,379.28	1.5700%	4,734.05	82,622.03	0.0000%	0.00	-496.50
Oct/2010	3,757,633.14	3,904,388.20	1.5700%	5,108.24	87,730.27	0.0000%	0.00	-496.50
Nov/2010	4,051,143.26	4,186,750.46	1.5700%	5,477.67	93,207.94	0.0000%	0.00	-496.50
Dec/2010	4,322,357.65	4,882,345.27	1.5700%	6,387.74	99,595.68	0.0000%	0.00	-496.50
Depr Group Total:				53,937.51	99,595.68		0.00	-496.50
CKY 37630 Mains - Bare Steel								
Jan/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-00167
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NISource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37640 Mains - Plastic</u>								
Jan/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37650 Mains - Joint Seals</u>								
Jan/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-167
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

End Month: Dec/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37660 Mains - Cathodic Protect								
Jan/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 37670 Mains - Other Valves								
Jan/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-067
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 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 37680 Mains - Cast Iron								
Jan/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 37690 Mains - Fittings								
Jan/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37810 M&R Equip-General</u>								
Jan/2010	251,745.37	252,432.39	2.3500%	494.35	264,826.99	0.0000%	0.00	-83.90
Feb/2010	253,119.41	253,119.41	2.3500%	495.69	265,322.68	0.0000%	0.00	-83.90
Mar/2010	253,119.41	253,119.41	2.3500%	452.70	265,775.38	0.0000%	0.00	-83.90
Apr/2010	253,119.41	253,119.41	2.3500%	0.00	265,775.38	0.0000%	0.00	-83.90
May/2010	253,119.41	253,119.41	2.3500%	0.00	265,775.38	0.0000%	0.00	-83.90
Jun/2010	253,119.41	253,119.41	2.3500%	0.00	265,775.38	0.0000%	0.00	-83.90
Jul/2010	253,119.41	253,119.41	2.3500%	0.00	265,775.38	0.0000%	0.00	-83.90
Aug/2010	253,119.41	253,119.41	2.3500%	0.00	265,775.38	0.0000%	0.00	-83.90
Sep/2010	253,119.41	253,119.41	2.3500%	0.00	265,775.38	0.0000%	0.00	-83.90
Oct/2010	253,119.41	253,119.41	2.3500%	0.00	265,775.38	0.0000%	0.00	-83.90
Nov/2010	253,119.41	253,119.41	2.3500%	0.00	265,775.38	0.0000%	0.00	-83.90
Dec/2010	253,119.41	253,119.41	2.3500%	0.00	265,775.38	0.0000%	0.00	-83.90
Depr Group Total:				1,442.74	265,775.38		0.00	-83.90
<u>CKY 37820 M&R Equip-General-Reg</u>								
Jan/2010	4,686,362.83	4,677,073.22	2.3500%	9,159.27	2,314,616.57	0.0000%	0.00	-58,197.85
Feb/2010	4,667,783.61	4,671,675.91	2.3500%	9,148.70	2,322,468.78	0.0000%	0.00	-63,646.37
Mar/2010	4,675,568.20	4,675,522.04	2.3500%	9,156.23	2,331,532.69	0.0000%	0.00	-64,014.76
Apr/2010	4,675,475.88	4,693,014.66	2.3500%	9,190.49	2,341,971.67	0.0000%	0.00	-66,581.40
May/2010	4,710,553.43	4,710,329.42	2.3500%	9,224.40	2,350,785.92	0.0000%	0.00	-67,403.21
Jun/2010	4,710,105.41	4,707,324.02	2.3500%	9,218.51	2,351,241.48	0.0000%	0.00	-67,403.21
Jul/2010	4,704,542.62	4,704,565.40	2.3500%	9,213.11	2,360,454.59	0.0000%	0.00	-67,403.21
Aug/2010	4,704,588.18	4,705,812.88	2.3500%	9,215.55	2,369,612.64	0.0000%	0.00	-67,403.21
Sep/2010	4,707,037.58	4,707,970.12	2.3500%	9,219.77	2,377,748.98	0.0000%	0.00	-67,403.21
Oct/2010	4,708,902.66	4,723,664.27	2.3500%	9,250.51	2,386,999.49	0.0000%	0.00	-67,403.21
Nov/2010	4,738,425.88	4,740,260.01	2.3500%	9,283.01	2,396,282.50	0.0000%	0.00	-67,403.21
Dec/2010	4,742,094.14	4,742,262.09	2.3500%	9,286.93	2,405,760.59	0.0000%	0.00	-67,403.21
Depr Group Total:				110,566.48	2,405,760.59		0.00	-67,403.21

Depreciation Summary History

PSC Case No. 2013-0167
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 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
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Start Month: Jan/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37830 M&R Eq-Local Gas Purc</u>								
Jan/2010	45,443.08	45,443.08	2.3500%	88.99	28,556.96	0.0000%	0.00	-65.19
Feb/2010	45,443.08	45,443.08	2.3500%	88.99	28,645.95	0.0000%	0.00	-65.19
Mar/2010	45,443.08	45,443.08	2.3500%	88.99	28,734.94	0.0000%	0.00	-65.19
Apr/2010	45,443.08	45,443.08	2.3500%	88.99	28,823.93	0.0000%	0.00	-65.19
May/2010	45,443.08	45,443.08	2.3500%	88.99	28,912.92	0.0000%	0.00	-65.19
Jun/2010	45,443.08	45,443.08	2.3500%	88.99	29,001.91	0.0000%	0.00	-65.19
Jul/2010	45,443.08	45,443.08	2.3500%	88.99	29,090.90	0.0000%	0.00	-65.19
Aug/2010	45,443.08	45,443.08	2.3500%	88.99	29,179.89	0.0000%	0.00	-65.19
Sep/2010	45,443.08	45,443.08	2.3500%	88.99	29,268.88	0.0000%	0.00	-65.19
Oct/2010	45,443.08	45,443.08	2.3500%	88.99	29,357.87	0.0000%	0.00	-65.19
Nov/2010	45,443.08	45,443.08	2.3500%	88.99	29,446.86	0.0000%	0.00	-65.19
Dec/2010	45,443.08	45,443.08	2.3500%	88.99	29,535.85	0.0000%	0.00	-65.19
Depr Group Total:				1,067.88	29,535.85		0.00	-65.19
<u>CKY 37910 M&R Equip-CG-Check St</u>								
Jan/2010	257,908.74	257,908.74	2.2700%	487.88	268,283.66	0.0000%	0.00	-128.40
Feb/2010	257,908.74	257,908.74	2.2700%	487.88	268,771.54	0.0000%	0.00	-128.40
Mar/2010	257,908.74	257,908.74	2.2700%	487.88	269,259.42	0.0000%	0.00	-128.40
Apr/2010	257,908.74	257,908.74	2.2700%	487.88	269,747.30	0.0000%	0.00	-128.40
May/2010	257,908.74	257,908.74	2.2700%	487.88	270,235.18	0.0000%	0.00	-128.40
Jun/2010	257,908.74	257,908.74	2.2700%	487.88	270,723.06	0.0000%	0.00	-128.40
Jul/2010	257,908.74	257,908.74	2.2700%	81.12	270,804.18	0.0000%	0.00	-128.40
Aug/2010	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Sep/2010	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Oct/2010	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Nov/2010	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Dec/2010	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Depr Group Total:				3,008.40	270,804.18		0.00	-128.40

Depreciation Summary History

PSC Case No. 2013-0167
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 Chad E. Notestone

Columbia Gas of Kentucky
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Start Month: Jan/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38000 Services								
Jan/2010	83,744,413.47	83,806,573.10	2.5900%	180,882.52	54,070,674.31	0.0000%	0.00	-2,380,266.01
Feb/2010	83,868,732.73	83,908,181.78	2.5900%	181,101.83	54,223,796.62	0.0000%	0.00	-2,388,579.91
Mar/2010	83,947,630.82	84,014,831.31	2.5900%	181,332.01	54,359,913.54	0.0000%	0.00	-2,400,107.21
Apr/2010	84,082,031.79	84,110,042.49	2.5900%	181,537.51	54,513,537.20	0.0000%	0.00	-2,421,392.49
May/2010	84,138,053.19	84,209,401.92	2.5900%	181,751.96	54,668,069.03	0.0000%	0.00	-2,437,753.83
Jun/2010	84,280,750.64	84,311,417.31	2.5900%	181,972.14	54,812,336.04	0.0000%	0.00	-2,462,231.91
Jul/2010	84,342,083.98	84,356,133.76	2.5900%	182,068.66	54,969,763.53	0.0000%	0.00	-2,488,590.06
Aug/2010	84,370,183.53	84,404,286.79	2.5900%	182,172.59	55,120,554.26	0.0000%	0.00	-2,507,314.35
Sep/2010	84,438,390.04	84,534,308.87	2.5900%	182,453.22	55,266,838.31	0.0000%	0.00	-2,521,525.32
Oct/2010	84,630,227.69	84,684,267.41	2.5900%	182,776.88	55,395,847.23	0.0000%	0.00	-2,583,453.36
Nov/2010	84,738,307.12	84,778,950.22	2.5900%	182,981.23	55,523,439.20	0.0000%	0.00	-2,594,074.17
Dec/2010	84,819,593.31	84,924,513.42	2.5900%	183,295.41	55,673,589.96	0.0000%	0.00	-2,607,579.93
Depr Group Total:				2,184,325.96	55,673,589.96		0.00	-2,607,579.93
CKY 38025 Services Replacement								
Jan/2010	220,410.43	254,470.33	2.5900%	549.23	1,105.60	0.0000%	0.00	0.00
Feb/2010	288,530.23	308,879.27	2.5900%	666.66	1,772.26	0.0000%	0.00	0.00
Mar/2010	329,228.30	351,407.40	2.5900%	758.45	2,530.71	0.0000%	0.00	0.00
Apr/2010	373,586.50	410,576.73	2.5900%	886.16	3,416.87	0.0000%	0.00	0.00
May/2010	447,566.96	466,040.55	2.5900%	1,005.87	4,422.74	0.0000%	0.00	0.00
Jun/2010	484,514.14	498,754.41	2.5900%	1,076.48	5,499.22	0.0000%	0.00	0.00
Jul/2010	512,994.68	532,008.53	2.5900%	1,148.25	6,647.47	0.0000%	0.00	0.00
Aug/2010	551,022.38	997,232.55	2.5900%	2,152.36	8,799.83	0.0000%	0.00	0.00
Sep/2010	1,443,442.71	1,540,365.72	2.5900%	3,324.62	12,124.45	0.0000%	0.00	0.00
Oct/2010	1,637,288.73	1,750,230.95	2.5900%	3,777.58	15,902.03	0.0000%	0.00	0.00
Nov/2010	1,863,173.16	1,940,013.35	2.5900%	4,187.20	20,089.23	0.0000%	0.00	0.00
Dec/2010	2,016,853.54	2,122,367.64	2.5900%	4,580.78	24,670.01	0.0000%	0.00	0.00
Depr Group Total:				24,113.64	24,670.01		0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
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Start Month: Jan/2010
 End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38100 Meters								
Jan/2010	11,833,984.03	11,829,346.19	2.5900%	25,531.67	3,985,757.40	0.0000%	0.00	10,635.27
Feb/2010	11,824,708.35	11,821,587.13	2.5900%	25,514.93	4,005,029.89	0.0000%	0.00	10,635.27
Mar/2010	11,818,465.91	11,805,769.67	2.5900%	25,480.79	4,010,364.47	0.0000%	0.00	10,635.27
Apr/2010	11,793,073.42	11,836,320.44	2.5900%	25,546.72	4,006,741.75	0.0000%	0.00	10,634.67
May/2010	11,879,567.46	11,863,705.10	2.5900%	25,605.83	4,002,683.14	0.0000%	0.00	10,634.67
Jun/2010	11,847,842.73	11,821,592.21	2.5900%	25,514.94	3,976,408.73	0.0000%	0.00	10,634.67
Jul/2010	11,795,341.69	11,783,264.97	2.5900%	25,432.21	3,977,687.50	0.0000%	0.00	10,634.67
Aug/2010	11,771,188.25	11,763,576.08	2.5900%	25,389.72	3,989,943.51	0.0000%	0.00	10,634.67
Sep/2010	11,755,963.91	11,741,778.65	2.5900%	25,342.67	3,988,129.33	0.0000%	0.00	10,634.67
Oct/2010	11,727,593.38	11,718,407.19	2.5900%	25,292.23	3,996,042.20	0.0000%	0.00	10,634.67
Nov/2010	11,709,220.99	11,812,944.81	2.5900%	25,496.27	4,021,437.23	0.0000%	0.00	10,634.67
Dec/2010	11,916,668.63	11,916,668.63	2.5900%	25,720.14	4,047,314.83	0.0000%	0.00	10,634.67
Depr Group Total:				305,868.12	4,047,314.83		0.00	10,634.67
CKY 38200 Meter Installations								
Jan/2010	7,881,975.54	7,885,039.29	2.3900%	15,704.37	3,499,274.35	0.0000%	0.00	-25,465.68
Feb/2010	7,888,103.03	7,890,497.81	2.3900%	15,715.24	3,512,413.69	0.0000%	0.00	-25,465.68
Mar/2010	7,892,892.59	7,896,546.84	2.3900%	15,727.29	3,526,245.84	0.0000%	0.00	-25,465.68
Apr/2010	7,900,201.08	7,902,689.62	2.3900%	15,739.52	3,537,482.59	0.0000%	0.00	-25,465.68
May/2010	7,905,178.15	7,908,963.16	2.3900%	15,752.02	3,547,771.60	0.0000%	0.00	-25,465.68
Jun/2010	7,912,748.17	7,912,945.19	2.3900%	15,759.95	3,556,402.53	0.0000%	0.00	-25,465.68
Jul/2010	7,913,142.21	7,915,253.56	2.3900%	15,764.55	3,568,151.14	0.0000%	0.00	-25,465.68
Aug/2010	7,917,364.91	7,918,180.12	2.3900%	15,770.38	3,580,626.87	0.0000%	0.00	-25,465.68
Sep/2010	7,918,995.33	7,922,568.17	2.3900%	15,779.11	3,594,109.95	0.0000%	0.00	-25,465.68
Oct/2010	7,926,141.00	7,930,136.27	2.3900%	15,794.19	3,607,580.82	0.0000%	0.00	-25,465.68
Nov/2010	7,934,131.54	7,951,908.57	2.3900%	15,837.55	3,621,356.66	0.0000%	0.00	-25,465.68
Dec/2010	7,969,685.60	7,981,655.15	2.3900%	15,896.80	3,634,324.75	0.0000%	0.00	-25,465.68
Depr Group Total:				189,240.97	3,634,324.75		0.00	-25,465.68

Depreciation Summary History

PSC Case No. 2017-057
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38300 House Regulators								
Jan/2010	3,867,818.65	3,874,837.82	1.3900%	4,488.35	1,073,922.09	0.0000%	0.00	-824.36
Feb/2010	3,881,856.98	3,894,559.46	1.3900%	4,511.20	1,077,966.37	0.0000%	0.00	-824.36
Mar/2010	3,907,261.94	3,914,118.60	1.3900%	4,533.85	1,082,315.66	0.0000%	0.00	-824.36
Apr/2010	3,920,975.26	3,925,400.85	1.3900%	4,546.92	1,086,372.32	0.0000%	0.00	-824.36
May/2010	3,929,826.44	3,947,326.08	1.3900%	4,572.32	1,090,390.74	0.0000%	0.00	-824.36
Jun/2010	3,964,825.71	3,972,152.25	1.3900%	4,601.08	1,094,300.29	0.0000%	0.00	-824.36
Jul/2010	3,979,478.78	3,987,074.78	1.3900%	4,618.36	1,098,630.44	0.0000%	0.00	-824.36
Aug/2010	3,994,670.78	4,001,223.58	1.3900%	4,634.75	1,102,996.91	0.0000%	0.00	-824.36
Sep/2010	4,007,776.37	4,012,900.69	1.3900%	4,648.28	1,107,894.15	0.0000%	0.00	-824.36
Oct/2010	4,018,025.00	4,027,329.59	1.3900%	4,664.99	1,112,338.18	0.0000%	0.00	-824.36
Nov/2010	4,036,634.18	4,195,127.06	1.3900%	4,859.36	1,116,984.28	0.0000%	0.00	-824.36
Dec/2010	4,353,619.93	4,361,850.56	1.3900%	5,052.48	1,121,870.93	0.0000%	0.00	-824.36
Depr Group Total:				55,731.94	1,121,870.93		0.00	-824.36
CKY 38400 House Reg Installation								
Jan/2010	2,297,468.12	2,297,468.12	1.1000%	2,106.01	1,637,940.21	0.0000%	0.00	-94.01
Feb/2010	2,297,468.12	2,297,468.12	1.1000%	2,106.01	1,640,046.22	0.0000%	0.00	-94.01
Mar/2010	2,297,468.12	2,297,468.12	1.1000%	2,106.01	1,642,152.23	0.0000%	0.00	-94.01
Apr/2010	2,297,468.12	2,297,468.12	1.1000%	2,106.01	1,644,258.24	0.0000%	0.00	-94.01
May/2010	2,297,468.12	2,297,468.12	1.1000%	2,106.01	1,646,364.25	0.0000%	0.00	-94.01
Jun/2010	2,297,468.12	2,295,422.43	1.1000%	2,104.14	1,644,377.01	0.0000%	0.00	-94.01
Jul/2010	2,293,376.74	2,293,376.74	1.1000%	2,102.26	1,646,479.27	0.0000%	0.00	-94.01
Aug/2010	2,293,376.74	2,293,376.74	1.1000%	2,102.26	1,648,581.53	0.0000%	0.00	-94.01
Sep/2010	2,293,376.74	2,292,191.63	1.1000%	2,101.18	1,648,312.49	0.0000%	0.00	-94.01
Oct/2010	2,291,006.52	2,291,006.52	1.1000%	2,100.09	1,650,412.58	0.0000%	0.00	-94.01
Nov/2010	2,291,006.52	2,291,006.52	1.1000%	2,100.09	1,652,512.67	0.0000%	0.00	-94.01
Dec/2010	2,291,006.52	2,290,246.95	1.1000%	2,099.39	1,653,092.91	0.0000%	0.00	-94.01
Depr Group Total:				25,239.46	1,653,092.91		0.00	-94.01

Depreciation Summary History

PSC Case No. 2013-167
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NISource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38500 Ind M&R Equipment								
Jan/2010	2,746,858.17	2,738,058.93	2.0900%	4,768.79	974,032.57	0.0000%	0.00	-42,175.41
Feb/2010	2,729,259.68	2,727,326.72	2.0900%	4,750.09	974,713.62	0.0000%	0.00	-42,247.70
Mar/2010	2,725,393.75	2,725,357.75	2.0900%	4,746.66	979,460.28	0.0000%	0.00	-42,247.70
Apr/2010	2,725,321.75	2,726,338.80	2.0900%	4,748.37	984,711.58	0.0000%	0.00	-42,487.83
May/2010	2,727,355.84	2,724,575.08	2.0900%	4,745.30	986,577.17	0.0000%	0.00	-42,104.66
Jun/2010	2,721,794.32	2,721,794.37	2.0900%	4,740.46	991,317.63	0.0000%	0.00	-42,139.32
Jul/2010	2,721,794.41	2,721,781.02	2.0900%	4,740.44	992,123.20	0.0000%	0.00	-42,139.32
Aug/2010	2,721,767.63	2,721,767.63	2.0900%	4,740.41	996,863.61	0.0000%	0.00	-42,139.32
Sep/2010	2,721,767.63	2,721,767.63	2.0900%	4,740.41	1,001,604.02	0.0000%	0.00	-42,139.32
Oct/2010	2,721,767.63	2,721,767.63	2.0900%	4,740.41	1,006,344.43	0.0000%	0.00	-42,139.32
Nov/2010	2,721,767.63	2,721,767.63	2.0900%	4,740.41	1,011,084.84	0.0000%	0.00	-42,139.32
Dec/2010	2,721,767.63	2,721,766.82	2.0900%	4,740.41	1,015,825.25	0.0000%	0.00	-42,139.32
Depr Group Total:				56,942.16	1,015,825.25		0.00	-42,139.32
CKY 38720 Other Eq-Odorization								
Jan/2010	28,895.00	28,895.00	4.2200%	101.61	-24,379.17	0.0000%	0.00	-9,031.50
Feb/2010	28,895.00	28,895.00	4.2200%	101.61	-24,277.56	0.0000%	0.00	-9,031.50
Mar/2010	28,895.00	28,895.00	4.2200%	101.61	-24,175.95	0.0000%	0.00	-9,031.50
Apr/2010	28,895.00	23,395.47	4.2200%	82.27	-35,092.74	0.0000%	0.00	-9,031.50
May/2010	17,895.94	17,895.94	4.2200%	62.93	-35,029.81	0.0000%	0.00	-9,031.50
Jun/2010	17,895.94	17,895.94	4.2200%	62.93	-34,966.88	0.0000%	0.00	-9,031.50
Jul/2010	17,895.94	17,895.94	4.2200%	62.93	-34,903.95	0.0000%	0.00	-9,031.50
Aug/2010	17,895.94	17,895.94	4.2200%	62.93	-34,841.02	0.0000%	0.00	-9,031.50
Sep/2010	17,895.94	17,895.94	4.2200%	62.93	-34,778.09	0.0000%	0.00	-9,031.50
Oct/2010	17,895.94	17,895.94	4.2200%	62.93	-34,715.16	0.0000%	0.00	-9,031.50
Nov/2010	17,895.94	17,895.94	4.2200%	62.93	-34,652.23	0.0000%	0.00	-9,031.50
Dec/2010	17,895.94	17,895.94	4.2200%	62.93	-34,589.30	0.0000%	0.00	-9,031.50
Depr Group Total:				890.54	-34,589.30		0.00	-9,031.50

Depreciation Summary History

PSC Case No. 2012-0167
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

End Month: Dec/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38741 Other Eq-Telephone								
Jan/2010	711,152.01	711,152.01	2.3400%	1,386.75	261,885.77	0.0000%	0.00	-0.18
Feb/2010	711,152.01	711,152.01	2.3400%	1,386.75	263,272.52	0.0000%	0.00	-0.18
Mar/2010	711,152.01	711,152.01	2.3400%	1,386.75	264,659.27	0.0000%	0.00	-0.18
Apr/2010	711,152.01	711,152.01	2.3400%	1,386.75	266,046.02	0.0000%	0.00	-0.18
May/2010	711,152.01	711,152.01	2.3400%	1,386.75	267,432.77	0.0000%	0.00	-0.18
Jun/2010	711,152.01	711,152.01	2.3400%	1,386.75	268,819.52	0.0000%	0.00	-0.18
Jul/2010	711,152.01	711,152.01	2.3400%	1,386.75	270,206.27	0.0000%	0.00	-0.18
Aug/2010	711,152.01	711,152.01	2.3400%	1,386.75	271,593.02	0.0000%	0.00	-0.18
Sep/2010	711,152.01	711,152.01	2.3400%	1,386.75	272,979.77	0.0000%	0.00	-0.18
Oct/2010	711,152.01	711,152.01	2.3400%	1,386.75	274,366.52	0.0000%	0.00	-0.18
Nov/2010	711,152.01	711,152.01	2.3400%	1,386.75	275,753.27	0.0000%	0.00	-0.18
Dec/2010	711,152.01	711,152.01	2.3400%	1,386.75	277,140.02	0.0000%	0.00	-0.18
Depr Group Total:				16,641.00	277,140.02		0.00	-0.18
CKY 38742 Other Eq-Radio								
Jan/2010	872,759.08	872,759.08	2.3400%	1,701.88	530,015.46	0.0000%	0.00	-9,447.07
Feb/2010	872,759.08	872,759.08	2.3400%	1,701.88	531,717.34	0.0000%	0.00	-9,447.07
Mar/2010	872,759.08	872,759.08	2.3400%	1,701.88	533,419.22	0.0000%	0.00	-9,447.07
Apr/2010	872,759.08	872,759.08	2.3400%	1,701.88	535,121.10	0.0000%	0.00	-9,447.07
May/2010	872,759.08	872,759.08	2.3400%	1,701.88	536,822.98	0.0000%	0.00	-9,447.07
Jun/2010	872,759.08	872,759.08	2.3400%	1,701.88	538,524.86	0.0000%	0.00	-9,447.07
Jul/2010	872,759.08	872,759.08	2.3400%	1,701.88	540,226.74	0.0000%	0.00	-9,447.07
Aug/2010	872,759.08	872,759.08	2.3400%	1,701.88	541,928.62	0.0000%	0.00	-9,447.07
Sep/2010	872,759.08	872,759.08	2.3400%	1,701.88	543,630.50	0.0000%	0.00	-9,447.07
Oct/2010	872,759.08	872,759.08	2.3400%	1,701.88	545,332.38	0.0000%	0.00	-9,447.07
Nov/2010	872,759.08	872,759.08	2.3400%	1,701.88	547,034.26	0.0000%	0.00	-9,447.07
Dec/2010	872,759.08	872,759.08	2.3400%	1,701.88	548,736.14	0.0000%	0.00	-9,447.07
Depr Group Total:				20,422.56	548,736.14		0.00	-9,447.07

Depreciation Summary History

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010
 End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38744 Other Eq-Other Comm								
Jan/2010	169,974.13	169,974.13	2.3400%	331.45	61,779.55	0.0000%	0.00	0.00
Feb/2010	169,974.13	169,974.13	2.3400%	331.45	62,111.00	0.0000%	0.00	0.00
Mar/2010	169,974.13	169,974.13	2.3400%	331.45	62,442.45	0.0000%	0.00	0.00
Apr/2010	169,974.13	169,974.13	2.3400%	331.45	62,773.90	0.0000%	0.00	0.00
May/2010	169,974.13	169,974.13	2.3400%	331.45	63,105.35	0.0000%	0.00	0.00
Jun/2010	169,974.13	169,974.13	2.3400%	331.45	63,436.80	0.0000%	0.00	0.00
Jul/2010	169,974.13	169,974.13	2.3400%	331.45	63,768.25	0.0000%	0.00	0.00
Aug/2010	169,974.13	169,974.13	2.3400%	331.45	64,099.70	0.0000%	0.00	0.00
Sep/2010	169,974.13	169,974.13	2.3400%	331.45	64,431.15	0.0000%	0.00	0.00
Oct/2010	169,974.13	169,974.13	2.3400%	331.45	64,762.60	0.0000%	0.00	0.00
Nov/2010	169,974.13	169,974.13	2.3400%	331.45	65,094.05	0.0000%	0.00	0.00
Dec/2010	169,974.13	169,974.13	2.3400%	331.45	65,425.50	0.0000%	0.00	0.00
Depr Group Total:				3,977.40	65,425.50		0.00	0.00
CKY 38745 Other Eq-Telemetering								
Jan/2010	1,375,158.86	1,375,158.86	2.3400%	2,681.56	462,284.21	0.0000%	0.00	-294.48
Feb/2010	1,375,158.86	1,375,158.86	2.3400%	2,681.56	464,965.77	0.0000%	0.00	-294.48
Mar/2010	1,375,158.86	1,375,158.86	2.3400%	2,681.56	467,647.33	0.0000%	0.00	-294.48
Apr/2010	1,375,158.86	1,383,667.45	2.3400%	2,698.15	472,137.37	0.0000%	0.00	-373.60
May/2010	1,392,176.04	1,392,176.04	2.3400%	2,714.74	474,852.11	0.0000%	0.00	-373.60
Jun/2010	1,392,176.04	1,392,176.04	2.3400%	2,714.74	477,566.85	0.0000%	0.00	-373.60
Jul/2010	1,392,176.04	1,392,176.04	2.3400%	2,714.74	480,281.59	0.0000%	0.00	-373.60
Aug/2010	1,392,176.04	1,392,176.04	2.3400%	2,714.74	482,996.33	0.0000%	0.00	-373.60
Sep/2010	1,392,176.04	1,392,176.04	2.3400%	2,714.74	485,711.07	0.0000%	0.00	-373.60
Oct/2010	1,392,176.04	1,392,176.04	2.3400%	2,714.74	488,425.81	0.0000%	0.00	-373.60
Nov/2010	1,392,176.04	1,392,176.04	2.3400%	2,714.74	491,140.55	0.0000%	0.00	-373.60
Dec/2010	1,392,176.04	1,392,176.04	2.3400%	2,714.74	493,855.29	0.0000%	0.00	-373.60
Depr Group Total:				32,460.75	493,855.29		0.00	-373.60

Depreciation Summary History

PSC Case No. 2017-067
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

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Start Month: Jan/2010

End Month: Dec/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38746 Other Eq-Cust Info Se								
Jan/2010	127,354.97	127,354.97	2.3400%	248.34	106,576.52	0.0000%	0.00	-6.36
Feb/2010	127,354.97	127,354.97	2.3400%	248.34	106,824.86	0.0000%	0.00	-6.36
Mar/2010	127,354.97	127,354.97	2.3400%	248.34	107,073.20	0.0000%	0.00	-6.36
Apr/2010	127,354.97	127,354.97	2.3400%	248.34	107,321.54	0.0000%	0.00	-6.36
May/2010	127,354.97	127,354.97	2.3400%	248.34	107,569.88	0.0000%	0.00	-6.36
Jun/2010	127,354.97	127,354.97	2.3400%	248.34	107,818.22	0.0000%	0.00	-6.36
Jul/2010	127,354.97	127,354.97	2.3400%	248.34	108,066.56	0.0000%	0.00	-6.36
Aug/2010	127,354.97	127,354.97	2.3400%	248.34	108,314.90	0.0000%	0.00	-6.36
Sep/2010	127,354.97	127,354.97	2.3400%	248.34	108,563.24	0.0000%	0.00	-6.36
Oct/2010	127,354.97	127,354.97	2.3400%	248.34	108,811.58	0.0000%	0.00	-6.36
Nov/2010	127,354.97	127,354.97	2.3400%	248.34	109,059.92	0.0000%	0.00	-6.36
Dec/2010	127,354.97	127,354.97	2.3400%	248.34	109,308.26	0.0000%	0.00	-6.36
Depr Group Total:				2,980.08	109,308.26		0.00	-6.36
Depr Summ2 Total:				5,481,127.72	124,760,352.82		0.00	-3,561,628.92
General								
CKY 39220 Trailers over 1,000								
Jan/2010	113,219.98	113,219.98	2.9400%	277.39	43,819.58	0.0000%	0.00	0.00
Feb/2010	113,219.98	113,219.98	2.9400%	277.39	44,096.97	0.0000%	0.00	0.00
Mar/2010	113,219.98	113,219.98	2.9400%	277.39	44,374.36	0.0000%	0.00	0.00
Apr/2010	113,219.98	113,219.98	2.9400%	277.39	44,651.75	0.0000%	0.00	0.00
May/2010	113,219.98	113,219.98	2.9400%	277.39	44,929.14	0.0000%	0.00	0.00
Jun/2010	113,219.98	113,219.98	2.9400%	277.39	45,206.53	0.0000%	0.00	0.00
Jul/2010	113,219.98	113,219.98	2.9400%	277.39	45,483.92	0.0000%	0.00	0.00
Aug/2010	113,219.98	113,219.98	2.9400%	277.39	45,761.31	0.0000%	0.00	0.00
Sep/2010	113,219.98	113,219.98	2.9400%	277.39	46,038.70	0.0000%	0.00	0.00
Oct/2010	113,219.98	113,219.98	2.9400%	277.39	46,316.09	0.0000%	0.00	0.00
Nov/2010	113,219.98	113,219.98	2.9400%	277.39	46,593.48	0.0000%	0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
General								
CKY 39220 Trailers over 1,000								
Dec/2010	113,219.98	113,219.98	2.9400%	277.39	46,870.87	0.0000%	0.00	0.00
Depr Group Total:				3,328.68	46,870.87		0.00	0.00
CKY 39221 Trailers 1,000 & less								
Jan/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Feb/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Mar/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Apr/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
May/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Jun/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Jul/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Aug/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Sep/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Oct/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Nov/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Dec/2010	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Depr Group Total:				0.00	3,398.75		0.00	0.00
CKY 39411 CNG Equip, Stationary								
Jan/2010	335,308.07	335,308.07	13.7700%	3,847.66	291,511.58	0.0000%	0.00	-33,297.95
Feb/2010	335,308.07	335,308.07	13.7700%	3,847.66	295,359.24	0.0000%	0.00	-33,297.95
Mar/2010	335,308.07	335,308.07	13.7700%	3,847.66	299,206.90	0.0000%	0.00	-33,297.95
Apr/2010	335,308.07	335,308.07	13.7700%	3,847.66	303,054.56	0.0000%	0.00	-33,297.95
May/2010	335,308.07	335,308.07	13.7700%	3,847.66	306,902.22	0.0000%	0.00	-33,297.95
Jun/2010	335,308.07	335,308.07	13.7700%	3,847.66	310,749.88	0.0000%	0.00	-33,297.95
Jul/2010	335,308.07	335,308.07	13.7700%	3,847.66	314,597.54	0.0000%	0.00	-33,297.95
Aug/2010	335,308.07	335,308.07	13.7700%	3,847.66	318,445.20	0.0000%	0.00	-33,297.95
Sep/2010	335,308.07	335,308.07	13.7700%	3,847.66	322,292.86	0.0000%	0.00	-33,297.95
Oct/2010	335,308.07	335,308.07	13.7700%	3,847.66	326,140.52	0.0000%	0.00	-33,297.95
Nov/2010	335,308.07	335,308.07	13.7700%	3,847.66	329,988.18	0.0000%	0.00	-33,297.95

Depreciation Summary History

PSC Case No. 2013-0167
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Nolestone

Columbia Gas of Kentucky
 Financial/SEC

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Start Month: Jan/2010

End Month: Dec/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
General								
CKY 39411 CNG Equip, Stationary								
Dec/2010	335,308.07	335,308.07	13.7700%	3,847.66	333,835.84	0.0000%	0.00	-33,297.95
Depr Group Total:				46,171.92	333,835.84		0.00	-33,297.95
CKY 39600 Power Oper Equipment								
Jan/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Feb/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Mar/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Apr/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
May/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Jun/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Jul/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Aug/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Sep/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Oct/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Nov/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Dec/2010	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Depr Group Total:				0.00	556,288.95		0.00	0.00
Depr Summ2 Total:				49,500.60	940,394.41		0.00	-33,297.95
Depr Summ1 Total:				5,530,628.32	125,700,747.23		0.00	-3,594,926.87
Amortizable Assets								
Intangibles								
CKY 30100 Organization Costs								
Jan/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2013-00167
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

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Start Month: Jan/2010

End Month: Dec/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>Intangibles</u>								
<u>CKY 30100 Organization Costs</u>								
Aug/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 30300 Intangible Plant</u>								
Jan/2010	74,347.51	43,830.93	0.0000%	206.52	30,723.10	0.0000%	0.00	0.00
Feb/2010	74,347.51	43,624.41	0.0000%	206.52	30,929.62	0.0000%	0.00	0.00
Mar/2010	74,347.51	43,417.89	0.0000%	206.53	31,136.15	0.0000%	0.00	0.00
Apr/2010	74,347.51	43,211.36	0.0000%	206.52	31,342.67	0.0000%	0.00	0.00
May/2010	74,347.51	43,004.84	0.0000%	206.52	31,549.19	0.0000%	0.00	0.00
Jun/2010	74,347.51	42,798.32	0.0000%	206.52	31,755.71	0.0000%	0.00	0.00
Jul/2010	74,347.51	42,591.80	0.0000%	206.53	31,962.24	0.0000%	0.00	0.00
Aug/2010	74,347.51	42,385.27	0.0000%	206.53	32,168.77	0.0000%	0.00	0.00
Sep/2010	74,347.51	42,178.74	0.0000%	206.53	32,375.30	0.0000%	0.00	0.00
Oct/2010	74,347.51	41,972.21	0.0000%	206.53	32,581.83	0.0000%	0.00	0.00
Nov/2010	74,347.51	41,765.68	0.0000%	206.52	32,788.35	0.0000%	0.00	0.00
Dec/2010	74,347.51	41,559.16	0.0000%	206.53	32,994.88	0.0000%	0.00	0.00
Depr Group Total:				2,478.30	32,994.88		0.00	0.00
Depr Summ2 Total:				2,478.30	32,994.88		0.00	0.00
<u>Software</u>								
<u>CKY 30310 DIS Software</u>								
Jan/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2013-067
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

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Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve	
						COR Rate	COR Depr Exp		
Amortizable Assets									
<u>Software</u>									
<u>CKY 30310 DIS Software</u>									
Jun/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Jul/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Aug/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Sep/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Oct/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Nov/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Dec/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Depr Group Total:				0.00	0.00		0.00	0.00	
<u>CKY 30320 FARA Software</u>									
Jan/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Feb/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Mar/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Apr/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
May/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Jun/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Jul/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Aug/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Sep/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Oct/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Nov/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Dec/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Depr Group Total:				0.00	0.00		0.00	0.00	
<u>CKY 30330 Other Software</u>									
Jan/2010	1,489,622.85	793,840.74	0.0000%	20,843.77	716,624.88	0.0000%	0.00	0.00	
Feb/2010	1,489,622.85	772,996.97	0.0000%	20,843.82	737,468.70	0.0000%	0.00	0.00	
Mar/2010	1,489,622.85	752,722.28	0.0000%	20,804.30	758,273.00	0.0000%	0.00	0.00	
Apr/2010	1,490,761.09	732,487.09	0.0000%	20,763.08	779,036.08	0.0000%	0.00	0.00	
May/2010	1,490,761.09	711,726.45	0.0000%	20,760.65	799,796.73	0.0000%	0.00	0.00	

Depreciation Summary History

Columbia Gas of Kentucky
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Start Month: Jan/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>Software</u>								
<u>CKY 30330 Other Software</u>								
Jun/2010	1,490,761.09	690,963.36	0.0000%	20,763.11	771,415.66	0.0000%	0.00	0.00
Jul/2010	1,441,616.91	670,200.25	0.0000%	20,763.08	792,178.74	0.0000%	0.00	0.00
Aug/2010	1,441,616.91	649,437.17	0.0000%	20,763.12	812,941.86	0.0000%	0.00	0.00
Sep/2010	1,441,616.91	628,674.05	0.0000%	20,763.06	833,704.92	0.0000%	0.00	0.00
Oct/2010	1,441,616.91	607,910.99	0.0000%	20,763.10	854,468.02	0.0000%	0.00	0.00
Nov/2010	1,441,616.91	587,147.89	0.0000%	20,223.22	874,691.24	0.0000%	0.00	0.00
Dec/2010	1,441,616.91	919,252.12	0.0000%	30,565.30	844,085.62	0.0000%	0.00	0.00
				Depr Group Total:	258,619.61		0.00	0.00
				Depr Summ2 Total:	258,619.61		0.00	0.00
<u>Leaseholds - Distribution</u>								
<u>CKY 37571 Lse 451 Ashland, KY</u>								
Jan/2010	60,287.66	57,242.69	12.6316%	602.55	3,647.52	12.6316%	0.06	-5.38
Feb/2010	60,287.66	56,640.14	12.7660%	602.55	4,250.07	12.7660%	0.06	-5.32
Mar/2010	60,287.66	56,037.59	12.9032%	602.55	4,852.62	12.9032%	0.06	-5.26
Apr/2010	60,287.66	55,435.04	13.0435%	602.55	5,455.17	13.0435%	0.06	-5.20
May/2010	60,287.66	54,832.49	13.1868%	602.55	6,057.72	13.1868%	0.06	-5.14
Jun/2010	60,287.66	54,229.94	13.3333%	602.55	6,660.27	13.3333%	0.06	-5.08
Jul/2010	60,287.66	53,627.39	13.4831%	602.55	7,262.82	13.4831%	0.06	-5.02
Aug/2010	60,287.66	53,024.84	13.6364%	602.56	7,865.38	13.6364%	0.06	-4.96
Sep/2010	60,287.66	54,100.01	13.7931%	621.84	8,487.22	13.7931%	0.06	-4.90
Oct/2010	63,643.11	55,155.89	13.9535%	641.35	9,128.57	13.9535%	0.06	-4.84
Nov/2010	63,643.11	54,514.54	14.1176%	641.35	9,769.92	14.1176%	0.06	-4.78
Dec/2010	63,643.11	53,873.19	14.2857%	641.35	10,411.27	14.2857%	0.06	-4.72
				Depr Group Total:	7,366.30		0.72	-4.72
<u>CKY 37571 LSE 704</u>								
Jul/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	31.5789%	0.00	0.00	31.5789%	0.00	0.00
Sep/2010	0.00	0.00	16.4384%	0.00	0.00	16.4384%	0.00	0.00

Depreciation Summary History

PSC Case No. 2017-057
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

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Start Month: Jan/2010

End Month: Dec/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>Leaseholds - Distribution</u>								
<u>CKY 37571 LSE 704</u>								
Oct/2010	0.00	0.00	16.6667%	0.00	0.00	16.6667%	0.00	0.00
Nov/2010	0.00	0.00	16.9014%	0.00	0.00	16.9014%	0.00	0.00
Dec/2010	0.00	0.00	17.1429%	0.00	0.00	17.1429%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				7,366.30	10,411.27		0.72	-4.72
General								
<u>CKY 39110 Office Furniture & Equip</u>								
Jan/2010	1,191,633.98	1,191,633.98	5.0000%	4,965.14	631,112.94	0.0000%	0.00	0.00
Feb/2010	1,191,633.98	1,191,633.98	5.0000%	4,965.14	636,078.08	0.0000%	0.00	0.00
Mar/2010	1,191,633.98	1,191,633.98	5.0000%	4,965.14	641,043.22	0.0000%	0.00	0.00
Apr/2010	1,191,633.98	1,191,633.98	5.0000%	4,965.14	646,008.36	0.0000%	0.00	0.00
May/2010	1,191,633.98	1,191,633.98	5.0000%	4,965.14	650,973.50	0.0000%	0.00	0.00
Jun/2010	1,191,633.98	1,185,449.72	5.0000%	4,939.37	643,544.35	0.0000%	0.00	0.00
Jul/2010	1,179,265.46	1,179,265.46	5.0000%	4,913.61	648,457.96	0.0000%	0.00	0.00
Aug/2010	1,179,265.46	1,179,265.46	5.0000%	4,913.61	653,371.57	0.0000%	0.00	0.00
Sep/2010	1,179,265.46	1,174,815.35	5.0000%	4,895.06	649,366.41	0.0000%	0.00	0.00
Oct/2010	1,170,365.24	1,170,365.24	5.0000%	4,876.52	654,242.93	0.0000%	0.00	0.00
Nov/2010	1,170,365.24	1,170,365.24	5.0000%	4,876.52	659,119.45	0.0000%	0.00	0.00
Dec/2010	1,170,365.24	1,169,477.88	5.0000%	4,872.82	662,217.54	0.0000%	0.00	0.00
Depr Group Total:				59,113.21	662,217.54		0.00	0.00
<u>CKY 39111 Data Handling Equip</u>								
Jan/2010	3,574.97	3,574.97	6.6667%	19.86	-33,894.92	0.0000%	0.00	0.00
Feb/2010	3,574.97	3,574.97	6.6667%	19.86	-33,875.06	0.0000%	0.00	0.00
Mar/2010	3,574.97	3,574.97	6.6667%	19.86	-33,855.20	0.0000%	0.00	0.00
Apr/2010	3,574.97	3,574.97	6.6667%	19.86	-33,835.34	0.0000%	0.00	0.00
May/2010	3,574.97	3,574.97	6.6667%	19.86	-33,815.48	0.0000%	0.00	0.00
Jun/2010	3,574.97	3,574.97	6.6667%	19.86	-33,795.62	0.0000%	0.00	0.00
Jul/2010	3,574.97	3,574.97	6.6667%	19.86	-33,775.76	0.0000%	0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
General								
CKY 39111 Data Handling Equip								
Aug/2010	3,574.97	3,574.97	6.6667%	19.86	-33,755.90	0.0000%	0.00	0.00
Sep/2010	3,574.97	3,574.97	6.6667%	19.86	-33,736.04	0.0000%	0.00	0.00
Oct/2010	3,574.97	3,574.97	6.6667%	19.86	-33,716.18	0.0000%	0.00	0.00
Nov/2010	3,574.97	3,574.97	6.6667%	19.86	-33,696.32	0.0000%	0.00	0.00
Dec/2010	3,574.97	3,574.97	6.6667%	19.86	-33,676.46	0.0000%	0.00	0.00
Depr Group Total:				238.32	-33,676.46		0.00	0.00
CKY 39112 Information Systems								
Jan/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Feb/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Mar/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Apr/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
May/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Jun/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Jul/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Aug/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Sep/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Oct/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Nov/2010	76,934.39	76,934.39	20.0000%	0.00	76,934.39	0.0000%	0.00	0.00
Dec/2010	76,934.39	62,026.98	20.0000%	0.00	47,119.56	0.0000%	0.00	0.00
Depr Group Total:				0.00	47,119.56		0.00	0.00
CKY 39300 Stores Equipment								
Jan/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Amortizable Assets								
General								
CKY 39300 Stores Equipment								
Aug/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 39410 Garage & Service Equip								
Jan/2010	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Feb/2010	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Mar/2010	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Apr/2010	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
May/2010	26,580.01	26,580.01	4.0000%	0.00	662,848.00	0.0000%	0.00	-658,031.78
Jun/2010	26,580.01	26,333.76	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Jul/2010	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Aug/2010	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Sep/2010	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Oct/2010	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Nov/2010	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Dec/2010	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Depr Group Total:				0.00	662,355.50		0.00	-658,031.78
CKY 39420 Shop Equipment								
Jan/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
May/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2012-0167
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
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NiSource

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Amortizable Assets								
General								
CKY 39420 Shop Equipment								
Aug/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Depr Group Total:				0.00	185.21		0.00	0.00
CKY 39430 Tools & Other Equipment								
Jan/2010	1,955,862.93	1,955,862.93	4.0000%	6,519.54	974,162.88	0.0000%	0.00	0.00
Feb/2010	1,955,862.93	1,957,047.93	4.0000%	6,523.49	980,686.37	0.0000%	0.00	0.00
Mar/2010	1,958,232.93	1,958,232.93	4.0000%	6,527.44	987,213.81	0.0000%	0.00	0.00
Apr/2010	1,958,232.93	1,958,232.93	4.0000%	6,527.44	993,741.25	0.0000%	0.00	0.00
May/2010	1,958,232.93	1,958,232.93	4.0000%	6,527.44	1,000,268.69	0.0000%	0.00	0.00
Jun/2010	1,958,232.93	1,953,063.07	4.0000%	6,510.21	993,865.18	0.0000%	0.00	0.00
Jul/2010	1,947,893.21	1,972,515.84	4.0000%	6,575.05	1,000,440.23	0.0000%	0.00	0.00
Aug/2010	1,997,138.47	1,997,215.69	4.0000%	6,657.39	1,007,097.62	0.0000%	0.00	0.00
Sep/2010	1,997,292.91	1,991,556.09	4.0000%	6,638.52	1,001,263.03	0.0000%	0.00	0.00
Oct/2010	1,985,819.26	1,985,819.26	4.0000%	6,619.40	1,007,882.43	0.0000%	0.00	0.00
Nov/2010	1,985,819.26	1,989,606.66	4.0000%	6,632.02	1,014,514.45	0.0000%	0.00	0.00
Dec/2010	1,993,394.06	2,009,643.82	4.0000%	6,698.81	1,020,337.83	0.0000%	0.00	0.00
Depr Group Total:				78,956.75	1,020,337.83		0.00	0.00
CKY 39500 Laboratory Equipment								
Jan/2010	10,307.98	10,307.98	5.0000%	42.95	5,253.74	0.0000%	0.00	0.00
Feb/2010	10,307.98	10,307.98	5.0000%	42.95	5,296.69	0.0000%	0.00	0.00
Mar/2010	10,307.98	10,307.98	5.0000%	42.95	5,339.64	0.0000%	0.00	0.00
Apr/2010	10,307.98	10,307.98	5.0000%	42.95	5,382.59	0.0000%	0.00	0.00
May/2010	10,307.98	10,307.98	5.0000%	42.95	5,425.54	0.0000%	0.00	0.00
Jun/2010	10,307.98	10,307.98	5.0000%	42.95	5,468.49	0.0000%	0.00	0.00
Jul/2010	10,307.98	10,307.98	5.0000%	42.95	5,511.44	0.0000%	0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2010

End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Amortizable Assets								
General								
CKY 39500 Laboratory Equipment								
Aug/2010	10,307.98	10,307.98	5.0000%	42.95	5,554.39	0.0000%	0.00	0.00
Sep/2010	10,307.98	10,307.98	5.0000%	42.95	5,597.34	0.0000%	0.00	0.00
Oct/2010	10,307.98	10,307.98	5.0000%	42.95	5,640.29	0.0000%	0.00	0.00
Nov/2010	10,307.98	10,307.98	5.0000%	42.95	5,683.24	0.0000%	0.00	0.00
Dec/2010	10,307.98	10,044.89	5.0000%	41.85	5,198.91	0.0000%	0.00	0.00
Depr Group Total:				514.30	5,198.91		0.00	0.00
CKY 39800 Misc Equipment								
Jan/2010	72,084.20	72,084.20	6.6667%	400.47	34,584.62	0.0000%	0.00	-121.90
Feb/2010	72,084.20	72,084.20	6.6667%	400.47	34,985.09	0.0000%	0.00	-121.90
Mar/2010	72,084.20	72,084.20	6.6667%	400.47	35,385.56	0.0000%	0.00	-121.90
Apr/2010	72,084.20	72,084.20	6.6667%	400.47	35,786.03	0.0000%	0.00	-121.90
May/2010	72,084.20	80,890.07	6.6667%	449.39	36,235.42	0.0000%	0.00	-121.90
Jun/2010	89,695.94	89,695.94	6.6667%	498.31	36,733.73	0.0000%	0.00	-121.90
Jul/2010	89,695.94	89,695.94	6.6667%	498.31	37,232.04	0.0000%	0.00	-121.90
Aug/2010	89,695.94	89,695.94	6.6667%	498.31	37,730.35	0.0000%	0.00	-121.90
Sep/2010	89,695.94	89,695.94	6.6667%	498.31	38,228.66	0.0000%	0.00	-121.90
Oct/2010	89,695.94	89,695.94	6.6667%	498.31	38,726.97	0.0000%	0.00	-121.90
Nov/2010	89,695.94	89,695.94	6.6667%	498.31	39,225.28	0.0000%	0.00	-121.90
Dec/2010	89,695.94	93,820.22	6.6667%	521.23	39,746.51	0.0000%	0.00	-121.90
Depr Group Total:				5,562.36	39,746.51		0.00	-121.90
Depr Summ2 Total:				144,384.94	2,403,484.60		0.00	-658,153.68
Other								
CKY 39413 Underground Tank Cleanup								
Jan/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
May/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2012-0167
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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
Other								
CKY 39413 Underground Tank Cleanup								
Jun/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Depr Group Total:				0.00	37,937.36		0.00	0.00
Depr Summ2 Total:				0.00	37,937.36		0.00	0.00
Depr Summ1 Total:				412,849.15	3,328,913.73		0.72	-658,158.40
Future Use								
Other								
CKY 105.000 Future Use								
Jan/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2013-0067
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Future Use								
Other								
CKY 105.000 Future Use								
Dec/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Depr Summ1 Total:				0.00	0.00		0.00	0.00
Non-Depreciable								
Production								
CKY 30410 Land								
Jan/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Distribution								
CKY 37410 Land, CG & ML Ind M&R								
Jan/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
 Financial/SEC

NISource

Start Month: Jan/2010
 End Month: Dec/2010

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Non-Depreciable								
<u>Distribution</u>								
<u>CKY 37410 Land, CG & ML Ind M&R</u>								
Jun/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37420 Land, Other Dist</u>								
Jan/2010	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2010	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	873,471.06	873,471.06	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Jul/2010	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Aug/2010	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Sep/2010	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Oct/2010	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Nov/2010	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Dec/2010	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Depr Group Total:				0.00	3,135.32		0.00	-3,135.32
Depr Summ2 Total:				0.00	3,135.32		0.00	-3,135.32
<u>Other</u>								
<u>CKY None</u>								
Jan/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2012-0167
 AG Set 1 DR No. 2
 Attachment B
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2010

End Month: Dec/2010

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Non-Depreciable								
Other								
CKY None								
Apr/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2010	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Depr Summ1 Total:				0.00	3,135.32		0.00	-3,135.32
Company/Set of Books Total:				5,943,477.47	129,032,796.28		0.72	-4,256,220.59

Depreciation Summary History

PSC Case No. 2011-00057

AG Set 1 DR No. 2011-00057

Attachment C

Start Month: Jan/2011 Respondents: S. Mark Katko

Chad E. Notestone

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Columbia Gas of Kentucky
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Production								
CKY 30500 Structures & Improvements								
Jan/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 31100 LPG Equipment								
Jan/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2011-0017

AG Set 1 DR No. 23

Attachment C

Respondents: S. Mark Katko

Chad E. Notestone

Columbia Gas of Kentucky
Financial/SEC

NISource

Start Month: Jan/2011

End Month: Dec/2011 Page 2 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37440 Land Rights, Other Dist</u>								
Jan/2011	568,505.48	570,614.54	1.5300%	727.53	127,568.86	0.0000%	0.00	-2,624.69
Feb/2011	572,723.59	573,012.17	1.5300%	730.59	128,298.61	0.0000%	0.00	-2,624.69
Mar/2011	573,300.75	575,006.86	1.5300%	733.13	128,973.95	0.0000%	0.00	-2,624.69
Apr/2011	576,712.96	577,309.96	1.5300%	736.07	129,710.02	0.0000%	0.00	-2,624.69
May/2011	577,906.96	577,977.58	1.5300%	736.92	130,446.94	0.0000%	0.00	-2,624.69
Jun/2011	578,048.19	581,809.94	1.5300%	741.81	131,188.75	0.0000%	0.00	-2,624.69
Jul/2011	585,571.69	586,132.92	1.5300%	747.32	131,936.07	0.0000%	0.00	-2,624.69
Aug/2011	586,694.14	586,694.14	1.5300%	748.04	132,684.11	0.0000%	0.00	-2,624.69
Sep/2011	586,694.14	587,084.14	1.5300%	748.53	133,432.64	0.0000%	0.00	-2,624.69
Oct/2011	587,474.14	587,474.14	1.5300%	749.03	134,181.67	0.0000%	0.00	-2,624.69
Nov/2011	587,474.14	591,507.66	1.5300%	754.17	134,935.84	0.0000%	0.00	-2,624.69
Dec/2011	595,541.17	595,727.60	1.5300%	759.55	135,695.39	0.0000%	0.00	-2,624.69
Depr Group Total:				8,912.69	135,695.39		0.00	-2,624.69
<u>CKY 37450 Rights of Way</u>								
Jan/2011	2,668,349.56	2,668,349.56	1.2200%	2,712.82	741,533.61	0.0000%	0.00	0.00
Feb/2011	2,668,349.56	2,668,349.56	1.2200%	2,712.82	744,246.43	0.0000%	0.00	0.00
Mar/2011	2,668,349.56	2,668,349.56	1.2200%	2,712.82	746,959.25	0.0000%	0.00	0.00
Apr/2011	2,668,349.56	2,668,349.56	1.2200%	2,712.82	749,672.07	0.0000%	0.00	0.00
May/2011	2,668,349.56	2,668,349.56	1.2200%	2,712.82	752,384.89	0.0000%	0.00	0.00
Jun/2011	2,668,349.56	2,668,348.97	1.2200%	2,712.82	755,097.71	0.0000%	0.00	0.00
Jul/2011	2,668,348.38	2,668,348.38	1.2200%	2,712.82	757,810.53	0.0000%	0.00	0.00
Aug/2011	2,668,348.38	2,668,348.38	1.2200%	2,712.82	760,523.35	0.0000%	0.00	0.00
Sep/2011	2,668,348.38	2,667,653.78	1.2200%	2,712.11	763,235.46	0.0000%	0.00	0.00
Oct/2011	2,666,959.18	2,666,959.18	1.2200%	2,711.41	765,946.87	0.0000%	0.00	0.00
Nov/2011	2,666,959.18	2,666,764.43	1.2200%	2,711.21	768,268.58	0.0000%	0.00	0.00
Dec/2011	2,666,569.68	2,666,569.68	1.2200%	2,711.01	770,979.59	0.0000%	0.00	0.00
Depr Group Total:				32,548.30	770,979.59		0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
Financial/SEC

NiSource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37520 CG M&R Structures								
Jan/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Feb/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Mar/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Apr/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
May/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Jun/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Jul/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Aug/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Sep/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Oct/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Nov/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Dec/2011	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Depr Group Total:				0.00	5,523.29		0.00	0.00
CKY 37530 General M&R Structures								
Jan/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Feb/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Mar/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Apr/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
May/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Jun/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Jul/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Aug/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Sep/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Oct/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Nov/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Dec/2011	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Depr Group Total:				0.00	10,948.17		0.00	0.00

Depreciation Summary History

PSC Case No. 2011-0007
 AG Set 1 DR No. 23
 Attachment C
 Start Month: Jan/2011 Respondents: S. Mark Katko
 Chad E. Notestone
 End Month: Dec/2011 Page 4 of 34

Columbia Gas of Kentucky
 Financial/SEC

NISource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37540 Regulating Structures								
Jan/2011	646,879.15	708,816.75	1.9600%	1,157.73	358,241.46	0.0000%	0.00	-38,545.15
Feb/2011	770,754.35	770,754.35	1.9600%	1,258.90	359,500.36	0.0000%	0.00	-38,545.15
Mar/2011	770,754.35	771,003.24	1.9600%	1,259.31	360,298.86	0.0000%	0.00	-38,545.15
Apr/2011	771,252.13	771,252.13	1.9600%	1,259.71	361,558.57	0.0000%	0.00	-38,545.15
May/2011	771,252.13	771,252.13	1.9600%	1,259.71	362,818.28	0.0000%	0.00	-38,545.15
Jun/2011	771,252.13	771,252.13	1.9600%	1,259.71	364,077.99	0.0000%	0.00	-38,545.15
Jul/2011	771,252.13	771,252.13	1.9600%	1,259.71	365,337.70	0.0000%	0.00	-38,545.15
Aug/2011	771,252.13	770,691.97	1.9600%	1,258.80	365,476.18	0.0000%	0.00	-38,545.15
Sep/2011	770,131.81	772,882.13	1.9600%	1,262.37	365,576.40	0.0000%	0.00	-38,545.15
Oct/2011	775,632.44	775,972.82	1.9600%	1,267.42	366,843.82	0.0000%	0.00	-38,545.15
Nov/2011	776,313.19	776,312.82	1.9600%	1,267.98	368,111.80	0.0000%	0.00	-38,545.15
Dec/2011	776,312.44	776,955.72	1.9600%	1,269.03	369,380.83	0.0000%	0.00	-38,545.15
Depr Group Total:				15,040.38	369,380.83		0.00	-38,545.15
CKY 37560 Dist Ind M&R Structures								
Jan/2011	88,210.20	88,210.20	1.9600%	144.08	43,959.94	0.0000%	0.00	0.00
Feb/2011	88,210.20	88,210.20	1.9600%	144.08	44,104.02	0.0000%	0.00	0.00
Mar/2011	88,210.20	88,210.20	1.9600%	144.08	44,248.10	0.0000%	0.00	0.00
Apr/2011	88,210.20	88,210.20	1.9600%	144.08	44,392.18	0.0000%	0.00	0.00
May/2011	88,210.20	88,210.20	1.9600%	144.08	44,536.26	0.0000%	0.00	0.00
Jun/2011	88,210.20	88,210.20	1.9600%	144.08	44,680.34	0.0000%	0.00	0.00
Jul/2011	88,210.20	88,210.20	1.9600%	144.08	44,824.42	0.0000%	0.00	0.00
Aug/2011	88,210.20	88,210.20	1.9600%	144.08	44,968.50	0.0000%	0.00	0.00
Sep/2011	88,210.20	88,210.20	1.9600%	144.08	45,112.58	0.0000%	0.00	0.00
Oct/2011	88,210.20	88,210.20	1.9600%	144.08	45,256.66	0.0000%	0.00	0.00
Nov/2011	88,210.20	88,210.20	1.9600%	144.08	45,400.74	0.0000%	0.00	0.00
Dec/2011	88,210.20	88,210.20	1.9600%	144.08	45,544.82	0.0000%	0.00	0.00
Depr Group Total:				1,728.96	45,544.82		0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
Financial/SEC

NISource

Start Month: Jan/2011

End Month: Dec/2011

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37570 Other Structures								
Jan/2011	7,147,639.89	7,155,422.58	1.9900%	11,866.08	2,424,909.98	0.0000%	0.00	-8,111.65
Feb/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,436,788.96	0.0000%	0.00	-8,111.65
Mar/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,448,667.94	0.0000%	0.00	-8,111.65
Apr/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,460,546.92	0.0000%	0.00	-8,111.65
May/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,472,425.90	0.0000%	0.00	-8,111.65
Jun/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,484,304.88	0.0000%	0.00	-8,111.65
Jul/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,496,183.86	0.0000%	0.00	-8,111.65
Aug/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,508,062.84	0.0000%	0.00	-8,111.65
Sep/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,519,941.82	0.0000%	0.00	-8,111.65
Oct/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,531,820.80	0.0000%	0.00	-8,111.65
Nov/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,543,699.78	0.0000%	0.00	-8,111.65
Dec/2011	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,555,578.76	0.0000%	0.00	-8,111.65
Depr Group Total:				142,534.86	2,555,578.76		0.00	-8,111.65
CKY 37580 Communication Structures								
Jan/2011	33,260.58	33,260.58	5.3200%	147.46	29,472.43	0.0000%	0.00	0.00
Feb/2011	33,260.58	33,260.58	5.3200%	147.46	29,619.89	0.0000%	0.00	0.00
Mar/2011	33,260.58	33,260.58	5.3200%	147.46	29,767.35	0.0000%	0.00	0.00
Apr/2011	33,260.58	33,260.58	5.3200%	147.46	29,914.81	0.0000%	0.00	0.00
May/2011	33,260.58	33,260.58	5.3200%	147.46	30,062.27	0.0000%	0.00	0.00
Jun/2011	33,260.58	33,260.58	5.3200%	147.46	30,209.73	0.0000%	0.00	0.00
Jul/2011	33,260.58	33,260.58	5.3200%	147.46	30,357.19	0.0000%	0.00	0.00
Aug/2011	33,260.58	33,260.58	5.3200%	147.46	30,504.65	0.0000%	0.00	0.00
Sep/2011	33,260.58	33,260.58	5.3200%	147.46	30,652.11	0.0000%	0.00	0.00
Oct/2011	33,260.58	33,260.58	5.3200%	147.46	30,799.57	0.0000%	0.00	0.00
Nov/2011	33,260.58	33,260.58	5.3200%	147.46	30,947.03	0.0000%	0.00	0.00
Dec/2011	33,260.58	33,260.58	5.3200%	147.46	31,094.49	0.0000%	0.00	0.00
Depr Group Total:				1,769.52	31,094.49		0.00	0.00

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 25

Attachment C

Start Month: Jan/2011 Respondents: S. Mark Katko

Chad E. Notestone

End Month: Dec/2011 Page 6 of 34

Columbia Gas of Kentucky
Financial/SEC

NISource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37600 Mains</u>								
Jan/2011	140,126,466.08	140,112,055.41	1.5700%	183,313.27	49,530,784.90	0.0000%	0.00	-771,920.34
Feb/2011	140,097,644.74	140,108,828.51	1.5700%	183,309.05	49,662,289.88	0.0000%	0.00	-773,545.55
Mar/2011	140,120,012.28	140,167,007.60	1.5700%	183,385.17	49,821,890.22	0.0000%	0.00	-773,607.80
Apr/2011	140,214,002.91	140,230,090.40	1.5700%	183,467.70	49,992,050.74	0.0000%	0.00	-773,868.48
May/2011	140,246,177.89	140,376,593.46	1.5700%	183,659.38	50,145,806.85	0.0000%	0.00	-778,495.61
Jun/2011	140,507,009.03	140,501,138.49	1.5700%	183,822.32	50,321,546.30	0.0000%	0.00	-797,592.33
Jul/2011	140,495,267.95	140,592,691.29	1.5700%	183,942.10	50,477,192.72	0.0000%	0.00	-805,683.79
Aug/2011	140,690,114.63	140,843,274.19	1.5700%	184,269.95	50,598,960.08	0.0000%	0.00	-829,304.24
Sep/2011	140,996,433.75	141,093,505.05	1.5700%	184,597.34	50,773,080.41	0.0000%	0.00	-838,684.53
Oct/2011	141,190,576.34	141,218,536.56	1.5700%	184,760.92	50,956,095.60	0.0000%	0.00	-848,793.14
Nov/2011	141,246,496.77	141,242,094.98	1.5700%	184,791.74	51,134,337.82	0.0000%	0.00	-977,188.74
Dec/2011	141,237,693.19	141,739,854.55	1.5700%	185,442.98	51,159,472.87	0.0000%	0.00	-979,953.06
Depr Group Total:				2,208,761.92	51,159,472.87		0.00	-979,953.06
<u>CKY 37620 Mains - Coated/Wrapped</u>								
Jan/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 25

Attachment C

Respondents: S. Mark Katko

Chad E. Notestone

Columbia Gas of Kentucky
Financial/SEC

NISource

Start Month: Jan/2011

End Month: Dec/2011 Page 7 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37625 Mains Replacement</u>								
Jan/2011	5,442,332.89	5,552,718.04	1.5700%	7,264.81	108,004.64	0.0000%	0.00	-514.12
Feb/2011	5,663,103.19	5,736,507.92	1.5700%	7,505.26	115,509.90	0.0000%	0.00	-514.12
Mar/2011	5,809,912.65	5,869,278.35	1.5700%	7,678.97	123,188.87	0.0000%	0.00	-514.12
Apr/2011	5,928,644.04	6,127,715.68	1.5700%	8,017.09	131,205.96	0.0000%	0.00	-514.12
May/2011	6,326,787.32	6,348,381.79	1.5700%	8,305.80	139,511.76	0.0000%	0.00	-514.12
Jun/2011	6,369,976.26	6,412,295.77	1.5700%	8,389.42	147,901.18	0.0000%	0.00	-514.12
Jul/2011	6,454,615.27	6,484,320.70	1.5700%	8,483.65	156,384.83	0.0000%	0.00	-514.12
Aug/2011	6,514,026.13	7,340,122.49	1.5700%	9,603.33	165,988.16	0.0000%	0.00	-514.12
Sep/2011	8,166,218.84	8,298,643.13	1.5700%	10,857.39	176,845.55	0.0000%	0.00	-514.12
Oct/2011	8,431,067.41	8,773,508.92	1.5700%	11,478.67	188,324.22	0.0000%	0.00	-514.12
Nov/2011	9,115,950.42	9,404,330.30	1.5700%	12,304.00	200,471.80	0.0000%	0.00	-514.12
Dec/2011	9,692,710.17	10,253,260.57	1.5700%	13,414.68	213,886.48	0.0000%	0.00	-514.12
Depr Group Total:				113,303.07	213,886.48		0.00	-514.12
<u>CKY 37630 Mains - Bare Steel</u>								
Jan/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

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Columbia Gas of Kentucky
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Chad E. Notestone
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 37640 Mains - Plastic								
Jan/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 37650 Mains - Joint Seals								
Jan/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37660 Mains - Cathodic Protect								
Jan/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 37670 Mains - Other Valves								
Jan/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

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Columbia Gas of Kentucky
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Start Month: Jan/2011 Respondents: S. Mark Katko

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37680 Mains - Cast Iron</u>								
Jan/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37690 Mains - Fittings</u>								
Jan/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
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 Chad E. Notestone
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37810 M&R Equip-General								
Jan/2011	253,119.41	253,079.33	2.3500%	0.00	265,695.22	0.0000%	0.00	-83.90
Feb/2011	253,039.25	253,039.25	2.3500%	0.00	265,695.22	0.0000%	0.00	-83.90
Mar/2011	253,039.25	253,039.25	2.3500%	0.00	265,695.22	0.0000%	0.00	-83.90
Apr/2011	253,039.25	252,678.63	2.3500%	0.00	264,973.97	0.0000%	0.00	-83.90
May/2011	252,318.00	252,318.00	2.3500%	0.00	264,973.97	0.0000%	0.00	-83.90
Jun/2011	252,318.00	252,318.00	2.3500%	0.00	264,973.97	0.0000%	0.00	-83.90
Jul/2011	252,318.00	252,318.00	2.3500%	0.00	264,973.97	0.0000%	0.00	-83.90
Aug/2011	252,318.00	252,318.00	2.3500%	0.00	264,973.97	0.0000%	0.00	-83.90
Sep/2011	252,318.00	252,318.00	2.3500%	0.00	264,973.97	0.0000%	0.00	-83.90
Oct/2011	252,318.00	252,318.00	2.3500%	0.00	264,973.97	0.0000%	0.00	-83.90
Nov/2011	252,318.00	252,318.00	2.3500%	0.00	264,973.97	0.0000%	0.00	-83.90
Dec/2011	252,318.00	251,830.04	2.3500%	0.00	263,998.05	0.0000%	0.00	-83.90
Depr Group Total:				0.00	263,998.05		0.00	-83.90
CKY 37820 M&R Equip-General-Reg								
Jan/2011	4,742,430.04	4,746,754.47	2.3500%	9,295.73	2,422,918.13	0.0000%	0.00	-67,403.21
Feb/2011	4,751,078.90	4,749,370.00	2.3500%	9,300.85	2,428,506.03	0.0000%	0.00	-67,403.21
Mar/2011	4,747,661.09	4,747,616.67	2.3500%	9,297.42	2,437,714.60	0.0000%	0.00	-67,403.21
Apr/2011	4,747,572.24	4,747,572.24	2.3500%	9,297.33	2,447,011.93	0.0000%	0.00	-67,403.21
May/2011	4,747,572.24	4,748,731.63	2.3500%	9,299.60	2,456,311.53	0.0000%	0.00	-67,403.21
Jun/2011	4,749,891.01	4,755,429.18	2.3500%	9,312.72	2,465,624.25	0.0000%	0.00	-67,403.21
Jul/2011	4,760,967.35	4,764,668.68	2.3500%	9,330.81	2,474,071.63	0.0000%	0.00	-67,403.21
Aug/2011	4,768,370.00	4,783,438.51	2.3500%	9,367.57	2,474,989.47	0.0000%	0.00	-67,403.21
Sep/2011	4,798,507.01	4,793,166.96	2.3500%	9,386.62	2,469,366.82	0.0000%	0.00	-67,403.21
Oct/2011	4,787,826.91	4,790,442.08	2.3500%	9,381.28	2,477,250.86	0.0000%	0.00	-67,592.10
Nov/2011	4,793,057.25	4,808,573.71	2.3500%	9,416.79	2,481,567.62	0.0000%	0.00	-68,664.04
Dec/2011	4,824,090.17	4,826,917.14	2.3500%	9,452.71	2,490,144.97	0.0000%	0.00	-69,002.43
Depr Group Total:				112,139.43	2,490,144.97		0.00	-69,002.43

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NiSource

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Chad E. Notestone

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37830 M&R Eq-Local Gas Purc</u>								
Jan/2011	45,443.08	45,443.08	2.3500%	88.99	29,624.84	0.0000%	0.00	-65.19
Feb/2011	45,443.08	45,443.08	2.3500%	88.99	29,713.83	0.0000%	0.00	-65.19
Mar/2011	45,443.08	45,443.08	2.3500%	88.99	29,802.82	0.0000%	0.00	-65.19
Apr/2011	45,443.08	45,443.08	2.3500%	88.99	29,891.81	0.0000%	0.00	-65.19
May/2011	45,443.08	45,443.08	2.3500%	88.99	29,980.80	0.0000%	0.00	-65.19
Jun/2011	45,443.08	45,443.08	2.3500%	88.99	30,069.79	0.0000%	0.00	-65.19
Jul/2011	45,443.08	45,443.08	2.3500%	88.99	30,158.78	0.0000%	0.00	-65.19
Aug/2011	45,443.08	45,443.08	2.3500%	88.99	30,247.77	0.0000%	0.00	-65.19
Sep/2011	45,443.08	45,443.08	2.3500%	88.99	30,336.76	0.0000%	0.00	-65.19
Oct/2011	45,443.08	45,443.08	2.3500%	88.99	30,425.75	0.0000%	0.00	-65.19
Nov/2011	45,443.08	45,443.08	2.3500%	88.99	30,514.74	0.0000%	0.00	-65.19
Dec/2011	45,443.08	45,443.08	2.3500%	88.99	30,603.73	0.0000%	0.00	-65.19
Depr Group Total:				1,067.88	30,603.73		0.00	-65.19
<u>CKY 37910 M&R Equip-CG-Check St</u>								
Jan/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Feb/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Mar/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Apr/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
May/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Jun/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Jul/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Aug/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Sep/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Oct/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Nov/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Dec/2011	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Depr Group Total:				0.00	270,804.18		0.00	-128.40

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Columbia Gas of Kentucky
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NiSource

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 38000 Services</u>								
Jan/2011	85,029,433.53	85,044,659.54	2.5900%	183,554.72	55,804,434.08	0.0000%	0.00	-2,620,523.01
Feb/2011	85,059,885.55	85,068,075.93	2.5900%	183,605.26	55,943,901.55	0.0000%	0.00	-2,633,321.58
Mar/2011	85,076,266.30	85,124,615.85	2.5900%	183,727.30	56,074,628.02	0.0000%	0.00	-2,647,420.42
Apr/2011	85,172,965.39	85,176,195.81	2.5900%	183,838.62	56,191,558.14	0.0000%	0.00	-2,669,466.75
May/2011	85,179,426.23	85,189,570.51	2.5900%	183,867.49	56,292,725.36	0.0000%	0.00	-2,686,567.22
Jun/2011	85,199,714.79	85,213,441.98	2.5900%	183,919.01	56,390,315.60	0.0000%	0.00	-2,716,885.06
Jul/2011	85,227,169.17	85,251,019.75	2.5900%	184,000.12	56,450,097.20	0.0000%	0.00	-2,782,645.15
Aug/2011	85,274,870.32	85,286,354.01	2.5900%	184,076.38	56,564,494.28	0.0000%	0.00	-2,793,525.14
Sep/2011	85,297,837.70	85,317,464.78	2.5900%	184,143.53	56,651,341.49	0.0000%	0.00	-2,830,138.90
Oct/2011	85,337,091.86	85,365,357.08	2.5900%	184,246.90	56,716,243.12	0.0000%	0.00	-2,843,295.62
Nov/2011	85,393,622.29	85,469,635.95	2.5900%	184,471.96	56,816,152.09	0.0000%	0.00	-2,896,852.29
Dec/2011	85,545,649.61	85,633,712.15	2.5900%	184,826.10	56,929,213.24	0.0000%	0.00	-3,102,842.09
Depr Group Total:				2,208,277.39	56,929,213.24		0.00	-3,102,842.09
<u>CKY 38025 Services Replacement</u>								
Jan/2011	2,227,881.74	2,279,488.72	2.5900%	4,919.90	29,589.91	0.0000%	0.00	0.00
Feb/2011	2,331,095.69	2,399,339.18	2.5900%	5,178.57	34,768.48	0.0000%	0.00	0.00
Mar/2011	2,467,582.67	2,603,960.44	2.5900%	5,620.21	40,388.69	0.0000%	0.00	0.00
Apr/2011	2,740,338.21	2,849,341.39	2.5900%	6,149.83	46,538.52	0.0000%	0.00	0.00
May/2011	2,958,344.56	3,061,679.80	2.5900%	6,608.13	53,146.65	0.0000%	0.00	0.00
Jun/2011	3,165,015.03	3,302,603.77	2.5900%	7,128.12	60,274.77	0.0000%	0.00	0.00
Jul/2011	3,440,192.51	3,585,026.10	2.5900%	7,737.68	68,012.45	0.0000%	0.00	0.00
Aug/2011	3,729,859.69	3,820,887.48	2.5900%	8,246.75	76,259.20	0.0000%	0.00	0.00
Sep/2011	3,911,915.26	4,101,559.22	2.5900%	8,852.53	85,111.73	0.0000%	0.00	0.00
Oct/2011	4,291,203.18	4,454,107.68	2.5900%	9,613.45	94,725.18	0.0000%	0.00	0.00
Nov/2011	4,617,012.17	4,860,832.38	2.5900%	10,491.30	105,216.48	0.0000%	0.00	0.00
Dec/2011	5,104,652.58	5,263,512.17	2.5900%	11,360.41	116,576.89	0.0000%	0.00	0.00
Depr Group Total:				91,906.88	116,576.89		0.00	0.00

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 23

Attachment C

Start Month: Jan/2011 Respondents: S. Mark Katko

Chad E. Notestone

End Month: Dec/2011 Page 14 of 34

Columbia Gas of Kentucky
Financial/SEC

NiSource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38100 Meters								
Jan/2011	11,916,668.63	11,912,643.24	2.5900%	25,711.45	4,065,166.91	0.0000%	0.00	10,634.67
Feb/2011	11,908,617.84	11,909,725.78	2.5900%	25,705.16	4,083,059.85	0.0000%	0.00	10,634.67
Mar/2011	11,910,833.72	11,890,318.21	2.5900%	25,663.27	4,067,692.09	0.0000%	0.00	10,634.67
Apr/2011	11,869,802.69	11,882,297.36	2.5900%	25,645.96	4,093,394.59	0.0000%	0.00	10,634.67
May/2011	11,894,792.03	11,935,668.88	2.5900%	25,761.15	4,094,983.78	0.0000%	0.00	10,634.67
Jun/2011	11,976,545.72	11,983,214.71	2.5900%	25,863.77	4,075,880.06	0.0000%	0.00	10,634.67
Jul/2011	11,989,883.70	11,972,614.49	2.5900%	25,840.89	4,059,694.28	0.0000%	0.00	10,634.67
Aug/2011	11,955,345.28	11,944,322.92	2.5900%	25,779.83	4,057,273.67	0.0000%	0.00	10,309.72
Sep/2011	11,933,300.55	11,936,420.56	2.5900%	25,762.77	4,038,703.71	0.0000%	0.00	10,309.72
Oct/2011	11,939,540.57	11,948,622.07	2.5900%	25,789.11	4,063,666.97	0.0000%	0.00	10,237.23
Nov/2011	11,957,703.57	11,958,218.93	2.5900%	25,809.82	4,063,870.49	0.0000%	0.00	9,528.22
Dec/2011	11,958,734.29	11,951,887.84	2.5900%	25,796.16	4,070,923.67	0.0000%	0.00	8,817.02
Depr Group Total:				309,129.34	4,070,923.67		0.00	8,817.02
CKY 38110 Auto Meter Reading Dev								
Apr/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	34,622.70	2.5900%	74.73	74.73	0.0000%	0.00	0.00
Jul/2011	69,245.39	69,245.39	2.5900%	149.45	224.18	0.0000%	0.00	0.00
Aug/2011	69,245.39	69,245.39	2.5900%	149.45	373.63	0.0000%	0.00	0.00
Sep/2011	69,245.39	69,245.39	2.5900%	149.45	523.08	0.0000%	0.00	0.00
Oct/2011	69,245.39	122,153.80	2.5900%	263.65	786.73	0.0000%	0.00	0.00
Nov/2011	175,062.20	174,844.49	2.5900%	377.37	1,164.10	0.0000%	0.00	0.00
Dec/2011	174,626.78	246,969.21	2.5900%	533.04	1,697.14	0.0000%	0.00	0.00
Depr Group Total:				1,697.14	1,697.14		0.00	0.00
CKY 38200 Meter Installations								
Jan/2011	7,993,624.69	7,996,618.43	2.3900%	15,926.60	3,648,523.15	0.0000%	0.00	-25,465.68
Feb/2011	7,999,612.17	8,002,619.31	2.3900%	15,938.55	3,662,607.50	0.0000%	0.00	-25,465.68
Mar/2011	8,005,626.44	8,007,640.50	2.3900%	15,948.55	3,676,564.41	0.0000%	0.00	-25,465.68

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 23

Attachment C

Respondents: S. Mark Katko

Chad E. Notestone

Columbia Gas of Kentucky
Financial/SEC

NiSource

Start Month: Jan/2011

End Month: Dec/2011

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38200 Meter Installations								
Apr/2011	8,009,654.56	8,009,982.45	2.3900%	15,953.22	3,685,247.22	0.0000%	0.00	-25,465.68
May/2011	8,010,310.34	8,012,116.38	2.3900%	15,957.47	3,697,494.86	0.0000%	0.00	-25,465.68
Jun/2011	8,013,922.42	8,014,510.12	2.3900%	15,962.23	3,708,773.54	0.0000%	0.00	-25,465.68
Jul/2011	8,015,097.82	8,014,502.29	2.3900%	15,962.22	3,718,488.36	0.0000%	0.00	-25,465.68
Aug/2011	8,013,906.76	8,015,863.53	2.3900%	15,964.93	3,731,106.27	0.0000%	0.00	-25,465.68
Sep/2011	8,017,820.30	8,019,337.60	2.3900%	15,971.85	3,743,693.71	0.0000%	0.00	-25,465.68
Oct/2011	8,020,854.89	8,036,907.03	2.3900%	16,006.84	3,756,082.83	0.0000%	0.00	-25,465.68
Nov/2011	8,052,959.16	8,061,569.66	2.3900%	16,055.96	3,769,339.41	0.0000%	0.00	-25,465.68
Dec/2011	8,070,180.16	8,074,759.53	2.3900%	16,082.23	3,782,341.85	0.0000%	0.00	-25,465.68
Depr Group Total:				191,730.65	3,782,341.85		0.00	-25,465.68
CKY 38300 House Regulators								
Jan/2011	4,370,081.19	4,374,551.70	1.3900%	5,067.19	1,126,643.35	0.0000%	0.00	-824.36
Feb/2011	4,379,022.21	4,383,736.14	1.3900%	5,077.83	1,131,435.15	0.0000%	0.00	-824.36
Mar/2011	4,388,450.07	4,391,513.51	1.3900%	5,086.84	1,136,334.08	0.0000%	0.00	-824.36
Apr/2011	4,394,576.94	4,399,330.38	1.3900%	5,095.89	1,141,181.39	0.0000%	0.00	-824.36
May/2011	4,404,083.81	4,408,035.29	1.3900%	5,105.97	1,145,997.32	0.0000%	0.00	-824.36
Jun/2011	4,411,986.77	4,415,769.32	1.3900%	5,114.93	1,150,786.29	0.0000%	0.00	-824.36
Jul/2011	4,419,551.87	4,424,474.35	1.3900%	5,125.02	1,155,035.02	0.0000%	0.00	-824.36
Aug/2011	4,429,396.83	4,436,642.72	1.3900%	5,139.11	1,159,744.97	0.0000%	0.00	-824.36
Sep/2011	4,443,888.61	4,452,081.41	1.3900%	5,156.99	1,164,680.20	0.0000%	0.00	-824.36
Oct/2011	4,460,274.20	4,476,983.69	1.3900%	5,185.84	1,169,543.05	0.0000%	0.00	-824.36
Nov/2011	4,493,693.17	4,512,712.65	1.3900%	5,227.23	1,174,525.03	0.0000%	0.00	-824.36
Dec/2011	4,531,732.13	4,539,726.03	1.3900%	5,258.52	1,179,478.52	0.0000%	0.00	-824.36
Depr Group Total:				61,641.36	1,179,478.52		0.00	-824.36
CKY 38400 House Reg Installation								
Jan/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,655,191.61	0.0000%	0.00	-94.01
Feb/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,657,290.31	0.0000%	0.00	-94.01
Mar/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,659,389.01	0.0000%	0.00	-94.01

Depreciation Summary History

Columbia Gas of Kentucky
Financial/SEC

NiSource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38400 House Reg Installation								
Apr/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,661,487.71	0.0000%	0.00	-94.01
May/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,663,586.41	0.0000%	0.00	-94.01
Jun/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,665,685.11	0.0000%	0.00	-94.01
Jul/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,667,783.81	0.0000%	0.00	-94.01
Aug/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,669,882.51	0.0000%	0.00	-94.01
Sep/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,671,981.21	0.0000%	0.00	-94.01
Oct/2011	2,289,487.37	2,289,487.37	1.1000%	2,098.70	1,674,079.91	0.0000%	0.00	-94.01
Nov/2011	2,289,487.37	2,285,875.67	1.1000%	2,095.39	1,668,951.89	0.0000%	0.00	-94.01
Dec/2011	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,671,043.97	0.0000%	0.00	-94.01
Depr Group Total:				25,174.47	1,671,043.97		0.00	-94.01
CKY 38500 Ind M&R Equipment								
Jan/2011	2,721,766.00	2,713,724.20	2.0900%	4,726.40	1,004,468.04	0.0000%	0.00	-42,139.32
Feb/2011	2,705,682.39	2,705,243.03	2.0900%	4,711.63	1,008,300.95	0.0000%	0.00	-42,139.33
Mar/2011	2,704,803.67	2,704,803.67	2.0900%	4,710.87	1,013,011.82	0.0000%	0.00	-42,139.33
Apr/2011	2,704,803.67	2,704,266.65	2.0900%	4,709.93	1,016,647.71	0.0000%	0.00	-42,139.33
May/2011	2,703,729.63	2,703,729.63	2.0900%	4,709.00	1,021,356.71	0.0000%	0.00	-42,139.33
Jun/2011	2,703,729.63	2,701,658.42	2.0900%	4,705.39	1,021,791.15	0.0000%	0.00	-43,271.68
Jul/2011	2,699,587.20	2,701,495.27	2.0900%	4,705.10	1,030,312.39	0.0000%	0.00	-43,271.68
Aug/2011	2,703,403.34	2,689,878.00	2.0900%	4,684.87	1,007,946.58	0.0000%	0.00	-43,271.68
Sep/2011	2,676,352.66	2,679,952.87	2.0900%	4,667.58	1,004,370.94	0.0000%	0.00	-43,271.68
Oct/2011	2,683,553.08	2,679,241.93	2.0900%	4,666.35	999,623.41	0.0000%	0.00	-43,446.73
Nov/2011	2,674,930.78	2,674,858.37	2.0900%	4,658.71	1,003,999.39	0.0000%	0.00	-45,338.88
Dec/2011	2,674,785.95	2,674,781.67	2.0900%	4,658.58	1,008,657.97	0.0000%	0.00	-45,617.97
Depr Group Total:				56,314.41	1,008,657.97		0.00	-45,617.97
CKY 38720 Other Eq-Odorization								
Jan/2011	17,895.94	17,895.94	4.2200%	62.93	-34,526.37	0.0000%	0.00	-9,031.50
Feb/2011	17,895.94	17,895.94	4.2200%	62.93	-34,463.44	0.0000%	0.00	-9,031.50
Mar/2011	17,895.94	17,895.94	4.2200%	62.93	-34,400.51	0.0000%	0.00	-9,031.50

Depreciation Summary History

PSC Case No. 2011-0007

AG Set 1 DR No. 23

Attachment C

Columbia Gas of Kentucky
Financial/SEC

NiSource

Start Month: Jan/2011 Respondents: S. Mark Katko
Chad E. Notestone
End Month: Dec/2011 Page 17 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38720 Other Eq-Odorization								
Apr/2011	17,895.94	17,895.94	4.2200%	62.93	-34,337.58	0.0000%	0.00	-9,031.50
May/2011	17,895.94	17,895.94	4.2200%	62.93	-34,274.65	0.0000%	0.00	-9,031.50
Jun/2011	17,895.94	17,895.94	4.2200%	62.93	-34,211.72	0.0000%	0.00	-9,031.50
Jul/2011	17,895.94	17,895.94	4.2200%	62.93	-34,148.79	0.0000%	0.00	-9,031.50
Aug/2011	17,895.94	17,895.94	4.2200%	62.93	-34,085.86	0.0000%	0.00	-9,031.50
Sep/2011	17,895.94	17,895.94	4.2200%	62.93	-34,022.93	0.0000%	0.00	-9,031.50
Oct/2011	17,895.94	17,895.94	4.2200%	62.93	-33,960.00	0.0000%	0.00	-9,031.50
Nov/2011	17,895.94	17,895.94	4.2200%	62.93	-33,897.07	0.0000%	0.00	-9,031.50
Dec/2011	17,895.94	17,895.94	4.2200%	62.93	-33,834.14	0.0000%	0.00	-9,031.50
Depr Group Total:				755.16	-33,834.14		0.00	-9,031.50
CKY 38741 Other Eq-Telephone								
Jan/2011	711,152.01	711,152.01	2.3400%	1,386.75	278,526.77	0.0000%	0.00	-0.18
Feb/2011	711,152.01	711,152.01	2.3400%	1,386.75	279,913.52	0.0000%	0.00	-0.18
Mar/2011	711,152.01	711,152.01	2.3400%	1,386.75	281,300.27	0.0000%	0.00	-0.18
Apr/2011	711,152.01	711,152.01	2.3400%	1,386.75	282,687.02	0.0000%	0.00	-0.18
May/2011	711,152.01	711,152.01	2.3400%	1,386.75	284,073.77	0.0000%	0.00	-0.18
Jun/2011	711,152.01	711,152.01	2.3400%	1,386.75	285,460.52	0.0000%	0.00	-0.18
Jul/2011	711,152.01	711,152.01	2.3400%	1,386.75	286,847.27	0.0000%	0.00	-0.18
Aug/2011	711,152.01	711,152.01	2.3400%	1,386.75	288,234.02	0.0000%	0.00	-0.18
Sep/2011	711,152.01	711,152.01	2.3400%	1,386.75	289,620.77	0.0000%	0.00	-0.18
Oct/2011	711,152.01	711,152.01	2.3400%	1,386.75	291,007.52	0.0000%	0.00	-0.18
Nov/2011	711,152.01	711,152.01	2.3400%	1,386.75	292,394.27	0.0000%	0.00	-0.18
Dec/2011	711,152.01	711,152.01	2.3400%	1,386.75	293,781.02	0.0000%	0.00	-0.18
Depr Group Total:				16,641.00	293,781.02		0.00	-0.18
CKY 38742 Other Eq-Radio								
Jan/2011	872,759.08	872,759.08	2.3400%	1,701.88	550,438.02	0.0000%	0.00	-9,447.07
Feb/2011	872,759.08	872,759.08	2.3400%	1,701.88	552,139.90	0.0000%	0.00	-9,447.07
Mar/2011	872,759.08	872,759.08	2.3400%	1,701.88	553,841.78	0.0000%	0.00	-9,447.07

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 232

Attachment C

Columbia Gas of Kentucky
Financial/SEC

NiSource

Start Month: Jan/2011 Respondents: S. Mark Katko
Chad E. Notestone
End Month: Dec/2011 Page 18 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38742 Other Eq-Radio								
Apr/2011	872,759.08	872,759.08	2.3400%	1,701.88	555,543.66	0.0000%	0.00	-9,447.07
May/2011	872,759.08	872,759.08	2.3400%	1,701.88	557,245.54	0.0000%	0.00	-9,447.07
Jun/2011	872,759.08	872,759.08	2.3400%	1,701.88	558,947.42	0.0000%	0.00	-9,447.07
Jul/2011	872,759.08	872,759.08	2.3400%	1,701.88	560,649.30	0.0000%	0.00	-9,447.07
Aug/2011	872,759.08	872,759.08	2.3400%	1,701.88	562,351.18	0.0000%	0.00	-9,447.07
Sep/2011	872,759.08	872,759.08	2.3400%	1,701.88	564,053.06	0.0000%	0.00	-9,447.07
Oct/2011	872,759.08	872,759.08	2.3400%	1,701.88	565,754.94	0.0000%	0.00	-9,447.07
Nov/2011	872,759.08	872,759.08	2.3400%	1,701.88	567,456.82	0.0000%	0.00	-9,447.07
Dec/2011	872,759.08	872,759.08	2.3400%	1,701.88	569,158.70	0.0000%	0.00	-9,447.07
Depr Group Total:				20,422.56	569,158.70		0.00	-9,447.07
CKY 38744 Other Eq-Other Comm								
Jan/2011	169,974.13	169,974.13	2.3400%	331.45	65,756.95	0.0000%	0.00	0.00
Feb/2011	169,974.13	169,974.13	2.3400%	331.45	66,088.40	0.0000%	0.00	0.00
Mar/2011	169,974.13	169,974.13	2.3400%	331.45	66,419.85	0.0000%	0.00	0.00
Apr/2011	169,974.13	169,974.13	2.3400%	331.45	66,751.30	0.0000%	0.00	0.00
May/2011	169,974.13	169,974.13	2.3400%	331.45	67,082.75	0.0000%	0.00	0.00
Jun/2011	169,974.13	169,974.13	2.3400%	331.45	67,414.20	0.0000%	0.00	0.00
Jul/2011	169,974.13	169,974.13	2.3400%	331.45	67,745.65	0.0000%	0.00	0.00
Aug/2011	169,974.13	169,974.13	2.3400%	331.45	68,077.10	0.0000%	0.00	0.00
Sep/2011	169,974.13	169,974.13	2.3400%	331.45	68,408.55	0.0000%	0.00	0.00
Oct/2011	169,974.13	169,974.13	2.3400%	331.45	68,740.00	0.0000%	0.00	0.00
Nov/2011	169,974.13	169,974.13	2.3400%	331.45	69,071.45	0.0000%	0.00	0.00
Dec/2011	169,974.13	169,974.13	2.3400%	331.45	69,402.90	0.0000%	0.00	0.00
Depr Group Total:				3,977.40	69,402.90		0.00	0.00
CKY 38745 Other Eq-Telemetering								
Jan/2011	1,392,176.04	1,392,176.04	2.3400%	2,714.74	496,570.03	0.0000%	0.00	-373.60
Feb/2011	1,392,176.04	1,392,176.04	2.3400%	2,714.74	499,284.77	0.0000%	0.00	-373.60
Mar/2011	1,392,176.04	1,392,176.04	2.3400%	2,714.74	501,999.51	0.0000%	0.00	-373.60

Depreciation Summary History

Columbia Gas of Kentucky
Financial/SEC

NiSource

Start Month: Jan/2011 Respondents: S. Mark Katko
Chad E. Notestone
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38745 Other Eq-Telemetering								
Apr/2011	1,392,176.04	1,392,176.04	2.3400%	2,714.74	504,714.25	0.0000%	0.00	-373.60
May/2011	1,392,176.04	1,392,176.04	2.3400%	2,714.74	507,428.99	0.0000%	0.00	-373.60
Jun/2011	1,392,176.04	1,392,176.04	2.3400%	2,714.74	510,143.73	0.0000%	0.00	-373.60
Jul/2011	1,392,176.04	1,394,334.08	2.3400%	2,718.95	512,862.68	0.0000%	0.00	-373.60
Aug/2011	1,396,492.12	1,438,794.50	2.3400%	2,805.65	508,196.95	0.0000%	0.00	-373.60
Sep/2011	1,481,096.88	1,481,096.88	2.3400%	2,888.14	511,085.09	0.0000%	0.00	-373.60
Oct/2011	1,481,096.88	1,481,095.53	2.3400%	2,888.14	513,973.23	0.0000%	0.00	-373.60
Nov/2011	1,481,094.17	1,481,015.41	2.3400%	2,887.98	516,861.21	0.0000%	0.00	-373.60
Dec/2011	1,480,936.64	1,480,942.97	2.3400%	2,887.84	519,749.05	0.0000%	0.00	-373.60
Depr Group Total:				33,365.14	519,749.05		0.00	-373.60
CKY 38746 Other Eq-Cust Info Se								
Jan/2011	127,354.97	127,354.97	2.3400%	248.34	109,556.60	0.0000%	0.00	-6.36
Feb/2011	127,354.97	127,354.97	2.3400%	248.34	109,804.94	0.0000%	0.00	-6.36
Mar/2011	127,354.97	127,354.97	2.3400%	248.34	110,053.28	0.0000%	0.00	-6.36
Apr/2011	127,354.97	127,354.97	2.3400%	248.34	110,301.62	0.0000%	0.00	-6.36
May/2011	127,354.97	127,354.97	2.3400%	248.34	110,549.96	0.0000%	0.00	-6.36
Jun/2011	127,354.97	127,354.97	2.3400%	248.34	110,798.30	0.0000%	0.00	-6.36
Jul/2011	127,354.97	127,354.97	2.3400%	248.34	111,046.64	0.0000%	0.00	-6.36
Aug/2011	127,354.97	127,354.97	2.3400%	248.34	111,294.98	0.0000%	0.00	-6.36
Sep/2011	127,354.97	127,354.97	2.3400%	248.34	111,543.32	0.0000%	0.00	-6.36
Oct/2011	127,354.97	127,354.97	2.3400%	248.34	111,791.66	0.0000%	0.00	-6.36
Nov/2011	127,354.97	127,354.97	2.3400%	248.34	112,040.00	0.0000%	0.00	-6.36
Dec/2011	127,354.97	127,354.97	2.3400%	248.34	112,288.34	0.0000%	0.00	-6.36
Depr Group Total:				2,980.08	112,288.34		0.00	-6.36
Depr Summ2 Total:				5,661,819.99	128,644,134.74		0.00	-4,283,914.39
General								
CKY 39220 Trailers over 1,000								
Jan/2011	113,219.98	113,219.98	2.9400%	277.39	47,148.26	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 23

Attachment C

Respondents: S. Mark Katko

Chad E. Notestone

Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2011

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
General								
CKY 39220 Trailers over 1,000								
Feb/2011	113,219.98	113,219.98	2.9400%	277.39	47,425.65	0.0000%	0.00	0.00
Mar/2011	113,219.98	113,219.98	2.9400%	277.39	47,703.04	0.0000%	0.00	0.00
Apr/2011	113,219.98	113,219.98	2.9400%	277.39	47,980.43	0.0000%	0.00	0.00
May/2011	113,219.98	113,219.98	2.9400%	277.39	48,257.82	0.0000%	0.00	0.00
Jun/2011	113,219.98	113,219.98	2.9400%	277.39	48,535.21	0.0000%	0.00	0.00
Jul/2011	113,219.98	113,219.98	2.9400%	277.39	48,812.60	0.0000%	0.00	0.00
Aug/2011	113,219.98	113,219.98	2.9400%	277.39	49,089.99	0.0000%	0.00	0.00
Sep/2011	113,219.98	113,219.98	2.9400%	277.39	49,367.38	0.0000%	0.00	0.00
Oct/2011	113,219.98	113,219.98	2.9400%	277.39	49,644.77	0.0000%	0.00	0.00
Nov/2011	113,219.98	113,219.98	2.9400%	277.39	49,922.16	0.0000%	0.00	0.00
Dec/2011	113,219.98	113,219.98	2.9400%	277.39	67,425.46	0.0000%	0.00	0.00
Depr Group Total:				3,328.68	67,425.46		0.00	0.00
CKY 39221 Trailers 1,000 & less								
Jan/2011	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Feb/2011	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Mar/2011	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Apr/2011	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
May/2011	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Jun/2011	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Jul/2011	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Aug/2011	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Sep/2011	3,398.75	3,398.75	2.9400%	0.00	3,398.75	0.0000%	0.00	0.00
Oct/2011	3,398.75	15,629.85	2.9400%	38.29	3,437.04	0.0000%	0.00	0.00
Nov/2011	27,860.95	27,860.95	2.9400%	68.26	3,505.30	0.0000%	0.00	0.00
Dec/2011	27,860.95	27,860.95	2.9400%	68.26	3,573.56	0.0000%	0.00	0.00
Depr Group Total:				174.81	3,573.56		0.00	0.00
CKY 39411 CNG Equip, Stationary								
Jan/2011	335,308.07	335,308.07	13.7700%	1,472.23	335,308.07	0.0000%	0.00	-33,297.95

Depreciation Summary History

Columbia Gas of Kentucky
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NISource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Depreciable Assets								
General								
CKY 39411 CNG Equip, Stationary								
Feb/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Mar/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Apr/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
May/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Jun/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Jul/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Aug/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Sep/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Oct/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Nov/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Dec/2011	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Depr Group Total:				1,472.23	335,308.07		0.00	-33,297.95
CKY 39600 Power Oper Equipment								
Jan/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Feb/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Mar/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Apr/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
May/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Jun/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Jul/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Aug/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Sep/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Oct/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Nov/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2011-0007
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2011 Respondents: S. Mark Katko
 Chad E. Notestone
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>General</u>								
<u>CKY 39600 Power Oper Equipment</u>								
Dec/2011	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Depr Group Total:				0.00	556,288.95		0.00	0.00
Depr Summ2 Total:				4,975.72	962,596.04		0.00	-33,297.95
Depr Summ1 Total:				5,666,795.71	129,606,730.78		0.00	-4,317,212.34
Amortizable Assets								
<u>Intangibles</u>								
<u>CKY 30100 Organization Costs</u>								
Jan/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 30300 Intangible Plant</u>								
Jan/2011	74,347.51	41,352.63	0.0000%	206.52	33,201.40	0.0000%	0.00	0.00
Feb/2011	74,347.51	41,146.11	0.0000%	206.52	33,407.92	0.0000%	0.00	0.00
Mar/2011	74,347.51	40,939.59	0.0000%	206.53	33,614.45	0.0000%	0.00	0.00
Apr/2011	74,347.51	40,733.06	0.0000%	206.52	33,820.97	0.0000%	0.00	0.00
May/2011	74,347.51	40,526.54	0.0000%	206.52	34,027.49	0.0000%	0.00	0.00
Jun/2011	74,347.51	40,320.02	0.0000%	206.52	34,234.01	0.0000%	0.00	0.00
Jul/2011	74,347.51	40,113.50	0.0000%	206.53	34,440.54	0.0000%	0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
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NiSource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>Intangibles</u>								
<u>CKY 30300 Intangible Plant</u>								
Aug/2011	74,347.51	39,906.97	0.0000%	206.52	34,647.06	0.0000%	0.00	0.00
Sep/2011	74,347.51	39,700.45	0.0000%	206.53	34,853.59	0.0000%	0.00	0.00
Oct/2011	74,347.51	39,493.92	0.0000%	206.53	35,060.12	0.0000%	0.00	0.00
Nov/2011	74,347.51	39,287.39	0.0000%	206.53	35,266.65	0.0000%	0.00	0.00
Dec/2011	74,347.51	39,080.86	0.0000%	206.53	35,473.18	0.0000%	0.00	0.00
Depr Group Total:				2,478.30	35,473.18		0.00	0.00
Depr Summ2 Total:				2,478.30	35,473.18		0.00	0.00
<u>Software</u>								
<u>CKY 30310 DIS Software</u>								
Jan/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 30320 FARA Software</u>								
Jan/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

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Attachment C

Start Month: Jan/2011 Respondents: S. Mark Katko

Chad E. Notestone

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Columbia Gas of Kentucky
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NISource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>Software</u>								
<u>CKY 30320 FARA Software</u>								
Jun/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 30330 Other Software</u>								
Jan/2011	2,089,278.36	1,246,259.19	0.0000%	26,203.09	870,288.71	0.0000%	0.00	0.00
Feb/2011	2,091,413.25	1,222,660.80	0.0000%	26,234.68	896,523.39	0.0000%	0.00	0.00
Mar/2011	2,094,487.77	1,198,002.56	0.0000%	26,254.03	922,777.42	0.0000%	0.00	0.00
Apr/2011	2,094,566.12	1,173,256.06	0.0000%	26,272.72	949,050.14	0.0000%	0.00	0.00
May/2011	2,097,502.83	1,149,405.53	0.0000%	26,303.21	975,353.35	0.0000%	0.00	0.00
Jun/2011	2,099,410.51	1,124,066.13	0.0000%	26,315.49	1,001,668.84	0.0000%	0.00	0.00
Jul/2011	2,099,430.45	1,097,760.61	0.0000%	26,315.62	1,027,984.46	0.0000%	0.00	0.00
Aug/2011	2,099,430.45	1,200,249.95	0.0000%	22,184.88	1,050,169.34	0.0000%	0.00	0.00
Sep/2011	2,303,604.32	1,304,003.94	0.0000%	29,126.40	1,079,295.74	0.0000%	0.00	0.00
Oct/2011	2,354,951.29	1,288,908.86	0.0000%	28,810.48	1,108,106.22	0.0000%	0.00	0.00
Nov/2011	2,369,508.53	1,265,442.51	0.0000%	27,574.35	1,135,680.57	0.0000%	0.00	0.00
Dec/2011	2,377,912.00	1,311,142.52	0.0000%	28,800.34	931,919.48	0.0000%	0.00	0.00
Depr Group Total:				320,395.29	931,919.48		0.00	0.00
Depr Summ2 Total:				320,395.29	931,919.48		0.00	0.00
<u>Leaseholds - Distribution</u>								
<u>CKY 37571 Lse 451 Ashland, KY</u>								
Jan/2011	63,643.11	53,231.84	14.4578%	641.35	11,052.62	14.4578%	0.06	-4.66
Feb/2011	63,643.11	52,590.49	14.6341%	641.35	11,693.97	14.6341%	0.06	-4.60
Mar/2011	63,643.11	51,949.14	14.8148%	641.35	12,335.32	14.8148%	0.06	-4.54

Depreciation Summary History

PSC Case No. 2011-07

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Attachment C

Start Month: Jan/2011 Respondents: S. Mark Katko

Chad E. Notestone

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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2011
End Month: Dec/2011

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>Leaseholds - Distribution</u>								
<u>CKY 37571 Lse 451 Ashland, KY</u>								
Apr/2011	63,643.11	51,307.79	15.0000%	641.35	12,976.67	15.0000%	0.06	-4.48
May/2011	63,643.11	50,666.44	15.1899%	641.35	13,618.02	15.1899%	0.06	-4.42
Jun/2011	63,643.11	50,025.09	15.3846%	641.35	14,259.37	15.3846%	0.06	-4.36
Jul/2011	63,643.11	49,383.74	15.5844%	641.35	14,900.72	15.5844%	0.06	-4.30
Aug/2011	63,643.11	48,742.39	15.7895%	641.35	15,542.07	15.7895%	0.06	-4.24
Sep/2011	63,643.11	48,101.04	16.0000%	641.35	16,183.42	16.0000%	0.06	-4.18
Oct/2011	63,643.11	46,208.59	16.2162%	624.44	15,954.62	16.2162%	0.05	-3.91
Nov/2011	60,287.66	44,333.04	16.4384%	607.30	16,561.92	16.4384%	0.05	-3.86
Dec/2011	60,287.66	43,725.74	16.6667%	607.30	17,169.22	16.6667%	0.05	-3.81
Depr Group Total:				7,611.19	17,169.22		0.69	-3.81
<u>CKY 37571 LSE 704</u>								
Jan/2011	0.00	0.00	17.3913%	0.00	0.00	17.3913%	0.00	0.00
Feb/2011	0.00	0.00	17.6471%	0.00	0.00	17.6471%	0.00	0.00
Mar/2011	0.00	0.00	17.9104%	0.00	0.00	17.9104%	0.00	0.00
Apr/2011	0.00	0.00	18.1818%	0.00	0.00	18.1818%	0.00	0.00
May/2011	0.00	0.00	18.4615%	0.00	0.00	18.4615%	0.00	0.00
Jun/2011	0.00	0.00	18.7500%	0.00	0.00	18.7500%	0.00	0.00
Jul/2011	0.00	0.00	19.0476%	0.00	0.00	19.0476%	0.00	0.00
Aug/2011	0.00	0.00	19.3548%	0.00	0.00	19.3548%	0.00	0.00
Sep/2011	0.00	0.00	19.6721%	0.00	0.00	19.6721%	0.00	0.00
Oct/2011	0.00	1,251.11	20.0000%	20.85	874.09	20.0000%	0.00	-0.22
Nov/2011	3,355.45	2,481.36	20.3390%	42.06	916.15	20.3390%	0.00	-0.22
Dec/2011	3,355.45	2,439.30	20.6897%	42.06	958.21	20.6897%	0.00	-0.22
Depr Group Total:				104.97	958.21		0.00	-0.22
Depr Summ2 Total:				7,716.16	18,127.43		0.69	-4.03
<u>General</u>								
<u>CKY 39110 Office Furniture & Equip</u>								
Jan/2011	1,168,590.51	1,168,590.51	5.0000%	4,869.13	667,086.67	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2011-057

AG Set 1 DR No. 2

Attachment C

Respondents: S. Mark Katko

Chad E. Notestone

Columbia Gas of Kentucky
Financial/SEC

NiSource

Start Month: Jan/2011

End Month: Dec/2011 Page 26 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
General								
CKY 39110 Office Furniture & Equip								
Feb/2011	1,168,590.51	1,168,590.51	5.0000%	4,869.13	671,955.80	0.0000%	0.00	0.00
Mar/2011	1,168,590.51	1,168,590.51	5.0000%	4,869.13	676,824.93	0.0000%	0.00	0.00
Apr/2011	1,168,590.51	1,168,590.51	5.0000%	4,869.13	681,694.06	0.0000%	0.00	0.00
May/2011	1,168,590.51	1,168,590.51	5.0000%	4,869.13	686,563.19	0.0000%	0.00	0.00
Jun/2011	1,168,590.51	1,168,590.51	5.0000%	4,869.13	691,432.32	0.0000%	0.00	0.00
Jul/2011	1,168,590.51	1,168,590.51	5.0000%	4,869.13	696,301.45	0.0000%	0.00	0.00
Aug/2011	1,168,590.51	1,168,590.51	5.0000%	4,869.13	701,170.58	0.0000%	0.00	0.00
Sep/2011	1,168,590.51	1,168,590.51	5.0000%	4,869.13	706,039.71	0.0000%	0.00	0.00
Oct/2011	1,168,590.51	1,172,936.24	5.0000%	4,887.23	710,926.94	0.0000%	0.00	0.00
Nov/2011	1,177,281.97	1,177,281.97	5.0000%	4,905.34	715,832.28	0.0000%	0.00	0.00
Dec/2011	1,177,281.97	1,170,615.03	5.0000%	4,877.56	703,839.30	0.0000%	0.00	0.00
Depr Group Total:				58,492.30	703,839.30		0.00	0.00
CKY 39111 Data Handling Equip								
Jan/2011	3,574.97	3,574.97	6.6667%	19.86	-33,656.60	0.0000%	0.00	0.00
Feb/2011	3,574.97	3,574.97	6.6667%	19.86	-33,636.74	0.0000%	0.00	0.00
Mar/2011	3,574.97	3,574.97	6.6667%	19.86	-33,616.88	0.0000%	0.00	0.00
Apr/2011	3,574.97	3,574.97	6.6667%	19.86	-33,597.02	0.0000%	0.00	0.00
May/2011	3,574.97	3,574.97	6.6667%	19.86	-33,577.16	0.0000%	0.00	0.00
Jun/2011	3,574.97	3,574.97	6.6667%	19.86	-33,557.30	0.0000%	0.00	0.00
Jul/2011	3,574.97	3,574.97	6.6667%	19.86	-33,537.44	0.0000%	0.00	0.00
Aug/2011	3,574.97	3,574.97	6.6667%	19.86	-33,517.58	0.0000%	0.00	0.00
Sep/2011	3,574.97	3,574.97	6.6667%	19.86	-33,497.72	0.0000%	0.00	0.00
Oct/2011	3,574.97	3,574.97	6.6667%	19.86	-33,477.86	0.0000%	0.00	0.00
Nov/2011	3,574.97	3,574.97	6.6667%	19.86	-33,458.00	0.0000%	0.00	0.00
Dec/2011	3,574.97	3,574.97	6.6667%	19.86	-33,438.14	0.0000%	0.00	0.00
Depr Group Total:				238.32	-33,438.14		0.00	0.00
CKY 39112 Information Systems								
Jan/2011	47,119.56	47,119.56	20.0000%	0.00	47,119.56	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 23

Attachment C

Start Month: Jan/2011 Respondents: S. Mark Katko

Chad E. Notestone

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Columbia Gas of Kentucky
Financial/SEC

NiSource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
<u>General</u>								
<u>CKY 39112 Information Systems</u>								
Feb/2011	47,119.56	47,119.56	20.0000%	0.00	47,119.56	0.0000%	0.00	0.00
Mar/2011	47,119.56	47,119.56	20.0000%	0.00	47,119.56	0.0000%	0.00	0.00
Apr/2011	47,119.56	47,119.56	20.0000%	0.00	47,119.56	0.0000%	0.00	0.00
May/2011	47,119.56	47,119.56	20.0000%	0.00	47,119.56	0.0000%	0.00	0.00
Jun/2011	47,119.56	47,119.56	20.0000%	0.00	47,119.56	0.0000%	0.00	0.00
Jul/2011	47,119.56	47,119.56	20.0000%	0.00	47,119.56	0.0000%	0.00	0.00
Aug/2011	47,119.56	47,119.56	20.0000%	0.00	47,119.56	0.0000%	0.00	0.00
Sep/2011	47,119.56	327,313.98	20.0000%	5,455.23	52,574.79	0.0000%	0.00	0.00
Oct/2011	607,508.40	605,970.86	20.0000%	10,099.51	62,674.30	0.0000%	0.00	0.00
Nov/2011	604,433.31	604,433.31	20.0000%	10,073.89	72,748.19	0.0000%	0.00	0.00
Dec/2011	604,433.31	606,388.31	20.0000%	10,106.47	82,854.66	0.0000%	0.00	0.00
Depr Group Total:				35,735.10	82,854.66		0.00	0.00
<u>CKY 39300 Stores Equipment</u>								
Jan/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 39410 Garage & Service Equip</u>								
Jan/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 23

Attachment C

Columbia Gas of Kentucky
Financial/SEC

NIsource

Start Month: Jan/2011 Respondents: S. Mark Katko
Chad E. Notestone
End Month: Dec/2011 Page 28 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>General</u>								
<u>CKY 39410 Garage & Service Equip</u>								
Feb/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Mar/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Apr/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
May/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Jun/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Jul/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Aug/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Sep/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Oct/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Nov/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Dec/2011	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Depr Group Total:				0.00	662,355.50		0.00	-658,031.78
<u>CKY 39420 Shop Equipment</u>								
Jan/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
May/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Dec/2011	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Depr Group Total:				0.00	185.21		0.00	0.00
<u>CKY 39430 Tools & Other Equipment</u>								
Jan/2011	2,025,893.57	2,026,529.54	4.0000%	6,755.10	1,027,092.93	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2011-07
 AG Set 1 DR No. 232
 Attachment C

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2011 Respondents: S. Mark Katko
 Chad E. Notestone
 End Month: Dec/2011 Page 29 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
General								
CKY 39430 Tools & Other Equipment								
Feb/2011	2,027,165.51	2,027,165.51	4.0000%	6,757.22	1,033,850.15	0.0000%	0.00	0.00
Mar/2011	2,027,165.51	2,027,165.51	4.0000%	6,757.22	1,040,607.37	0.0000%	0.00	0.00
Apr/2011	2,027,165.51	2,061,324.43	4.0000%	6,871.08	1,047,478.45	0.0000%	0.00	0.00
May/2011	2,095,483.34	2,095,483.34	4.0000%	6,984.94	1,054,463.39	0.0000%	0.00	0.00
Jun/2011	2,095,483.34	2,093,843.31	4.0000%	6,979.48	1,061,442.87	0.0000%	0.00	0.00
Jul/2011	2,092,203.27	2,108,601.46	4.0000%	7,028.67	1,068,471.54	0.0000%	0.00	0.00
Aug/2011	2,124,999.65	2,134,461.15	4.0000%	7,114.87	1,075,586.41	0.0000%	0.00	0.00
Sep/2011	2,143,922.65	2,144,779.72	4.0000%	7,149.27	1,082,735.68	0.0000%	0.00	0.00
Oct/2011	2,145,636.78	2,146,997.23	4.0000%	7,156.66	1,088,935.84	0.0000%	0.00	0.00
Nov/2011	2,148,357.67	2,149,258.14	4.0000%	7,164.19	1,096,100.03	0.0000%	0.00	0.00
Dec/2011	2,150,158.61	2,109,626.06	4.0000%	7,032.09	1,017,297.36	0.0000%	0.00	0.00
Depr Group Total:				83,750.79	1,017,297.36		0.00	0.00
CKY 39500 Laboratory Equipment								
Jan/2011	9,781.80	9,781.80	5.0000%	40.76	5,239.67	0.0000%	0.00	0.00
Feb/2011	9,781.80	9,781.80	5.0000%	40.76	5,280.43	0.0000%	0.00	0.00
Mar/2011	9,781.80	9,781.80	5.0000%	40.76	5,321.19	0.0000%	0.00	0.00
Apr/2011	9,781.80	9,781.80	5.0000%	40.76	5,361.95	0.0000%	0.00	0.00
May/2011	9,781.80	9,781.80	5.0000%	40.76	5,402.71	0.0000%	0.00	0.00
Jun/2011	9,781.80	9,781.80	5.0000%	40.76	5,443.47	0.0000%	0.00	0.00
Jul/2011	9,781.80	9,781.80	5.0000%	40.76	5,484.23	0.0000%	0.00	0.00
Aug/2011	9,781.80	9,781.80	5.0000%	40.76	5,524.99	0.0000%	0.00	0.00
Sep/2011	9,781.80	9,781.80	5.0000%	40.76	5,565.75	0.0000%	0.00	0.00
Oct/2011	9,781.80	9,781.80	5.0000%	40.76	5,606.51	0.0000%	0.00	0.00
Nov/2011	9,781.80	9,781.80	5.0000%	40.76	5,647.27	0.0000%	0.00	0.00
Dec/2011	9,781.80	9,781.80	5.0000%	40.76	5,688.03	0.0000%	0.00	0.00
Depr Group Total:				489.12	5,688.03		0.00	0.00
CKY 39800 Misc Equipment								
Jan/2011	97,944.49	97,944.49	6.6667%	544.14	40,290.65	0.0000%	0.00	-121.90

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 23

Attachment C

Columbia Gas of Kentucky
Financial/SEC

NiSource

Start Month: Jan/2011 Respondents: S. Mark Katko
Chad E. Notestone
End Month: Dec/2011 Page 30 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Amortizable Assets								
<u>General</u>								
<u>CKY 39800 Misc Equipment</u>								
Feb/2011	97,944.49	98,189.56	6.6667%	545.50	40,836.15	0.0000%	0.00	-121.90
Mar/2011	98,434.63	99,058.13	6.6667%	550.33	41,386.48	0.0000%	0.00	-121.90
Apr/2011	99,681.63	101,357.27	6.6667%	563.10	41,949.58	0.0000%	0.00	-121.90
May/2011	103,032.91	103,032.91	6.6667%	572.41	42,521.99	0.0000%	0.00	-121.90
Jun/2011	103,032.91	103,032.91	6.6667%	572.41	43,094.40	0.0000%	0.00	-121.90
Jul/2011	103,032.91	103,032.91	6.6667%	572.41	43,666.81	0.0000%	0.00	-121.90
Aug/2011	103,032.91	103,032.91	6.6667%	572.41	44,239.22	0.0000%	0.00	-121.90
Sep/2011	103,032.91	103,032.91	6.6667%	572.41	44,811.63	0.0000%	0.00	-121.90
Oct/2011	103,032.91	103,032.91	6.6667%	572.41	45,384.04	0.0000%	0.00	-121.90
Nov/2011	103,032.91	103,032.91	6.6667%	572.41	45,956.45	0.0000%	0.00	-121.90
Dec/2011	103,032.91	115,771.20	6.6667%	643.18	29,943.68	0.0000%	0.00	-121.90
Depr Group Total:				6,853.12	29,943.68		0.00	-121.90
Depr Summ2 Total:				185,558.75	2,468,725.60		0.00	-658,153.68
<u>Other</u>								
<u>CKY 39413 Underground Tank Cleanup</u>								
Jan/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
May/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2011-07

AG Set 1 DR No. 23

Attachment C

Columbia Gas of Kentucky
Financial/SEC

NiSource

Start Month: Jan/2011 Respondents: S. Mark Katko

Chad E. Notestone

End Month: Dec/2011 Page 31 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>Other</u>								
<u>CKY 39413 Underground Tank Cleanup</u>								
Dec/2011	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Depr Group Total:				0.00	37,937.36		0.00	0.00
Depr Summ2 Total:				0.00	37,937.36		0.00	0.00
Depr Summ1 Total:				516,148.50	3,492,183.05		0.69	-658,157.71
ARO								
<u>Distribution</u>								
<u>CKY 37603 Mains PCB ARO</u>								
Dec/2011	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Depr Group Total:				0.00	793,370.04		0.00	0.00
Depr Summ2 Total:				0.00	793,370.04		0.00	0.00
Depr Summ1 Total:				0.00	793,370.04		0.00	0.00
Future Use								
<u>Other</u>								
<u>CKY 105.000 Future Use</u>								
Jan/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2011-0007
 AG Set 1 DR No. 23
 Attachment C

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2011 Respondents: S. Mark Katko
 Chad E. Notestone
 End Month: Dec/2011 Page 32 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Future Use								
<u>Other</u>								
<u>CKY 105.000 Future Use</u>								
Dec/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Depr Summ1 Total:				0.00	0.00		0.00	0.00
Non-Depreciable								
<u>Production</u>								
<u>CKY 30410 Land</u>								
Jan/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Distribution								
<u>CKY 37410 Land, CG & ML Ind M&R</u>								
Jan/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2011-057

AG Set 1 DR No. 23

Attachment C

Start Month: Jan/2011 Respondents: S. Mark Katko

Chad E. Notestone

End Month: Dec/2011

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Columbia Gas of Kentucky
Financial/SEC

NiSource

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Non-Depreciable								
<u>Distribution</u>								
<u>CKY 37410 Land, CG & ML Ind M&R</u>								
Jun/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2011	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37420 Land, Other Dist</u>								
Jan/2011	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Feb/2011	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Mar/2011	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Apr/2011	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
May/2011	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Jun/2011	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Jul/2011	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Aug/2011	873,471.06	873,471.06	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Sep/2011	873,471.06	876,062.11	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Oct/2011	878,653.15	878,653.15	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Nov/2011	878,653.15	878,653.15	0.0000%	0.00	3,135.32	0.0000%	0.00	-3,135.32
Dec/2011	878,653.15	878,643.56	0.0000%	0.00	3,116.14	0.0000%	0.00	-3,135.32
Depr Group Total:				0.00	3,116.14		0.00	-3,135.32
Depr Summ2 Total:				0.00	3,116.14		0.00	-3,135.32
<u>Other</u>								
<u>CKY None</u>								
Jan/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2011-0007

AG Set 1 DR No. 23

Attachment C

Start Month: Jan/2011 Respondents: S. Mark Katko

Chad E. Notestone

End Month: Dec/2011 Page 34 of 34

Columbia Gas of Kentucky
Financial/SEC

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve	
						COR Rate	COR Depr Exp		
Non-Depreciable									
<u>Other</u>									
<u>CKY None</u>									
Apr/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
May/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Jun/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Jul/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Aug/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Sep/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Oct/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Nov/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Dec/2011	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00	
Depr Group Total:				0.00	0.00		0.00	0.00	
Depr Summ2 Total:				0.00	0.00		0.00	0.00	
Depr Summ1 Total:				0.00	3,116.14		0.00	-3,135.32	
Company/Set of Books Total:				6,182,944.21	133,895,400.01		0.69	-4,978,505.37	

Depreciation Summary History

PSC Case No. 2012-0167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2012

End Month: Dec/2012 Page 1 of 34

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Production</u>								
<u>CKY 30500 Structures & Improvements</u>								
Jan/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 31100 LPG Equipment</u>								
Jan/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2012-067
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2012

End Month: Dec/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37440 Land Rights, Other Dist</u>								
Jan/2012	595,914.03	595,914.03	1.5300%	759.79	136,455.18	0.0000%	0.00	-2,624.69
Feb/2012	595,914.03	597,955.78	1.5300%	762.39	137,217.57	0.0000%	0.00	-2,624.69
Mar/2012	599,997.53	604,090.53	1.5300%	770.22	137,987.79	0.0000%	0.00	-2,624.69
Apr/2012	608,183.53	608,183.53	1.5300%	775.43	138,763.22	0.0000%	0.00	-2,624.69
May/2012	608,183.53	608,235.79	1.5300%	775.50	139,538.72	0.0000%	0.00	-2,624.69
Jun/2012	608,288.05	608,288.05	1.5300%	775.57	140,314.29	0.0000%	0.00	-2,624.69
Jul/2012	608,288.05	612,366.08	1.5300%	780.77	141,095.06	0.0000%	0.00	-2,624.69
Aug/2012	616,444.10	616,358.38	1.5300%	785.86	137,368.78	0.0000%	0.00	0.00
Sep/2012	616,272.65	616,332.40	1.5300%	785.82	138,154.60	0.0000%	0.00	0.00
Oct/2012	616,392.15	616,392.15	1.5300%	785.90	138,940.50	0.0000%	0.00	0.00
Nov/2012	616,392.15	616,392.15	1.5300%	785.90	139,726.40	0.0000%	0.00	0.00
Dec/2012	616,392.15	616,481.15	1.5300%	786.01	140,512.41	0.0000%	0.00	-286.46
Depr Group Total:				9,329.16	140,512.41		0.00	-286.46
<u>CKY 37450 Rights of Way</u>								
Jan/2012	2,666,569.68	2,666,569.68	1.2200%	2,711.01	773,690.60	0.0000%	0.00	0.00
Feb/2012	2,666,569.68	2,666,570.44	1.2200%	2,711.01	776,401.61	0.0000%	0.00	0.00
Mar/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	779,112.62	0.0000%	0.00	0.00
Apr/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	781,823.63	0.0000%	0.00	0.00
May/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	784,534.64	0.0000%	0.00	0.00
Jun/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	787,245.65	0.0000%	0.00	0.00
Jul/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	789,956.66	0.0000%	0.00	0.00
Aug/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	792,667.67	0.0000%	0.00	0.00
Sep/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	795,378.68	0.0000%	0.00	0.00
Oct/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	798,089.69	0.0000%	0.00	0.00
Nov/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	800,800.70	0.0000%	0.00	0.00
Dec/2012	2,666,571.20	2,666,571.20	1.2200%	2,711.01	803,511.71	0.0000%	0.00	0.00
Depr Group Total:				32,532.12	803,511.71		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-00167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NISource

Start Month: Jan/2012

End Month: Dec/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37520 CG M&R Structures</u>								
Jan/2012	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Feb/2012	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Mar/2012	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
Apr/2012	5,249.05	5,249.05	1.9600%	0.00	5,523.29	0.0000%	0.00	0.00
May/2012	5,249.05	5,249.05	1.7800%	7.79	5,028.96	0.1800%	0.79	502.91
Jun/2012	5,249.05	5,249.05	1.7800%	7.79	5,036.75	0.1800%	0.79	503.70
Jul/2012	5,249.05	5,249.05	1.7800%	7.79	5,044.54	0.1800%	0.79	504.49
Aug/2012	5,249.05	5,249.05	1.7800%	7.79	5,052.33	0.1800%	0.79	505.28
Sep/2012	5,249.05	5,249.05	1.7800%	7.79	5,060.12	0.1800%	0.79	506.07
Oct/2012	5,249.05	5,249.05	1.7800%	7.79	5,067.91	0.1800%	0.79	506.86
Nov/2012	5,249.05	5,249.05	1.7800%	7.79	5,075.70	0.1800%	0.79	507.65
Dec/2012	5,249.05	5,249.05	1.7800%	7.79	5,083.49	0.1800%	0.79	508.44
Depr Group Total:				62.32	5,083.49		6.32	508.44
<u>CKY 37530 General M&R Structures</u>								
Jan/2012	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Feb/2012	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Mar/2012	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
Apr/2012	10,848.26	10,848.26	1.9600%	0.00	10,948.17	0.0000%	0.00	0.00
May/2012	10,848.26	10,848.26	1.7800%	16.09	9,968.97	0.1800%	1.63	996.92
Jun/2012	10,848.26	10,848.26	1.7800%	16.09	9,985.06	0.1800%	1.63	998.55
Jul/2012	10,848.26	10,848.26	1.7800%	16.09	10,001.15	0.1800%	1.63	1,000.18
Aug/2012	10,848.26	10,848.26	1.7800%	16.09	10,017.24	0.1800%	1.63	1,001.81
Sep/2012	10,848.26	10,848.26	1.7800%	16.09	10,033.33	0.1800%	1.63	1,003.44
Oct/2012	10,848.26	10,848.26	1.7800%	16.09	10,049.42	0.1800%	1.63	1,005.07
Nov/2012	10,848.26	10,848.26	1.7800%	16.09	10,065.51	0.1800%	1.63	1,006.70
Dec/2012	10,848.26	10,848.26	1.7800%	16.09	10,081.60	0.1800%	1.63	1,008.33
Depr Group Total:				128.72	10,081.60		13.04	1,008.33

Depreciation Summary History

PSC Case No. 2012-0167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

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Start Month: Jan/2012

End Month: Dec/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 37540 Regulating Structures								
Jan/2012	777,598.99	778,995.75	1.9600%	1,272.36	370,653.19	0.0000%	0.00	-38,545.15
Feb/2012	780,392.51	781,223.71	1.9600%	1,276.00	371,929.19	0.0000%	0.00	-38,545.15
Mar/2012	782,054.90	856,519.54	1.9600%	1,398.98	372,043.05	0.0000%	0.00	-38,545.15
Apr/2012	930,984.17	930,971.16	1.9600%	1,520.59	368,660.39	0.0000%	0.00	-38,545.15
May/2012	930,958.14	932,014.04	1.7800%	1,382.49	339,851.24	0.1800%	139.80	-8,213.71
Jun/2012	933,069.94	933,396.87	1.7800%	1,384.54	340,751.23	0.1800%	140.01	-8,073.70
Jul/2012	933,723.80	934,901.11	1.7800%	1,386.77	342,113.00	0.1800%	140.24	-7,933.46
Aug/2012	936,078.41	934,523.19	1.7800%	1,386.21	299,884.55	0.1800%	140.18	10,613.54
Sep/2012	932,967.97	939,337.09	1.7800%	1,393.35	301,277.90	0.1800%	140.90	6,647.54
Oct/2012	945,706.21	945,706.21	1.7800%	1,402.80	302,680.70	0.1800%	141.86	6,789.40
Nov/2012	945,706.21	942,987.99	1.7800%	1,398.77	298,643.03	0.1800%	141.45	6,930.85
Dec/2012	940,269.77	944,899.29	1.7800%	1,401.60	295,490.78	0.1800%	141.73	6,189.49
Depr Group Total:				16,604.46	295,490.78		1,126.17	6,189.49
CKY 37560 Dist Ind M&R Structures								
Jan/2012	88,210.20	88,210.20	1.9600%	144.08	45,688.90	0.0000%	0.00	0.00
Feb/2012	88,210.20	88,210.20	1.9600%	144.08	45,832.98	0.0000%	0.00	0.00
Mar/2012	88,210.20	88,210.20	1.9600%	144.08	45,977.06	0.0000%	0.00	0.00
Apr/2012	88,210.20	88,210.20	1.9600%	144.08	46,121.14	0.0000%	0.00	0.00
May/2012	88,210.20	88,210.20	1.7800%	130.85	42,098.45	0.1800%	13.23	4,166.77
Jun/2012	88,210.20	88,210.20	1.7800%	130.85	42,229.30	0.1800%	13.23	4,180.00
Jul/2012	88,210.20	88,210.20	1.7800%	130.85	42,360.15	0.1800%	13.23	4,193.23
Aug/2012	88,210.20	88,210.20	1.7800%	130.85	42,491.00	0.1800%	13.23	4,206.46
Sep/2012	88,210.20	88,210.20	1.7800%	130.85	42,621.85	0.1800%	13.23	4,219.69
Oct/2012	88,210.20	88,210.20	1.7800%	130.85	42,752.70	0.1800%	13.23	4,232.92
Nov/2012	88,210.20	88,210.20	1.7800%	130.85	42,883.55	0.1800%	13.23	4,246.15
Dec/2012	88,210.20	88,210.20	1.7800%	130.85	43,014.40	0.1800%	13.23	4,259.38
Depr Group Total:				1,623.12	43,014.40		105.84	4,259.38

Depreciation Summary History

PSC Case No. 2013-0167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Depreciable Assets								
Distribution								
CKY 37570 Other Structures								
Jan/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,567,457.74	0.0000%	0.00	-8,111.65
Feb/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,579,336.72	0.0000%	0.00	-8,111.65
Mar/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,591,215.70	0.0000%	0.00	-8,111.65
Apr/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,603,094.68	0.0000%	0.00	-8,111.65
May/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,614,973.66	0.0000%	0.00	-8,111.65
Jun/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,626,852.64	0.0000%	0.00	-8,111.65
Jul/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,638,731.62	0.0000%	0.00	-8,111.65
Aug/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,642,498.95	0.0000%	0.00	0.00
Sep/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,654,377.93	0.0000%	0.00	0.00
Oct/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,666,256.91	0.0000%	0.00	0.00
Nov/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,678,135.89	0.0000%	0.00	0.00
Dec/2012	7,163,205.26	7,163,205.26	1.9900%	11,878.98	2,690,014.87	0.0000%	0.00	0.00
Depr Group Total:				142,547.76	2,690,014.87		0.00	0.00
CKY 37580 Communication Structures								
Jan/2012	33,260.58	33,260.58	5.3200%	147.46	31,241.95	0.0000%	0.00	0.00
Feb/2012	33,260.58	33,260.58	5.3200%	147.46	31,389.41	0.0000%	0.00	0.00
Mar/2012	33,260.58	33,260.58	5.3200%	147.46	31,536.87	0.0000%	0.00	0.00
Apr/2012	33,260.58	33,260.58	5.3200%	147.46	31,684.33	0.0000%	0.00	0.00
May/2012	33,260.58	33,260.58	5.3200%	147.46	31,831.79	0.0000%	0.00	0.00
Jun/2012	33,260.58	33,260.58	5.3200%	147.46	31,979.25	0.0000%	0.00	0.00
Jul/2012	33,260.58	33,260.58	5.3200%	147.46	32,126.71	0.0000%	0.00	0.00
Aug/2012	33,260.58	33,260.58	5.3200%	147.46	32,274.17	0.0000%	0.00	0.00
Sep/2012	33,260.58	33,260.58	5.3200%	147.46	32,421.63	0.0000%	0.00	0.00
Oct/2012	33,260.58	33,260.58	5.3200%	147.46	32,569.09	0.0000%	0.00	0.00
Nov/2012	33,260.58	33,260.58	5.3200%	147.46	32,716.55	0.0000%	0.00	0.00
Dec/2012	33,260.58	33,260.58	5.3200%	147.46	32,864.01	0.0000%	0.00	0.00
Depr Group Total:				1,769.52	32,864.01		0.00	0.00

Depreciation Summary History

PSC Case No. 2012-0067
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Kalko
 Chad E. Notestone

Columbia Gas of Kentucky
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37600 Mains								
Jan/2012	142,242,015.91	141,761,093.45	1.5700%	185,470.76	51,137,599.48	0.0000%	0.00	-981,956.00
Feb/2012	141,280,170.98	141,201,192.37	1.5700%	184,738.23	51,259,633.70	0.0000%	0.00	-985,077.84
Mar/2012	141,122,213.75	141,370,256.82	1.5700%	184,959.42	51,430,137.29	0.0000%	0.00	-991,853.40
Apr/2012	141,618,299.89	141,717,046.05	1.5700%	185,413.14	51,538,639.29	0.0000%	0.00	-1,005,286.03
May/2012	141,815,792.21	141,930,236.31	1.3100%	154,940.51	45,039,598.37	0.2600%	30,751.55	5,562,928.70
Jun/2012	142,044,680.40	142,040,497.01	1.3100%	155,060.88	45,120,603.41	0.2600%	30,775.44	5,588,053.28
Jul/2012	142,036,313.62	142,093,278.12	1.3100%	155,118.50	45,104,141.35	0.2600%	30,786.88	5,607,331.34
Aug/2012	142,150,242.62	141,855,463.54	1.3100%	154,858.89	44,212,850.11	0.2600%	30,735.35	6,610,334.30
Sep/2012	141,560,684.45	141,539,624.23	1.3100%	154,514.09	44,226,931.37	0.2600%	30,666.92	6,700,418.22
Oct/2012	141,518,564.01	142,276,776.55	1.3100%	155,318.81	44,380,669.83	0.2600%	30,826.63	6,729,110.95
Nov/2012	143,034,989.08	142,774,124.11	1.3100%	155,861.75	44,397,340.91	0.2600%	30,934.39	6,742,323.67
Dec/2012	142,513,259.14	142,380,376.16	1.3100%	155,431.91	44,430,724.04	0.2600%	30,849.08	6,742,459.71
Depr Group Total:				1,981,686.89	44,430,724.04		246,326.24	6,742,459.71
CKY 37620 Mains - Coated/Wrapped								
Jan/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	1.5700%	0.00	-1,526.43	0.0000%	0.00	1,526.43
Oct/2012	0.00	0.00	1.5700%	0.00	-1,526.43	0.0000%	0.00	1,526.43
Nov/2012	0.00	0.00	1.5700%	0.00	-1,526.43	0.0000%	0.00	1,526.43
Dec/2012	0.00	0.00	1.5700%	0.00	-1,526.43	0.0000%	0.00	1,526.43
Depr Group Total:				0.00	-1,526.43		0.00	1,526.43

Depreciation Summary History

PSC Case No. 2013-067
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37625 Mains Replacement								
Jan/2012	10,813,810.96	10,372,364.15	1.5700%	13,570.51	227,184.49	0.0000%	0.00	-514.12
Feb/2012	9,930,917.34	10,078,533.46	1.5700%	13,186.08	240,266.65	0.0000%	0.00	-514.12
Mar/2012	10,226,149.57	10,486,477.87	1.5700%	13,719.81	253,986.46	0.0000%	0.00	-514.12
Apr/2012	10,746,806.17	11,048,517.21	1.5700%	14,455.14	268,441.60	0.0000%	0.00	-2,040.55
May/2012	11,350,228.24	12,514,657.32	1.3100%	13,661.84	252,537.74	0.2600%	2,711.51	30,235.38
Jun/2012	13,679,086.40	13,971,728.91	1.3100%	15,252.47	267,790.21	0.2600%	3,027.21	33,262.59
Jul/2012	14,264,371.41	14,462,960.32	1.3100%	15,788.74	283,578.95	0.2600%	3,133.64	36,396.23
Aug/2012	14,661,549.23	15,600,026.96	1.3100%	17,030.03	300,094.86	0.2600%	3,380.01	40,290.36
Sep/2012	16,538,504.69	16,944,928.36	1.3100%	18,498.21	318,593.07	0.2600%	3,671.40	43,961.76
Oct/2012	17,351,352.03	18,159,823.45	1.3100%	19,824.47	338,417.54	0.2600%	3,934.63	47,896.39
Nov/2012	18,968,294.86	19,093,884.63	1.3100%	20,844.16	359,261.70	0.2600%	4,137.01	52,033.40
Dec/2012	19,219,474.39	19,234,980.82	1.3100%	20,998.18	380,259.88	0.2600%	4,167.58	56,200.98
			Depr Group Total:	196,829.64	380,259.88		28,162.99	56,200.98
CKY 37630 Mains - Bare Steel								
Jan/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
			Depr Group Total:	0.00	0.00		0.00	0.00

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PSC Case No. 2012-067
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
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NISource

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 37640 Mains - Plastic								
Jan/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 37650 Mains - Joint Seals								
Jan/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-0167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37660 Mains - Cathodic Protect</u>								
Jan/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37670 Mains - Other Valves</u>								
Jan/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-0167
 AG Set 1 DR No. 2
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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
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NISource

Start Month: Jan/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37680 Mains - Cast Iron</u>								
Jan/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37690 Mains - Fittings</u>								
Jan/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	1.5700%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2012

End Month: Dec/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 37810 M&R Equip-General								
Jan/2012	251,342.08	251,342.08	2.3500%	0.00	263,998.05	0.0000%	0.00	-83.90
Feb/2012	251,342.08	251,342.08	2.3500%	0.00	263,998.05	0.0000%	0.00	-83.90
Mar/2012	251,342.08	251,342.08	2.3500%	0.00	263,998.05	0.0000%	0.00	-83.90
Apr/2012	251,342.08	251,342.08	2.3500%	0.00	263,998.05	0.0000%	0.00	-83.90
May/2012	251,342.08	251,342.08	2.2200%	0.00	251,430.71	0.1300%	27.23	12,510.67
Jun/2012	251,342.08	251,342.08	2.2200%	0.00	251,430.71	0.1300%	27.23	12,537.90
Jul/2012	251,342.08	251,342.08	2.2200%	0.00	251,430.71	0.1300%	27.23	12,565.13
Aug/2012	251,342.08	251,342.08	2.2200%	0.00	251,346.81	0.1300%	0.00	12,649.03
Sep/2012	251,342.08	251,342.08	2.2200%	0.00	251,346.81	0.1300%	0.00	12,649.03
Oct/2012	251,342.08	251,342.08	2.2200%	0.00	251,346.81	0.1300%	0.00	12,649.03
Nov/2012	251,342.08	251,342.08	2.2200%	0.00	251,346.81	0.1300%	0.00	12,649.03
Dec/2012	251,342.08	251,342.08	2.2200%	0.00	251,346.81	0.1300%	0.00	12,649.03
Depr Group Total:				0.00	251,346.81		81.69	12,649.03
CKY 37820 M&R Equip-General-Reg								
Jan/2012	4,829,744.10	4,835,095.44	2.3500%	9,468.73	2,497,611.40	0.0000%	0.00	-69,189.42
Feb/2012	4,840,446.77	4,842,473.37	2.3500%	9,483.18	2,506,825.71	0.0000%	0.00	-69,851.39
Mar/2012	4,844,499.97	4,844,499.97	2.3500%	9,487.15	2,516,312.86	0.0000%	0.00	-69,851.39
Apr/2012	4,844,499.97	4,840,474.08	2.3500%	9,479.26	2,517,049.94	0.0000%	0.00	-69,910.06
May/2012	4,836,448.19	4,840,000.13	2.2200%	8,954.00	2,410,364.80	0.1300%	524.33	41,005.83
Jun/2012	4,843,552.06	4,843,619.60	2.2200%	8,960.69	2,419,325.49	0.1300%	524.73	41,530.56
Jul/2012	4,843,687.14	4,839,024.85	2.2200%	8,952.20	2,418,769.20	0.1300%	524.23	42,054.79
Aug/2012	4,834,362.56	4,877,659.67	2.2200%	9,023.67	2,346,503.33	0.1300%	528.41	110,243.88
Sep/2012	4,920,956.77	5,037,921.42	2.2200%	9,320.15	2,349,523.72	0.1300%	545.77	111,527.61
Oct/2012	5,154,886.06	5,148,829.73	2.2200%	9,525.34	2,346,936.40	0.1300%	557.79	112,085.40
Nov/2012	5,142,773.40	5,139,618.73	2.2200%	9,508.29	2,347,796.25	0.1300%	556.79	112,604.45
Dec/2012	5,136,464.06	5,164,899.68	2.2200%	9,555.07	2,356,244.08	0.1300%	559.53	108,378.61
Depr Group Total:				111,717.73	2,356,244.08		4,321.58	108,378.61

Depreciation Summary History

PSC Case No. 2012-067
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

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Start Month: Jan/2012

End Month: Dec/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 37830 M&R Eq-Local Gas Purc</u>								
Jan/2012	45,443.08	45,443.08	2.3500%	88.99	30,692.72	0.0000%	0.00	-65.19
Feb/2012	45,443.08	45,443.08	2.3500%	88.99	30,781.71	0.0000%	0.00	-65.19
Mar/2012	45,443.08	45,443.08	2.3500%	88.99	30,870.70	0.0000%	0.00	-65.19
Apr/2012	45,443.08	45,443.08	2.3500%	88.99	30,959.69	0.0000%	0.00	-65.19
May/2012	45,443.08	45,443.08	2.2200%	84.07	29,585.31	0.1300%	4.92	1,398.18
Jun/2012	45,443.08	45,443.08	2.2200%	84.07	29,669.38	0.1300%	4.92	1,403.10
Jul/2012	45,443.08	45,443.08	2.2200%	84.07	29,753.45	0.1300%	4.92	1,408.02
Aug/2012	45,443.08	45,443.08	2.2200%	84.07	29,772.33	0.1300%	4.92	1,478.13
Sep/2012	45,443.08	45,443.08	2.2200%	84.07	29,856.40	0.1300%	4.92	1,483.05
Oct/2012	45,443.08	45,443.08	2.2200%	84.07	29,940.47	0.1300%	4.92	1,487.97
Nov/2012	45,443.08	45,443.08	2.2200%	84.07	30,024.54	0.1300%	4.92	1,492.89
Dec/2012	45,443.08	45,443.08	2.2200%	84.07	30,108.61	0.1300%	4.92	1,497.81
Depr Group Total:				1,028.52	30,108.61		39.36	1,497.81
<u>CKY 37910 M&R Equip-CG-Check St</u>								
Jan/2012	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Feb/2012	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Mar/2012	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
Apr/2012	257,908.74	257,908.74	2.2700%	0.00	270,804.18	0.0000%	0.00	-128.40
May/2012	257,908.74	257,908.74	2.1400%	0.00	270,804.18	0.1300%	27.94	-100.46
Jun/2012	257,908.74	257,908.74	2.1400%	0.00	270,804.18	0.1300%	27.94	-72.52
Jul/2012	257,908.74	257,908.74	2.1400%	0.00	270,804.18	0.1300%	27.94	-44.58
Aug/2012	257,908.74	257,908.74	2.1400%	0.00	270,675.78	0.1300%	0.00	83.82
Sep/2012	257,908.74	257,908.74	2.1400%	0.00	270,675.78	0.1300%	0.00	83.82
Oct/2012	257,908.74	257,908.74	2.1400%	0.00	270,675.78	0.1300%	0.00	83.82
Nov/2012	257,908.74	257,908.74	2.1400%	0.00	270,675.78	0.1300%	0.00	83.82
Dec/2012	257,908.74	257,908.74	2.1400%	0.00	270,675.78	0.1300%	0.00	83.82
Depr Group Total:				0.00	270,675.78		83.82	83.82

Depreciation Summary History

PSC Case No. 2013-0067
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

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Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38000 Services								
Jan/2012	85,721,774.68	85,738,154.95	2.5900%	185,051.52	57,061,550.94	0.0000%	0.00	-3,126,625.66
Feb/2012	85,754,535.22	85,799,707.76	2.5900%	185,184.37	57,150,257.44	0.0000%	0.00	-3,167,613.74
Mar/2012	85,844,880.30	85,840,174.94	2.5900%	185,271.71	57,196,357.16	0.0000%	0.00	-3,221,324.03
Apr/2012	85,835,469.58	85,908,583.50	2.5900%	185,419.36	57,292,280.28	0.0000%	0.00	-3,250,181.24
May/2012	85,981,697.42	85,995,970.10	1.7300%	123,977.52	39,346,656.07	0.8600%	61,630.45	14,732,723.82
Jun/2012	86,010,242.78	86,039,287.14	1.7300%	124,039.97	39,388,274.99	0.8600%	61,661.49	14,760,090.48
Jul/2012	86,068,331.50	86,110,471.89	1.7300%	124,142.60	39,424,274.69	0.8600%	61,712.50	14,783,198.42
Aug/2012	86,152,612.28	86,199,828.55	1.7300%	124,271.42	36,345,163.13	0.8600%	61,776.54	17,939,712.29
Sep/2012	86,247,044.81	86,295,947.92	1.7300%	124,409.99	36,268,899.68	0.8600%	61,845.43	18,132,405.93
Oct/2012	86,344,851.02	86,467,961.02	1.7300%	124,657.98	36,326,099.02	0.8600%	61,968.71	18,174,217.70
Nov/2012	86,591,071.01	86,677,503.81	1.7300%	124,960.07	36,379,492.93	0.8600%	62,118.88	18,057,176.54
Dec/2012	86,763,936.60	86,789,870.40	1.7300%	125,122.06	36,349,893.19	0.8600%	62,199.41	18,085,905.91
			Depr Group Total:	1,736,508.57	36,349,893.19		494,913.41	18,085,905.91
CKY 38025 Services Replacement								
Jan/2012	5,422,371.76	5,498,363.03	2.5900%	11,867.30	128,444.19	0.0000%	0.00	0.00
Feb/2012	5,574,354.29	5,684,120.40	2.5900%	12,268.23	140,712.42	0.0000%	0.00	0.00
Mar/2012	5,793,886.51	5,952,102.70	2.5900%	12,846.62	153,559.04	0.0000%	0.00	0.00
Apr/2012	6,110,318.88	6,237,174.44	2.5900%	13,461.90	167,020.94	0.0000%	0.00	0.00
May/2012	6,364,029.99	6,558,989.02	1.7300%	9,455.88	133,662.09	0.8600%	4,700.61	47,515.34
Jun/2012	6,753,948.05	6,971,535.88	1.7300%	10,050.63	143,712.72	0.8600%	4,996.27	52,511.61
Jul/2012	7,189,123.71	7,355,763.88	1.7300%	10,604.56	154,317.28	0.8600%	5,271.63	57,783.24
Aug/2012	7,522,404.04	7,818,386.01	1.7300%	11,271.51	165,588.79	0.8600%	5,603.18	63,386.42
Sep/2012	8,114,367.98	8,213,475.29	1.7300%	11,841.09	177,429.88	0.8600%	5,886.32	69,272.74
Oct/2012	8,312,582.60	8,571,830.82	1.7300%	12,357.72	184,804.60	0.8600%	6,143.15	75,415.89
Nov/2012	8,831,079.04	8,956,745.54	1.7300%	12,912.64	202,700.24	0.8600%	6,419.00	81,692.95
Dec/2012	9,082,412.04	9,064,160.00	1.7300%	13,067.50	215,767.74	0.8600%	6,495.98	88,188.93
			Depr Group Total:	142,005.58	215,767.74		45,516.14	88,188.93

Depreciation Summary History

PSC Case No. 2013-0067
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 38100 Meters</u>								
Jan/2012	11,945,041.38	11,937,862.23	2.5900%	25,765.89	4,082,443.63	0.0000%	0.00	8,817.02
Feb/2012	11,930,683.07	11,939,471.50	2.5900%	25,769.36	4,089,556.08	0.0000%	0.00	8,085.38
Mar/2012	11,948,259.92	11,934,743.66	2.5900%	25,759.16	4,088,339.10	0.0000%	0.00	8,050.10
Apr/2012	11,921,227.39	11,951,367.79	2.5900%	25,795.04	4,086,222.29	0.0000%	0.00	8,015.16
May/2012	11,981,508.19	11,989,174.16	2.5900%	25,876.63	4,090,392.30	0.0000%	0.00	8,051.40
Jun/2012	11,996,840.13	12,013,338.57	2.5900%	25,928.79	4,080,675.96	0.0000%	0.00	8,051.40
Jul/2012	12,029,837.00	12,027,626.02	2.5900%	25,959.63	4,094,992.02	0.0000%	0.00	8,051.40
Aug/2012	12,025,415.04	12,026,706.02	2.5900%	25,957.64	4,074,965.67	0.0000%	0.00	16,868.42
Sep/2012	12,027,997.00	12,020,983.75	2.5900%	25,945.29	4,087,791.44	0.0000%	0.00	17,670.28
Oct/2012	12,013,970.49	12,016,412.33	2.5900%	25,935.42	4,102,881.83	0.0000%	0.00	17,670.28
Nov/2012	12,018,854.16	12,082,450.96	2.5900%	26,077.96	4,126,143.22	0.0000%	0.00	17,670.28
Dec/2012	12,146,047.75	12,157,803.18	2.5900%	26,240.59	4,174,445.26	0.0000%	0.00	17,670.28
Depr Group Total:				311,011.40	4,174,445.26		0.00	17,670.28
<u>CKY 38110 Auto Meter Reading Dev</u>								
Jan/2012	319,311.64	319,311.64	2.5900%	689.18	2,386.32	0.0000%	0.00	0.00
Feb/2012	319,311.64	319,311.64	2.5900%	689.18	3,075.50	0.0000%	0.00	0.00
Mar/2012	319,311.64	324,923.47	2.5900%	701.29	3,776.79	0.0000%	0.00	0.00
Apr/2012	330,535.29	330,535.29	2.5900%	713.41	4,490.20	0.0000%	0.00	0.00
May/2012	330,535.29	490,981.01	2.5900%	1,059.70	5,549.90	0.0000%	0.00	0.00
Jun/2012	651,426.73	651,426.73	2.5900%	1,406.00	6,955.90	0.0000%	0.00	0.00
Jul/2012	651,426.73	651,426.73	2.5900%	1,406.00	8,361.90	0.0000%	0.00	0.00
Aug/2012	651,426.73	651,426.78	2.5900%	1,406.00	9,767.90	0.0000%	0.00	0.00
Sep/2012	651,426.82	651,426.82	2.5900%	1,406.00	11,173.90	0.0000%	0.00	0.00
Oct/2012	651,426.82	704,268.07	2.5900%	1,520.05	12,693.95	0.0000%	0.00	0.00
Nov/2012	757,109.32	757,109.32	2.5900%	1,634.09	14,328.04	0.0000%	0.00	0.00
Dec/2012	757,109.32	719,746.82	2.5900%	1,553.45	15,881.49	0.0000%	0.00	0.00
Depr Group Total:				14,184.35	15,881.49		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-00167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

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Start Month: Jan/2012

End Month: Dec/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38200 Meter Installations								
Jan/2012	8,079,338.89	8,087,181.89	2.3900%	16,106.97	3,796,568.25	0.0000%	0.00	-25,465.68
Feb/2012	8,095,024.88	8,097,268.64	2.3900%	16,127.06	3,810,945.47	0.0000%	0.00	-25,465.68
Mar/2012	8,099,512.40	8,103,225.38	2.3900%	16,138.92	3,825,889.60	0.0000%	0.00	-25,465.68
Apr/2012	8,106,938.36	8,109,924.46	2.3900%	16,152.27	3,838,909.23	0.0000%	0.00	-25,465.68
May/2012	8,112,910.55	8,117,801.83	2.2500%	15,220.88	3,673,094.89	0.1400%	947.08	155,057.71
Jun/2012	8,122,693.11	8,126,870.02	2.2500%	15,237.88	3,686,677.41	0.1400%	948.13	156,005.84
Jul/2012	8,131,046.93	8,133,091.47	2.2500%	15,249.55	3,699,698.22	0.1400%	948.86	156,954.70
Aug/2012	8,135,136.01	8,141,059.56	2.2500%	15,264.49	3,688,123.32	0.1400%	949.79	183,370.17
Sep/2012	8,146,983.10	8,148,648.06	2.2500%	15,278.72	3,701,629.51	0.1400%	950.68	184,320.85
Oct/2012	8,150,313.02	8,155,457.62	2.2500%	15,291.49	3,715,116.05	0.1400%	951.47	185,272.32
Nov/2012	8,160,602.22	8,172,667.78	2.2500%	15,323.75	3,725,685.14	0.1400%	953.48	186,225.80
Dec/2012	8,184,733.33	8,209,743.09	2.2500%	15,393.27	3,739,568.19	0.1400%	957.80	187,183.60
Depr Group Total:				186,785.25	3,739,568.19		7,607.29	187,183.60
CKY 38300 House Regulators								
Jan/2012	4,547,719.93	4,558,866.74	1.3900%	5,280.69	1,184,435.17	0.0000%	0.00	-824.36
Feb/2012	4,570,013.54	4,577,398.41	1.3900%	5,302.15	1,189,559.76	0.0000%	0.00	-824.36
Mar/2012	4,584,783.27	4,593,101.82	1.3900%	5,320.34	1,194,643.79	0.0000%	0.00	-824.36
Apr/2012	4,601,420.37	4,608,081.10	1.3900%	5,337.69	1,199,376.55	0.0000%	0.00	-824.36
May/2012	4,614,741.83	4,621,620.02	1.3100%	5,045.27	1,147,949.33	0.0800%	308.11	55,846.17
Jun/2012	4,628,498.21	4,636,437.09	1.3100%	5,061.44	1,152,705.23	0.0800%	309.10	56,155.27
Jul/2012	4,644,375.96	4,652,727.44	1.3100%	5,079.23	1,157,310.74	0.0800%	310.18	56,465.45
Aug/2012	4,661,078.92	4,664,990.00	1.3100%	5,092.62	1,161,370.15	0.0800%	311.00	57,600.81
Sep/2012	4,668,901.08	4,679,113.93	1.3100%	5,108.04	1,166,146.71	0.0800%	311.94	57,912.75
Oct/2012	4,689,326.77	4,701,754.55	1.3100%	5,132.75	1,170,994.84	0.0800%	313.45	58,226.20
Nov/2012	4,714,182.33	4,727,718.84	1.3100%	5,161.09	1,175,819.09	0.0800%	315.18	58,541.38
Dec/2012	4,741,255.35	4,813,010.85	1.3100%	5,254.20	1,180,947.08	0.0800%	320.87	58,862.25
Depr Group Total:				62,175.51	1,180,947.08		2,499.83	58,862.25

Depreciation Summary History

PSC Case No. 2017-0167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NISource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 38400 House Reg Installation								
Jan/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,673,136.05	0.0000%	0.00	-94.01
Feb/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,675,228.13	0.0000%	0.00	-94.01
Mar/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,677,320.21	0.0000%	0.00	-94.01
Apr/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,679,412.29	0.0000%	0.00	-94.01
May/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,681,504.37	0.0000%	0.00	-94.01
Jun/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,683,596.45	0.0000%	0.00	-94.01
Jul/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,685,688.53	0.0000%	0.00	-94.01
Aug/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,687,686.60	0.0000%	0.00	0.00
Sep/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,689,778.68	0.0000%	0.00	0.00
Oct/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,691,870.76	0.0000%	0.00	0.00
Nov/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,693,962.84	0.0000%	0.00	0.00
Dec/2012	2,282,263.96	2,282,263.96	1.1000%	2,092.08	1,696,054.92	0.0000%	0.00	0.00
Depr Group Total:				25,104.96	1,696,054.92		0.00	0.00
CKY 38500 Ind M&R Equipment								
Jan/2012	2,674,777.38	2,674,765.59	2.0900%	4,658.55	1,013,292.94	0.0000%	0.00	-45,790.70
Feb/2012	2,674,753.80	2,674,753.80	2.0900%	4,658.53	1,017,951.47	0.0000%	0.00	-47,369.82
Mar/2012	2,674,753.80	2,674,753.80	2.0900%	4,658.53	1,022,610.00	0.0000%	0.00	-47,894.62
Apr/2012	2,674,753.80	2,658,853.88	2.0900%	4,630.84	995,441.00	0.0000%	0.00	-48,672.83
May/2012	2,642,953.96	2,642,953.96	1.9500%	4,294.80	953,664.26	0.1400%	308.34	-2,708.12
Jun/2012	2,642,953.96	2,641,822.12	1.9500%	4,292.96	946,183.92	0.1400%	308.21	-2,403.16
Jul/2012	2,640,690.28	2,663,196.72	1.9500%	4,327.70	950,511.62	0.1400%	310.71	-2,092.45
Aug/2012	2,685,703.16	2,703,289.46	1.9500%	4,392.85	892,664.29	0.1400%	315.38	44,013.63
Sep/2012	2,720,875.75	2,721,491.42	1.9500%	4,422.42	889,853.87	0.1400%	317.51	46,664.28
Oct/2012	2,722,107.09	2,718,413.64	1.9500%	4,417.43	886,689.66	0.1400%	317.15	46,981.43
Nov/2012	2,714,720.18	2,736,306.86	1.9500%	4,446.50	888,860.36	0.1400%	319.24	47,300.67
Dec/2012	2,757,893.54	2,760,696.77	1.9500%	4,486.14	893,346.50	0.1400%	322.08	47,622.75
Depr Group Total:				53,687.25	893,346.50		2,518.62	47,622.75

Depreciation Summary History

PSC Case No. 2013-0167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
Distribution								
CKY 38720 Other Eq-Odorization								
Jan/2012	17,895.94	17,895.94	4.2200%	62.93	-33,771.21	0.0000%	0.00	-9,031.50
Feb/2012	17,895.94	17,895.94	4.2200%	62.93	-33,708.28	0.0000%	0.00	-9,031.50
Mar/2012	17,895.94	17,895.94	4.2200%	62.93	-33,645.35	0.0000%	0.00	-9,031.50
Apr/2012	17,895.94	17,895.94	4.2200%	62.93	-33,582.42	0.0000%	0.00	-9,031.50
May/2012	17,895.94	17,895.94	4.2200%	62.93	-33,519.49	0.0000%	0.00	-9,031.50
Jun/2012	17,895.94	17,895.94	4.2200%	62.93	-33,456.56	0.0000%	0.00	-9,031.50
Jul/2012	17,895.94	17,895.94	4.2200%	62.93	-33,393.63	0.0000%	0.00	-9,031.50
Aug/2012	17,895.94	17,895.94	4.2200%	62.93	-42,362.20	0.0000%	0.00	0.00
Sep/2012	17,895.94	17,895.94	4.2200%	62.93	-42,299.27	0.0000%	0.00	0.00
Oct/2012	17,895.94	17,895.94	4.2200%	62.93	-42,236.34	0.0000%	0.00	0.00
Nov/2012	17,895.94	17,895.94	4.2200%	62.93	-42,173.41	0.0000%	0.00	0.00
Dec/2012	17,895.94	17,895.94	4.2200%	62.93	-42,110.48	0.0000%	0.00	0.00
Depr Group Total:				755.16	-42,110.48		0.00	0.00
CKY 38741 Other Eq-Telephone								
Jan/2012	711,152.01	711,152.01	2.3400%	1,386.75	295,167.77	0.0000%	0.00	-0.18
Feb/2012	711,152.01	711,152.01	2.3400%	1,386.75	296,554.52	0.0000%	0.00	-0.18
Mar/2012	711,152.01	711,152.01	2.3400%	1,386.75	297,941.27	0.0000%	0.00	-0.18
Apr/2012	711,152.01	711,152.01	2.3400%	1,386.75	299,328.02	0.0000%	0.00	-0.18
May/2012	711,152.01	711,152.01	2.3400%	1,386.75	300,714.77	0.0000%	0.00	-0.18
Jun/2012	711,152.01	711,152.01	2.3400%	1,386.75	302,101.52	0.0000%	0.00	-0.18
Jul/2012	711,152.01	711,152.01	2.3400%	1,386.75	303,488.27	0.0000%	0.00	-0.18
Aug/2012	711,152.01	711,152.01	2.3400%	1,386.75	304,874.84	0.0000%	0.00	0.00
Sep/2012	711,152.01	711,152.01	2.3400%	1,386.75	306,261.59	0.0000%	0.00	0.00
Oct/2012	711,152.01	711,152.01	2.3400%	1,386.75	307,648.34	0.0000%	0.00	0.00
Nov/2012	711,152.01	711,152.01	2.3400%	1,386.75	309,035.09	0.0000%	0.00	0.00
Dec/2012	711,152.01	711,152.01	2.3400%	1,386.75	310,421.84	0.0000%	0.00	0.00
Depr Group Total:				16,641.00	310,421.84		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Depreciable Assets								
<u>Distribution</u>								
<u>CKY 38742 Other Eq-Radio</u>								
Jan/2012	872,759.08	872,759.08	2.3400%	1,701.88	570,860.58	0.0000%	0.00	-9,447.07
Feb/2012	872,759.08	872,759.08	2.3400%	1,701.88	572,562.46	0.0000%	0.00	-9,447.07
Mar/2012	872,759.08	872,759.08	2.3400%	1,701.88	574,264.34	0.0000%	0.00	-9,447.07
Apr/2012	872,759.08	872,759.08	2.3400%	1,701.88	575,966.22	0.0000%	0.00	-9,447.07
May/2012	872,759.08	872,759.08	2.3400%	1,701.88	577,668.10	0.0000%	0.00	-9,447.07
Jun/2012	872,759.08	872,759.08	2.3400%	1,701.88	579,369.98	0.0000%	0.00	-9,447.07
Jul/2012	872,759.08	872,759.08	2.3400%	1,701.88	581,071.86	0.0000%	0.00	-9,447.07
Aug/2012	872,759.08	872,759.08	2.3400%	1,701.88	573,326.67	0.0000%	0.00	0.00
Sep/2012	872,759.08	872,759.08	2.3400%	1,701.88	575,028.55	0.0000%	0.00	0.00
Oct/2012	872,759.08	872,759.08	2.3400%	1,701.88	576,730.43	0.0000%	0.00	0.00
Nov/2012	872,759.08	872,759.08	2.3400%	1,701.88	578,432.31	0.0000%	0.00	0.00
Dec/2012	872,759.08	872,759.08	2.3400%	1,701.88	580,134.19	0.0000%	0.00	0.00
Depr Group Total:				20,422.56	580,134.19		0.00	0.00
<u>CKY 38744 Other Eq-Other Comm</u>								
Jan/2012	169,974.13	169,974.13	2.3400%	331.45	69,734.35	0.0000%	0.00	0.00
Feb/2012	169,974.13	169,974.13	2.3400%	331.45	70,065.80	0.0000%	0.00	0.00
Mar/2012	169,974.13	169,974.13	2.3400%	331.45	70,397.25	0.0000%	0.00	0.00
Apr/2012	169,974.13	169,974.13	2.3400%	331.45	70,728.70	0.0000%	0.00	0.00
May/2012	169,974.13	169,974.13	2.3400%	331.45	71,060.15	0.0000%	0.00	0.00
Jun/2012	169,974.13	169,974.13	2.3400%	331.45	71,391.60	0.0000%	0.00	0.00
Jul/2012	169,974.13	169,974.13	2.3400%	331.45	71,723.05	0.0000%	0.00	0.00
Aug/2012	169,974.13	169,974.13	2.3400%	331.45	72,054.50	0.0000%	0.00	0.00
Sep/2012	169,974.13	169,974.13	2.3400%	331.45	72,385.95	0.0000%	0.00	0.00
Oct/2012	169,974.13	169,974.13	2.3400%	331.45	72,717.40	0.0000%	0.00	0.00
Nov/2012	169,974.13	169,974.13	2.3400%	331.45	73,048.85	0.0000%	0.00	0.00
Dec/2012	169,974.13	169,974.13	2.3400%	331.45	73,380.30	0.0000%	0.00	0.00
Depr Group Total:				3,977.40	73,380.30		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NISource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Depreciable Assets								
Distribution								
CKY 38745 Other Eq-Telemetering								
Jan/2012	1,480,949.30	1,480,949.30	2.3400%	2,887.85	522,636.90	0.0000%	0.00	-373.60
Feb/2012	1,480,949.30	1,480,949.30	2.3400%	2,887.85	525,524.75	0.0000%	0.00	-373.60
Mar/2012	1,480,949.30	1,480,949.30	2.3400%	2,887.85	528,412.60	0.0000%	0.00	-373.60
Apr/2012	1,480,949.30	1,484,908.29	2.3400%	2,895.57	531,308.17	0.0000%	0.00	-373.60
May/2012	1,488,867.28	1,490,154.02	2.3400%	2,905.80	522,001.22	0.0000%	0.00	-373.60
Jun/2012	1,491,440.75	1,491,440.75	2.3400%	2,908.31	524,909.53	0.0000%	0.00	-373.60
Jul/2012	1,491,440.75	1,491,440.75	2.3400%	2,908.31	527,817.84	0.0000%	0.00	-373.60
Aug/2012	1,491,440.75	1,491,440.75	2.3400%	2,908.31	530,352.55	0.0000%	0.00	-727.03
Sep/2012	1,491,440.75	1,491,440.75	2.3400%	2,908.31	533,260.86	0.0000%	0.00	-727.03
Oct/2012	1,491,440.75	1,491,440.75	2.3400%	2,908.31	536,169.17	0.0000%	0.00	-727.03
Nov/2012	1,491,440.75	1,491,440.75	2.3400%	2,908.31	539,077.48	0.0000%	0.00	-727.03
Dec/2012	1,491,440.75	1,540,928.23	2.3400%	3,004.81	542,082.29	0.0000%	0.00	-727.03
Depr Group Total:				34,919.59	542,082.29		0.00	-727.03
CKY 38746 Other Eq-Cust Info Se								
Jan/2012	127,354.97	127,354.97	2.3400%	248.34	112,536.68	0.0000%	0.00	-6.36
Feb/2012	127,354.97	127,354.97	2.3400%	248.34	112,785.02	0.0000%	0.00	-6.36
Mar/2012	127,354.97	127,354.97	2.3400%	248.34	113,033.36	0.0000%	0.00	-6.36
Apr/2012	127,354.97	127,354.97	2.3400%	248.34	113,281.70	0.0000%	0.00	-6.36
May/2012	127,354.97	127,354.97	2.3400%	248.34	113,530.04	0.0000%	0.00	-6.36
Jun/2012	127,354.97	127,354.97	2.3400%	248.34	113,778.38	0.0000%	0.00	-6.36
Jul/2012	127,354.97	127,354.97	2.3400%	248.34	114,026.72	0.0000%	0.00	-6.36
Aug/2012	127,354.97	127,354.97	2.3400%	248.34	114,268.70	0.0000%	0.00	0.00
Sep/2012	127,354.97	127,354.97	2.3400%	248.34	114,517.04	0.0000%	0.00	0.00
Oct/2012	127,354.97	127,354.97	2.3400%	248.34	114,765.38	0.0000%	0.00	0.00
Nov/2012	127,354.97	127,354.97	2.3400%	248.34	115,013.72	0.0000%	0.00	0.00
Dec/2012	127,354.97	127,354.97	2.3400%	248.34	115,262.06	0.0000%	0.00	0.00
Depr Group Total:				2,980.08	115,262.06		0.00	0.00

Depr Summ2 Total: 5,107,018.62 101,583,480.61 833,322.34 25,419,182.26

Depr - 1039

Depreciation Summary History

PSC Case No. 2012-067
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2012

End Month: Dec/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Depreciable Assets								
General								
CKY 39220 Trailers over 1,000								
Jan/2012	113,219.98	113,219.98	2.9400%	277.39	67,702.85	0.0000%	0.00	0.00
Feb/2012	113,219.98	113,219.98	2.9400%	277.39	67,980.24	0.0000%	0.00	0.00
Mar/2012	113,219.98	113,219.98	2.9400%	277.39	68,257.63	0.0000%	0.00	0.00
Apr/2012	113,219.98	113,219.98	2.9400%	277.39	68,535.02	0.0000%	0.00	0.00
May/2012	113,219.98	113,219.98	2.9400%	277.39	68,812.41	0.0000%	0.00	0.00
Jun/2012	113,219.98	113,219.98	2.9400%	277.39	69,089.80	0.0000%	0.00	0.00
Jul/2012	113,219.98	113,219.98	2.9400%	277.39	69,367.19	0.0000%	0.00	0.00
Aug/2012	113,219.98	137,682.18	2.9400%	337.32	69,704.51	0.0000%	0.00	0.00
Sep/2012	162,144.38	162,144.38	2.9400%	397.25	70,101.76	0.0000%	0.00	0.00
Oct/2012	162,144.38	162,144.38	2.9400%	397.25	70,499.01	0.0000%	0.00	0.00
Nov/2012	162,144.38	162,144.38	2.9400%	397.25	70,896.26	0.0000%	0.00	0.00
Dec/2012	162,144.38	162,144.38	2.9400%	397.25	71,293.51	0.0000%	0.00	0.00
Depr Group Total:				3,868.05	71,293.51		0.00	0.00
CKY 39221 Trailers 1,000 & less								
Jan/2012	27,860.95	27,860.95	2.9400%	68.26	3,641.82	0.0000%	0.00	0.00
Feb/2012	27,860.95	27,860.95	2.9400%	68.26	3,710.08	0.0000%	0.00	0.00
Mar/2012	27,860.95	27,860.95	2.9400%	68.26	3,778.34	0.0000%	0.00	0.00
Apr/2012	27,860.95	27,860.95	2.9400%	68.26	3,846.60	0.0000%	0.00	0.00
May/2012	27,860.95	27,860.95	2.9400%	68.26	3,914.86	0.0000%	0.00	0.00
Jun/2012	27,860.95	27,860.95	2.9400%	68.26	3,983.12	0.0000%	0.00	0.00
Jul/2012	27,860.95	27,860.95	2.9400%	68.26	4,051.38	0.0000%	0.00	0.00
Aug/2012	27,860.95	27,860.95	2.9400%	68.26	4,119.64	0.0000%	0.00	0.00
Sep/2012	27,860.95	27,860.95	2.9400%	68.26	4,187.90	0.0000%	0.00	0.00
Oct/2012	27,860.95	27,860.95	2.9400%	68.26	4,256.16	0.0000%	0.00	0.00
Nov/2012	27,860.95	27,860.95	2.9400%	68.26	4,324.42	0.0000%	0.00	0.00
Dec/2012	27,860.95	27,860.95	2.9400%	68.26	4,392.68	0.0000%	0.00	0.00
Depr Group Total:				819.12	4,392.68		0.00	0.00

Depreciation Summary History

PSC Case No. 2013-167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
 Financial/SEC

NiSource

Start Month: Jan/2012
 End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Depr Exp	COR End Reserve
Depreciable Assets								
General								
CKY 39411 CNG Equip, Stationary								
Jan/2012	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Feb/2012	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Mar/2012	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Apr/2012	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
May/2012	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Jun/2012	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Jul/2012	335,308.07	335,308.07	13.7700%	0.00	335,308.07	0.0000%	0.00	-33,297.95
Aug/2012	335,308.07	335,308.07	13.7700%	3,847.66	305,857.78	0.0000%	0.00	0.00
Sep/2012	335,308.07	335,308.07	13.7700%	3,847.66	309,705.44	0.0000%	0.00	0.00
Oct/2012	335,308.07	335,308.07	13.7700%	3,847.66	313,553.10	0.0000%	0.00	0.00
Nov/2012	335,308.07	335,308.07	13.7700%	3,847.66	317,400.76	0.0000%	0.00	0.00
Dec/2012	335,308.07	335,308.07	13.7700%	3,847.66	321,248.42	0.0000%	0.00	0.00
Depr Group Total:				19,238.30	321,248.42		0.00	0.00
CKY 39600 Power Oper Equipment								
Jan/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Feb/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Mar/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Apr/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
May/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Jun/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Jul/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Aug/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Sep/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Oct/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Nov/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00

Depreciation Summary History

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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Depreciable Assets								
General								
CKY 39600 Power Oper Equipment								
Dec/2012	646,776.37	646,776.37	0.0000%	0.00	556,288.95	0.0000%	0.00	0.00
Depr Group Total:				0.00	556,288.95		0.00	0.00
Depr Summ2 Total:				23,925.47	953,223.56		0.00	0.00
Depr Summ1 Total:				5,130,944.09	102,536,704.17		833,322.34	25,419,182.26
Amortizable Assets								
Intangibles								
CKY 30100 Organization Costs								
Jan/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	521.20	521.20	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 30300 Intangible Plant								
Jan/2012	74,347.51	38,874.33	0.0000%	206.52	35,679.70	0.0000%	0.00	0.00
Feb/2012	74,347.51	38,667.81	0.0000%	206.52	35,886.22	0.0000%	0.00	0.00
Mar/2012	74,347.51	38,461.29	0.0000%	206.53	36,092.75	0.0000%	0.00	0.00
Apr/2012	74,347.51	38,254.76	0.0000%	206.52	36,299.27	0.0000%	0.00	0.00
May/2012	74,347.51	38,048.24	0.0000%	206.53	36,505.80	0.0000%	0.00	0.00
Jun/2012	74,347.51	37,841.71	0.0000%	206.52	36,712.32	0.0000%	0.00	0.00
Jul/2012	74,347.51	37,635.19	0.0000%	206.53	36,918.85	0.0000%	0.00	0.00

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 Respondents: S. Mark Katko
 Chad E. Notestone

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
<u>Intangibles</u>								
<u>CKY 30300 Intangible Plant</u>								
Aug/2012	74,347.51	37,428.66	0.0000%	206.53	37,125.38	0.0000%	0.00	0.00
Sep/2012	74,347.51	37,222.13	0.0000%	206.52	37,331.90	0.0000%	0.00	0.00
Oct/2012	74,347.51	37,015.61	0.0000%	206.53	37,538.43	0.0000%	0.00	0.00
Nov/2012	74,347.51	36,809.08	0.0000%	206.53	37,744.96	0.0000%	0.00	0.00
Dec/2012	74,347.51	36,602.55	0.0000%	206.53	37,951.49	0.0000%	0.00	0.00
Depr Group Total:				2,478.31	37,951.49		0.00	0.00
Depr Summ2 Total:				2,478.31	37,951.49		0.00	0.00
<u>Software</u>								
<u>CKY 30310 DIS Software</u>								
Jan/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 30320 FARA Software</u>								
Jan/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2013-067
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
<u>Software</u>								
<u>CKY 30320 FARA Software</u>								
Jun/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 30330 Other Software</u>								
Jan/2012	2,283,174.72	1,351,320.28	0.0000%	29,942.89	961,862.37	0.0000%	0.00	0.00
Feb/2012	2,283,306.81	1,325,049.09	0.0000%	30,005.86	991,868.23	0.0000%	0.00	0.00
Mar/2012	2,290,518.10	1,346,087.75	0.0000%	31,519.78	1,023,388.01	0.0000%	0.00	0.00
Apr/2012	2,359,071.96	1,498,552.78	0.0000%	43,655.65	1,067,043.66	0.0000%	0.00	0.00
May/2012	2,532,593.16	1,471,216.36	0.0000%	34,162.52	1,101,206.18	0.0000%	0.00	0.00
Jun/2012	2,543,928.85	1,495,470.90	0.0000%	35,525.53	1,136,731.71	0.0000%	0.00	0.00
Jul/2012	2,598,375.22	1,644,817.10	0.0000%	33,857.71	1,170,589.42	0.0000%	0.00	0.00
Aug/2012	2,964,724.37	1,782,032.80	0.0000%	40,161.08	1,210,750.50	0.0000%	0.00	0.00
Sep/2012	2,930,058.36	1,721,517.56	0.0000%	39,463.90	1,250,214.40	0.0000%	0.00	0.00
Oct/2012	2,934,479.76	1,685,850.45	0.0000%	35,232.30	1,074,676.91	0.0000%	0.00	0.00
Nov/2012	2,726,882.13	1,652,217.62	0.0000%	35,261.72	1,109,938.63	0.0000%	0.00	0.00
Dec/2012	2,726,908.92	1,736,308.63	0.0000%	39,390.49	1,149,329.12	0.0000%	0.00	0.00
Depr Group Total:				428,179.43	1,149,329.12		0.00	0.00
Depr Summ2 Total:				428,179.43	1,149,329.12		0.00	0.00
<u>Leaseholds - Distribution</u>								
<u>CKY 37571 Lse 451 Ashland, KY</u>								
Jan/2012	60,287.66	43,118.44	16.9014%	607.30	17,776.52	16.9014%	0.05	-3.76
Feb/2012	60,287.66	42,511.14	17.1429%	607.30	18,383.82	17.1429%	0.05	-3.71
Mar/2012	60,287.66	41,903.84	17.3913%	607.30	18,991.12	17.3913%	0.05	-3.66

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NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Amortizable Assets								
<u>Leaseholds - Distribution</u>								
<u>CKY 37571 Lse 451 Ashland, KY</u>								
Apr/2012	60,287.66	41,296.54	17.6471%	607.30	19,598.42	17.6471%	0.05	-3.61
May/2012	60,287.66	40,689.24	17.9104%	607.30	20,205.72	17.9104%	0.05	-3.56
Jun/2012	60,287.66	40,081.94	18.1818%	607.30	20,813.02	18.1818%	0.05	-3.51
Jul/2012	60,287.66	39,474.64	18.4615%	607.30	21,420.32	18.4615%	0.05	-3.46
Aug/2012	60,287.66	38,869.22	18.7500%	607.33	22,023.89	18.7500%	0.00	0.30
Sep/2012	60,287.66	38,263.77	19.0476%	607.36	22,631.25	19.0476%	0.00	0.30
Oct/2012	60,287.66	37,656.41	19.3548%	607.36	23,238.61	19.3548%	0.00	0.30
Nov/2012	60,287.66	37,049.05	19.6721%	607.36	23,845.97	19.6721%	0.00	0.30
Dec/2012	60,287.66	36,441.69	20.0000%	607.36	24,453.33	20.0000%	-0.01	0.29
Depr Group Total:				7,287.87	24,453.33		0.34	0.29
<u>CKY 37571 LSE 704</u>								
Jan/2012	3,355.45	2,397.24	21.0526%	42.06	1,000.27	21.0526%	0.00	-0.22
Feb/2012	3,355.45	2,355.18	21.4286%	42.06	1,042.33	21.4286%	0.00	-0.22
Mar/2012	3,355.45	2,313.12	21.8182%	42.06	1,084.39	21.8182%	0.00	-0.22
Apr/2012	3,355.45	2,271.06	22.2222%	42.06	1,126.45	22.2222%	0.00	-0.22
May/2012	3,355.45	2,229.00	22.6415%	42.06	1,168.51	22.6415%	0.00	-0.22
Jun/2012	3,355.45	2,186.94	23.0769%	42.06	1,210.57	23.0769%	0.00	-0.22
Jul/2012	3,355.45	2,144.88	23.5294%	42.06	1,252.63	23.5294%	0.00	-0.22
Aug/2012	3,355.45	2,102.93	24.0000%	42.06	1,294.47	24.0000%	0.00	0.00
Sep/2012	3,355.45	2,060.98	24.4898%	42.06	1,336.53	24.4898%	0.00	0.00
Oct/2012	3,355.45	2,018.92	25.0000%	42.06	1,378.59	25.0000%	0.00	0.00
Nov/2012	3,355.45	1,976.86	25.5319%	42.06	1,420.65	25.5319%	0.00	0.00
Dec/2012	3,355.45	1,934.80	26.0870%	42.06	1,462.71	26.0870%	0.00	0.00
Depr Group Total:				504.72	1,462.71		0.00	0.00
Depr Summ2 Total:				7,792.59	25,916.04		0.34	0.29
<u>General</u>								
<u>CKY 39110 Office Furniture & Equip</u>								
Jan/2012	1,163,948.08	1,163,948.08	5.0000%	4,849.78	708,689.08	0.0000%	0.00	0.00

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 Respondents: S. Mark Katko
 Chad E. Notestone
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NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
General								
CKY 39110 Office Furniture & Equip								
Feb/2012	1,163,948.08	1,163,948.08	5.0000%	4,849.78	713,538.86	0.0000%	0.00	0.00
Mar/2012	1,163,948.08	1,163,948.08	5.0000%	4,849.78	718,388.64	0.0000%	0.00	0.00
Apr/2012	1,163,948.08	1,163,948.08	5.0000%	4,849.78	723,238.42	0.0000%	0.00	0.00
May/2012	1,163,948.08	1,159,056.78	5.0000%	4,829.40	718,285.21	0.0000%	0.00	0.00
Jun/2012	1,154,165.47	1,153,932.27	5.0000%	4,808.05	722,626.86	0.0000%	0.00	0.00
Jul/2012	1,153,699.07	1,146,691.33	5.0000%	4,777.88	713,389.25	0.0000%	0.00	0.00
Aug/2012	1,139,683.58	1,139,683.58	5.0000%	4,748.68	718,137.93	0.0000%	0.00	0.00
Sep/2012	1,139,683.58	1,139,510.62	5.0000%	4,747.96	722,539.96	0.0000%	0.00	0.00
Oct/2012	1,139,337.65	1,139,337.65	5.0000%	4,747.24	727,287.20	0.0000%	0.00	0.00
Nov/2012	1,139,337.65	1,137,784.49	5.0000%	4,740.77	728,921.65	0.0000%	0.00	0.00
Dec/2012	1,136,231.33	1,136,231.33	5.0000%	4,734.30	733,655.95	0.0000%	0.00	0.00
Depr Group Total:				57,533.40	733,655.95		0.00	0.00
CKY 39111 Data Handling Equip								
Jan/2012	3,574.97	3,574.97	6.6667%	19.86	-33,418.28	0.0000%	0.00	0.00
Feb/2012	3,574.97	3,574.97	6.6667%	19.86	-33,398.42	0.0000%	0.00	0.00
Mar/2012	3,574.97	3,574.97	6.6667%	19.86	-33,378.56	0.0000%	0.00	0.00
Apr/2012	3,574.97	3,574.97	6.6667%	19.86	-33,358.70	0.0000%	0.00	0.00
May/2012	3,574.97	13,574.97	6.6667%	75.42	-13,283.28	0.0000%	0.00	0.00
Jun/2012	23,574.97	23,574.97	6.6667%	130.97	-13,152.31	0.0000%	0.00	0.00
Jul/2012	23,574.97	23,574.97	6.6667%	130.97	-13,021.34	0.0000%	0.00	0.00
Aug/2012	23,574.97	23,574.97	6.6667%	130.97	-12,890.37	0.0000%	0.00	0.00
Sep/2012	23,574.97	23,574.97	6.6667%	130.97	-12,759.40	0.0000%	0.00	0.00
Oct/2012	23,574.97	23,574.97	6.6667%	130.97	-12,628.43	0.0000%	0.00	0.00
Nov/2012	23,574.97	23,574.97	6.6667%	130.97	-12,497.46	0.0000%	0.00	0.00
Dec/2012	23,574.97	23,574.97	6.6667%	130.97	-12,366.49	0.0000%	0.00	0.00
Depr Group Total:				1,071.65	-12,366.49		0.00	0.00
CKY 39112 Information Systems								
Jan/2012	608,343.31	608,476.41	20.0000%	10,141.27	92,995.93	0.0000%	0.00	0.00

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 AG Set 1 DR No. 2
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 Respondents: S. Mark Katko
 Chad E. Notestone

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
General								
CKY 39112 Information Systems								
Feb/2012	608,609.50	608,609.50	20.0000%	10,143.49	103,139.42	0.0000%	0.00	0.00
Mar/2012	608,609.50	608,609.50	20.0000%	10,143.49	113,282.91	0.0000%	0.00	0.00
Apr/2012	608,609.50	610,602.90	20.0000%	10,176.72	123,459.63	0.0000%	0.00	0.00
May/2012	612,596.30	614,812.56	20.0000%	10,246.88	126,858.89	0.0000%	0.00	0.00
Jun/2012	617,028.81	617,028.81	20.0000%	10,283.81	137,142.70	0.0000%	0.00	0.00
Jul/2012	617,028.81	617,028.81	20.0000%	10,283.81	147,426.51	0.0000%	0.00	0.00
Aug/2012	617,028.81	617,028.81	20.0000%	10,283.81	157,710.32	0.0000%	0.00	0.00
Sep/2012	617,028.81	617,148.44	20.0000%	10,285.81	167,996.13	0.0000%	0.00	0.00
Oct/2012	617,268.07	617,268.07	20.0000%	10,287.80	178,283.93	0.0000%	0.00	0.00
Nov/2012	617,268.07	617,268.07	20.0000%	10,287.80	188,571.73	0.0000%	0.00	0.00
Dec/2012	617,268.07	617,268.07	20.0000%	10,287.80	198,859.53	0.0000%	0.00	0.00
Depr Group Total:				122,852.49	198,859.53		0.00	0.00
CKY 39300 Stores Equipment								
Jan/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	5.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
CKY 39410 Garage & Service Equip								
Jan/2012	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78

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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Amortizable Assets								
General								
CKY 39410 Garage & Service Equip								
Feb/2012	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Mar/2012	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
Apr/2012	26,087.51	26,087.51	4.0000%	0.00	662,355.50	0.0000%	0.00	-658,031.78
May/2012	26,087.51	25,953.66	4.0000%	0.00	662,087.79	0.0000%	0.00	-658,031.78
Jun/2012	25,819.80	25,819.80	4.0000%	0.00	662,087.79	0.0000%	0.00	-658,031.78
Jul/2012	25,819.80	25,819.80	4.0000%	0.00	662,087.79	0.0000%	0.00	-658,031.78
Aug/2012	25,819.80	25,819.80	4.0000%	86.07	4,142.08	0.0000%	0.00	0.00
Sep/2012	25,819.80	25,819.80	4.0000%	86.07	4,228.15	0.0000%	0.00	0.00
Oct/2012	25,819.80	25,819.80	4.0000%	86.07	4,314.22	0.0000%	0.00	0.00
Nov/2012	25,819.80	25,819.80	4.0000%	86.07	4,400.29	0.0000%	0.00	0.00
Dec/2012	25,819.80	25,819.80	4.0000%	86.07	4,486.36	0.0000%	0.00	0.00
Depr Group Total:				430.35	4,486.36		0.00	0.00
CKY 39420 Shop Equipment								
Jan/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
May/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	4.0000%	0.00	185.21	0.0000%	0.00	0.00
Depr Group Total:				0.00	185.21		0.00	0.00
CKY 39430 Tools & Other Equipment								
Jan/2012	2,069,093.51	2,069,093.51	4.0000%	6,896.98	1,024,194.34	0.0000%	0.00	0.00

Depreciation Summary History

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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Amortizable Assets								
General								
CKY 39430 Tools & Other Equipment								
Feb/2012	2,069,093.51	2,068,980.11	4.0000%	6,896.60	1,031,090.94	0.0000%	0.00	-363.22
Mar/2012	2,068,866.70	2,068,866.70	4.0000%	6,896.22	1,037,987.16	0.0000%	0.00	-363.22
Apr/2012	2,068,866.70	2,068,866.70	4.0000%	6,896.22	1,044,883.38	0.0000%	0.00	-363.22
May/2012	2,068,866.70	2,058,596.87	4.0000%	6,861.99	1,031,205.70	0.0000%	0.00	-363.22
Jun/2012	2,048,327.03	2,043,954.73	4.0000%	6,813.18	1,029,274.28	0.0000%	0.00	-363.22
Jul/2012	2,039,582.43	2,038,657.20	4.0000%	6,795.52	1,034,219.34	0.0000%	0.00	-363.22
Aug/2012	2,037,731.97	2,060,075.23	4.0000%	6,866.92	1,041,086.26	0.0000%	0.00	-363.22
Sep/2012	2,082,418.49	2,092,569.50	4.0000%	6,975.23	1,047,698.27	0.0000%	0.00	0.00
Oct/2012	2,102,720.51	2,106,220.81	4.0000%	7,020.74	1,054,719.01	0.0000%	0.00	0.00
Nov/2012	2,109,721.10	2,110,082.20	4.0000%	7,033.61	1,060,685.06	0.0000%	0.00	0.00
Dec/2012	2,110,443.30	2,152,163.36	4.0000%	7,173.88	1,067,858.94	0.0000%	0.00	0.00
			Depr Group Total:	83,127.09	1,067,858.94		0.00	0.00
CKY 39500 Laboratory Equipment								
Jan/2012	9,781.80	9,781.80	5.0000%	40.76	5,728.79	0.0000%	0.00	0.00
Feb/2012	9,781.80	9,781.80	5.0000%	40.76	5,769.55	0.0000%	0.00	0.00
Mar/2012	9,781.80	9,781.80	5.0000%	40.76	5,810.31	0.0000%	0.00	0.00
Apr/2012	9,781.80	9,781.80	5.0000%	40.76	5,851.07	0.0000%	0.00	0.00
May/2012	9,781.80	9,781.80	5.0000%	40.76	5,891.83	0.0000%	0.00	0.00
Jun/2012	9,781.80	9,781.80	5.0000%	40.76	5,932.59	0.0000%	0.00	0.00
Jul/2012	9,781.80	9,781.80	5.0000%	40.76	5,973.35	0.0000%	0.00	0.00
Aug/2012	9,781.80	9,781.80	5.0000%	40.76	6,014.11	0.0000%	0.00	0.00
Sep/2012	9,781.80	9,781.80	5.0000%	40.76	6,054.87	0.0000%	0.00	0.00
Oct/2012	9,781.80	9,781.80	5.0000%	40.76	6,095.63	0.0000%	0.00	0.00
Nov/2012	9,781.80	9,781.80	5.0000%	40.76	6,136.39	0.0000%	0.00	0.00
Dec/2012	9,781.80	9,781.80	5.0000%	40.76	6,177.15	0.0000%	0.00	0.00
			Depr Group Total:	489.12	6,177.15		0.00	0.00
CKY 39800 Misc Equipment								
Jan/2012	128,509.48	128,509.48	6.6667%	713.95	30,657.63	0.0000%	0.00	-121.90

Depreciation Summary History

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 Chad E. Notestone
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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Amortizable Assets								
General								
CKY 39800 Misc Equipment								
Feb/2012	128,509.48	128,509.48	6.6667%	713.95	31,371.58	0.0000%	0.00	-121.90
Mar/2012	128,509.48	128,509.48	6.6667%	713.95	32,085.53	0.0000%	0.00	-121.90
Apr/2012	128,509.48	128,509.48	6.6667%	713.95	32,799.48	0.0000%	0.00	-121.90
May/2012	128,509.48	125,737.60	6.6667%	698.55	27,954.26	0.0000%	0.00	-121.90
Jun/2012	122,965.71	122,965.71	6.6667%	683.15	28,637.41	0.0000%	0.00	-121.90
Jul/2012	122,965.71	122,965.71	6.6667%	683.15	29,320.56	0.0000%	0.00	-121.90
Aug/2012	122,965.71	122,965.71	6.6667%	683.15	29,881.81	0.0000%	0.00	0.00
Sep/2012	122,965.71	122,965.71	6.6667%	683.15	30,564.96	0.0000%	0.00	0.00
Oct/2012	122,965.71	122,965.71	6.6667%	683.15	31,248.11	0.0000%	0.00	0.00
Nov/2012	122,965.71	122,965.71	6.6667%	683.15	31,931.26	0.0000%	0.00	0.00
Dec/2012	122,965.71	122,965.71	6.6667%	683.15	32,614.41	0.0000%	0.00	0.00
Depr Group Total:				8,336.40	32,614.41		0.00	0.00
Depr Summ2 Total:				273,840.50	2,031,471.06		0.00	0.00
Other								
CKY 39413 Underground Tank Cleanup								
Jan/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
May/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2013-167
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 Attachment D
 Respondents: S. Mark Katko
 Chad E. Notestone

Columbia Gas of Kentucky
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Start Month: Jan/2012

End Month: Dec/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base COR Rate	COR Base COR Depr Exp	COR End Reserve
Amortizable Assets								
<u>Other</u>								
<u>CKY 39413 Underground Tank Cleanup</u>								
Dec/2012	0.00	0.00	0.0000%	0.00	37,937.36	0.0000%	0.00	0.00
				Depr Group Total:	0.00	37,937.36	0.00	0.00
				Depr Summ2 Total:	0.00	37,937.36	0.00	0.00
				Depr Summ1 Total:	712,290.83	3,282,605.07	0.34	0.29
ARO								
<u>Distribution</u>								
<u>CKY 37603 Mains PCB ARO</u>								
Jan/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Feb/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Mar/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Apr/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
May/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Jun/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Jul/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Aug/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Sep/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Oct/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Nov/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
Dec/2012	793,370.04	0.00	0.0000%	0.00	793,370.04	0.0000%	0.00	0.00
				Depr Group Total:	0.00	793,370.04	0.00	0.00
				Depr Summ2 Total:	0.00	793,370.04	0.00	0.00
				Depr Summ1 Total:	0.00	793,370.04	0.00	0.00
Future Use								
<u>Other</u>								
<u>CKY 105.000 Future Use</u>								
Jan/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

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 Respondents: S. Mark Katko
 Chad E. Notestone
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Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR End Reserve
						COR Rate	COR Depr Exp	
Future Use								
<u>Other</u>								
<u>CKY 105.000 Future Use</u>								
Mar/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Depr Summ1 Total:				0.00	0.00		0.00	0.00
Non-Depreciable								
<u>Production</u>								
<u>CKY 30410 Land</u>								
Jan/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00

Depreciation Summary History

Columbia Gas of Kentucky
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NISource

Start Month: Jan/2012

End Month: Dec/2012

	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Non-Depreciable								
<u>Production</u>								
<u>CKY 30410 Land</u>								
Dec/2012	7,678.39	7,678.39	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
<u>Distribution</u>								
<u>CKY 37410 Land, CG & ML Ind M&R</u>								
Jan/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	206.00	206.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
<u>CKY 37420 Land, Other Dist</u>								
Jan/2012	878,633.97	878,633.97	0.0000%	0.00	3,116.14	0.0000%	0.00	-3,135.32
Feb/2012	878,633.97	878,633.97	0.0000%	0.00	3,116.14	0.0000%	0.00	-3,135.32
Mar/2012	878,633.97	878,633.97	0.0000%	0.00	3,116.14	0.0000%	0.00	-3,135.32
Apr/2012	878,633.97	878,633.97	0.0000%	0.00	3,116.14	0.0000%	0.00	-3,135.32
May/2012	878,633.97	878,633.97	0.0000%	0.00	3,116.14	0.0000%	0.00	-3,135.32
Jun/2012	878,633.97	878,633.97	0.0000%	0.00	3,116.14	0.0000%	0.00	-3,135.32
Jul/2012	878,633.97	878,633.97	0.0000%	0.00	3,116.14	0.0000%	0.00	-3,135.32
Aug/2012	878,633.97	878,633.97	0.0000%	0.00	-19.18	0.0000%	0.00	0.00
Sep/2012	878,633.97	878,633.97	0.0000%	0.00	-19.18	0.0000%	0.00	0.00

Depreciation Summary History

PSC Case No. 2012-0167
 AG Set 1 DR No. 2
 Attachment D
 Respondents: S. Mark Kalko
 Chad E. Notestone

Columbia Gas of Kentucky
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NiSource

Start Month: Jan/2012

End Month: Dec/2012

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	Beginning Plant Balance	Life + Salvage Depreciation Base	Life + Salvage Annual Depreciation Rate	Life + Salvage Depreciation	Ending Reserve	COR Base		COR
						COR Rate	COR Depr Exp	End Reserve
Non-Depreciable								
<u>Distribution</u>								
<u>CKY 37420 Land, Other Dist</u>								
Oct/2012	878,633.97	878,633.97	0.0000%	0.00	-19.18	0.0000%	0.00	0.00
Nov/2012	878,633.97	878,633.97	0.0000%	0.00	-19.18	0.0000%	0.00	0.00
Dec/2012	878,633.97	878,583.97	0.0000%	0.00	-19.17	0.0000%	0.00	0.00
Depr Group Total:				0.00	-19.17		0.00	0.00
Depr Summ2 Total:				0.00	-19.17		0.00	0.00
<u>Other</u>								
<u>CKY None</u>								
Jan/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Feb/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Mar/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Apr/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
May/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jun/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Jul/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Aug/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Sep/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Oct/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Nov/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Dec/2012	0.00	0.00	0.0000%	0.00	0.00	0.0000%	0.00	0.00
Depr Group Total:				0.00	0.00		0.00	0.00
Depr Summ2 Total:				0.00	0.00		0.00	0.00
Depr Summ1 Total:				0.00	-19.17		0.00	0.00
Company/Set of Books Total:				5,843,234.92	106,612,660.11		833,322.68	25,419,182.55

DATE: 10/16/12 08:27:43

COLUMBIA GAS OF KENTUCKY, INC.
 INCOME STATEMENT
 FOR THE PERIOD ENDING SEPTEMBER 30, 2012

	CR MTH ACTUAL	INC PREV YEAR	YTD ACTUAL	INC PREV YEAR	12 MTHS ACTUAL	INC PREV YEAR
OPERATING REVENUES						
GAS	2,914,718	(403,670)	52,948,719	(17,634,568)	79,697,710	(27,003,549)
TRANSPORTATION	1,195,728	20,576	13,819,541	(341,231)	19,311,563	(708,036)
OTHER OPERATING REVENUES	44,402	(940,732)	3,018,473	(22,424,209)	5,904,852	(24,022,910)
TOTAL OPERATING REVENUES	<u>4,154,848</u>	<u>(1,323,826)</u>	<u>69,786,733</u>	<u>(40,400,008)</u>	<u>104,914,125</u>	<u>(51,734,495)</u>
OPERATING EXPENSES						
PRODUCTS PURCHASED - NATURAL GAS	809,044	(1,440,812)	29,359,053	(38,290,046)	47,559,545	(49,736,399)
OPERATION	2,371,496	108,562	21,387,256	259,113	29,099,208	(176,571)
MAINTENANCE	216,127	2,796	2,207,144	208,460	2,702,395	(102,060)
DEPRECIATION AND DEPLETION	568,572	44,968	4,959,305	372,337	6,555,280	461,087
OTHER TAXES	242,725	26,491	2,246,943	184,673	2,955,099	215,095
TOTAL OPERATING EXPENSES	<u>4,207,964</u>	<u>(1,257,995)</u>	<u>60,159,701</u>	<u>(37,265,463)</u>	<u>88,871,527</u>	<u>(49,338,848)</u>
OPERATING INCOME (LOSS)	(53,116)	(65,831)	9,627,032	(3,134,545)	16,042,598	(2,395,647)
OTHER INCOME (DEDUCTIONS)						
INCOME FROM INVESTMENT IN SUBSIDIARY	1,722	(3,512)	28,486	(13,551)	36,177	(17,218)
INTEREST INCOME AND OTHER, NET	160,782	(38,212)	1,756,745	(669,569)	2,322,508	(849,992)
INTEREST EXPENSE & RELATED CHARGES	(382,121)	8,802	(3,532,348)	47,573	(4,763,285)	(80,558)
TOTAL OTHER INCOME (DEDUCTIONS)	<u>(219,617)</u>	<u>(32,922)</u>	<u>(1,747,117)</u>	<u>(635,547)</u>	<u>(2,404,600)</u>	<u>(947,768)</u>
INCOME (LOSS) BEFORE INCOME TAXES	(272,733)	(98,753)	7,879,915	(3,770,092)	13,637,998	(3,343,415)
INCOME TAXES	(112,496)	(37,184)	3,004,453	(1,398,568)	5,155,263	(1,128,177)
NET INCOME BEFORE EXTRAORDINARY ITEMS	(160,237)	(61,569)	4,875,462	(2,371,524)	8,482,735	(2,215,238)
EXTRAORDINARY ITEMS						
CUMULATIVE CHANGE IN ACCOUNTING PRINCIPAL						
NET INCOME (LOSS)	<u>(160,237)</u>	<u>(61,569)</u>	<u>4,875,462</u>	<u>(2,371,524)</u>	<u>8,482,735</u>	<u>(2,215,238)</u>

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DATE: 11/13/12 08:59:46

COLUMBIA GAS OF KENTUCKY, INC.
INCOME STATEMENT
FOR THE PERIOD ENDING OCTOBER 31, 2012

	CR MTH ACTUAL	INC PREV YEAR	YTD ACTUAL	INC PREV YEAR	12 MTHS ACTUAL	INC PREV YEAR
OPERATING REVENUES						
GAS	4,436,461	(1,132,628)	57,385,180	(18,767,196)	78,565,082	(28,601,818)
TRANSPORTATION	1,462,443	10,500	15,281,984	(330,731)	19,322,063	(815,793)
OTHER OPERATING REVENUES	440,978	(229,487)	3,459,451	(22,653,696)	5,675,365	(24,585,129)
TOTAL OPERATING REVENUES	<u>6,339,882</u>	<u>(1,351,615)</u>	<u>76,126,615</u>	<u>(41,751,623)</u>	<u>103,562,510</u>	<u>(54,002,740)</u>
OPERATING EXPENSES						
PRODUCTS PURCHASED - NATURAL GAS	2,166,546	(1,456,824)	31,525,599	(39,746,870)	46,102,721	(51,721,396)
OPERATION	2,448,783	(43,974)	23,836,039	215,139	29,055,234	(716,150)
MAINTENANCE	201,195	80,729	2,408,339	289,189	2,783,124	141,586
DEPRECIATION AND DEPLETION	568,450	38,597	5,527,755	410,934	6,593,877	467,359
OTHER TAXES	245,853	21,824	2,492,796	206,497	2,976,923	233,188
TOTAL OPERATING EXPENSES	<u>5,630,827</u>	<u>(1,359,648)</u>	<u>65,790,528</u>	<u>(38,625,111)</u>	<u>87,511,879</u>	<u>(51,595,413)</u>
OPERATING INCOME (LOSS)	709,055	8,033	10,336,087	(3,126,512)	16,050,631	(2,407,327)
OTHER INCOME (DEDUCTIONS)						
INCOME FROM INVESTMENT IN SUBSIDIARY	(5,437)	(8,006)	23,049	(21,557)	28,171	(23,597)
INTEREST INCOME AND OTHER, NET	216,763	(3,086)	1,973,508	(672,655)	2,319,422	(882,771)
INTEREST EXPENSE & RELATED CHARGES	(390,708)	12,039	(3,923,056)	59,612	(4,751,246)	(20,636)
TOTAL OTHER INCOME (DEDUCTIONS)	<u>(179,382)</u>	<u>947</u>	<u>(1,926,499)</u>	<u>(634,600)</u>	<u>(2,403,653)</u>	<u>(927,004)</u>
INCOME (LOSS) BEFORE INCOME TAXES	529,673	8,980	8,409,588	(3,761,112)	13,646,978	(3,334,331)
INCOME TAXES	73,673	(119,686)	3,078,126	(1,518,254)	5,035,577	(953,056)
NET INCOME BEFORE EXTRAORDINARY ITEMS	456,000	128,666	5,331,462	(2,242,858)	8,611,401	(2,381,275)
EXTRAORDINARY ITEMS						
CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE						
NET INCOME (LOSS)	<u>456,000</u>	<u>128,666</u>	<u>5,331,462</u>	<u>(2,242,858)</u>	<u>8,611,401</u>	<u>(2,381,275)</u>

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DATE: 12/14/12 09:37:40

COLUMBIA GAS OF KENTUCKY, INC.
 INCOME STATEMENT
 FOR THE PERIOD ENDING NOVEMBER 30, 2012

	CR MTH ACTUAL	INC PREV YEAR	YTD ACTUAL	INC PREV YEAR	12 MTHS ACTUAL	INC PREV YEAR
OPERATING REVENUES						
GAS	8,011,825	(661,536)	65,397,005	(19,428,732)	77,903,546	(27,936,900)
TRANSPORTATION	1,950,087	187,765	17,232,071	(142,966)	19,509,828	(596,820)
OTHER OPERATING REVENUES	238,406	(516,446)	3,697,857	(23,170,142)	5,158,919	(24,975,767)
TOTAL OPERATING REVENUES	10,200,318	(990,217)	86,326,933	(42,741,840)	102,572,293	(53,509,487)
OPERATING EXPENSES						
PRODUCTS PURCHASED - NATURAL GAS	4,377,229	(1,319,649)	35,902,828	(41,066,519)	44,783,072	(51,366,867)
OPERATION	3,115,297	842,769	26,951,336	1,057,908	29,898,003	332,642
MAINTENANCE	207,847	31,044	2,616,186	320,233	2,814,168	296,129
DEPRECIATION AND DEPLETION	571,972	41,108	6,099,727	452,042	6,634,985	476,120
OTHER TAXES	252,874	23,697	2,745,670	230,194	3,000,620	243,083
TOTAL OPERATING EXPENSES	8,525,219	(381,031)	74,315,747	(39,006,142)	87,130,848	(50,018,893)
OPERATING INCOME (LOSS)	1,675,099	(609,186)	12,011,186	(3,735,698)	15,441,445	(3,490,594)
OTHER INCOME (DEDUCTIONS)						
INCOME FROM INVESTMENT IN SUBSIDIARY	2,459	294	25,508	(21,263)	28,465	(22,428)
INTEREST INCOME AND OTHER, NET	297,929	137,324	2,271,437	(535,331)	2,456,746	(616,939)
INTEREST EXPENSE & RELATED CHARGES	(395,832)	24,679	(4,318,888)	84,291	(4,726,567)	61,534
TOTAL OTHER INCOME (DEDUCTIONS)	(95,444)	162,297	(2,021,943)	(472,303)	(2,241,356)	(577,833)
INCOME (LOSS) BEFORE INCOME TAXES	1,579,655	(446,889)	9,989,243	(4,208,001)	13,200,089	(4,068,427)
INCOME TAXES	607,797	115,692	3,685,923	(1,402,562)	5,151,269	(1,109,757)
NET INCOME BEFORE EXTRAORDINARY ITEMS	971,858	(562,581)	6,303,320	(2,805,439)	8,048,820	(2,958,670)
EXTRAORDINARY ITEMS						
CUMULATIVE CHANGE IN ACCOUNTING PRINCIPAL						
NET INCOME (LOSS)	971,858	(562,581)	6,303,320	(2,805,439)	8,048,820	(2,958,670)

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DATE: 01/25/13 09:33:56

COLUMBIA GAS OF KENTUCKY, INC.
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2012

	CR MTH ACTUAL	INC PREV YEAR	YTD ACTUAL	INC PREV YEAR	12 MTHS ACTUAL	INC PREV YEAR
OPERATING REVENUES						
GAS	11,965,483	(541,058)	77,362,488	(19,969,790)	77,362,488	(19,969,790)
TRANSPORTATION	2,176,926	(100,831)	19,408,997	(243,797)	19,408,997	(243,797)
OTHER OPERATING REVENUES	616,108	(844,954)	4,313,965	(24,015,096)	4,313,965	(24,015,096)
TOTAL OPERATING REVENUES	<u>14,758,517</u>	<u>(1,486,843)</u>	<u>101,085,450</u>	<u>(44,228,683)</u>	<u>101,085,450</u>	<u>(44,228,683)</u>
OPERATING EXPENSES						
PRODUCTS PURCHASED - NATURAL GAS	7,125,170	(1,755,074)	43,027,998	(42,821,593)	43,027,998	(42,821,593)
OPERATION	2,866,043	(80,624)	29,817,379	977,284	29,817,379	977,284
MAINTENANCE	333,560	135,578	2,949,746	455,811	2,949,746	455,811
DEPRECIATION AND DEPLETION	576,826	41,568	6,676,553	493,610	6,676,553	493,610
OTHER TAXES	167,334	(87,616)	2,913,004	142,578	2,913,004	142,578
TOTAL OPERATING EXPENSES	<u>11,068,933</u>	<u>(1,746,168)</u>	<u>85,384,680</u>	<u>(40,752,310)</u>	<u>85,384,680</u>	<u>(40,752,310)</u>
OPERATING INCOME (LOSS)	3,689,584	259,325	15,700,770	(3,476,373)	15,700,770	(3,476,373)
OTHER INCOME (DEDUCTIONS)						
INCOME FROM INVESTMENT IN SUBSIDIARY	3,092	135	28,600	(21,128)	28,600	(21,128)
INTEREST INCOME AND OTHER, NET	200,146	14,837	2,471,583	(520,494)	2,471,583	(520,494)
INTEREST EXPENSE & RELATED CHARGES	(398,615)	9,064	(4,717,503)	93,355	(4,717,503)	93,355
TOTAL OTHER INCOME (DEDUCTIONS)	<u>(195,377)</u>	<u>24,036</u>	<u>(2,217,320)</u>	<u>(448,267)</u>	<u>(2,217,320)</u>	<u>(448,267)</u>
INCOME (LOSS) BEFORE INCOME TAXES	3,494,207	283,361	13,483,450	(3,924,640)	13,483,450	(3,924,640)
INCOME TAXES	1,281,806	(183,540)	4,967,729	(1,586,102)	4,967,729	(1,586,102)
NET INCOME BEFORE EXTRAORDINARY ITEMS	2,212,401	466,901	8,515,721	(2,338,538)	8,515,721	(2,338,538)
EXTRAORDINARY ITEMS						
CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE						
NET INCOME (LOSS)	<u>2,212,401</u>	<u>466,901</u>	<u>8,515,721</u>	<u>(2,338,538)</u>	<u>8,515,721</u>	<u>(2,338,538)</u>

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DATE: 02/12/13 10:04:31

COLUMBIA GAS OF KENTUCKY, INC.
 INCOME STATEMENT
 FOR THE PERIOD ENDING JANUARY 31, 2013

	CR MTH ACTUAL	INC PREV YEAR	YTD ACTUAL	INC PREV YEAR	12 MTHS ACTUAL	INC PREV YEAR
OPERATING REVENUES						
GAS	13,325,470	(1,359,730)	13,325,470	(1,359,730)	76,002,758	(13,509,175)
TRANSPORTATION	2,613,479	42,492	2,613,479	42,492	19,451,489	(52,254)
OTHER OPERATING REVENUES	2,827,001	1,810,118	2,827,001	1,810,118	6,124,083	(18,827,571)
TOTAL OPERATING REVENUES	18,765,950	492,880	18,765,950	492,880	101,578,330	(32,389,000)
OPERATING EXPENSES						
PRODUCTS PURCHASED - NATURAL GAS	10,486,175	339,187	10,486,175	339,187	43,367,185	(31,627,868)
OPERATION	2,402,663	(936,128)	2,402,663	(936,128)	28,881,251	(560,754)
MAINTENANCE	182,556	25,262	182,556	25,262	2,975,008	449,718
DEPRECIATION AND DEPLETION	574,571	37,120	574,571	37,120	6,713,673	499,478
OTHER TAXES	268,909	14,894	268,909	14,894	2,927,898	138,883
TOTAL OPERATING EXPENSES	13,914,874	(519,665)	13,914,874	(519,665)	84,865,015	(31,100,543)
OPERATING INCOME (LOSS)	4,851,076	1,012,545	4,851,076	1,012,545	16,713,315	(1,288,457)
OTHER INCOME (DEDUCTIONS)						
INCOME FROM INVESTMENT IN SUBSIDIARY	3,666	(527)	3,666	(527)	28,073	(21,027)
INTEREST INCOME AND OTHER, NET	287,283	42,694	287,283	42,694	2,514,277	(395,595)
INTEREST EXPENSE & RELATED CHARGES	(419,418)	(15,647)	(419,418)	(15,647)	(4,733,150)	73,113
TOTAL OTHER INCOME (DEDUCTIONS)	(128,469)	26,520	(128,469)	26,520	(2,190,800)	(343,509)
INCOME (LOSS) BEFORE INCOME TAXES	4,722,607	1,039,065	4,722,607	1,039,065	14,522,515	(1,631,966)
INCOME TAXES	1,825,804	395,182	1,825,804	395,182	5,362,911	(714,934)
NET INCOME BEFORE EXTRAORDINARY ITEMS	2,896,803	643,883	2,896,803	643,883	9,159,604	(917,032)
EXTRAORDINARY ITEMS						
CUMULATIVE CHANGE IN ACCOUNTING PRINCIPL						
NET INCOME (LOSS)	2,896,803	643,883	2,896,803	643,883	9,159,604	(917,032)

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DATE: 03/14/13 09:19:55

COLUMBIA GAS OF KENTUCKY, INC.
INCOME STATEMENT
FOR THE PERIOD ENDING FEBRUARY 28, 2013

	CR MTH ACTUAL	INC PREV YEAR	YTD ACTUAL	INC PREV YEAR	12 MTHS ACTUAL	INC PREV YEAR
OPERATING REVENUES						
GAS	12,136,113	(266,614)	25,461,583	(1,626,344)	75,736,144	(9,937,555)
TRANSPORTATION	2,450,751	120,045	5,064,230	162,537	19,571,534	7,873
OTHER OPERATING REVENUES	2,039,218	1,598,272	4,866,219	3,408,390	7,722,355	(10,555,841)
TOTAL OPERATING REVENUES	16,626,082	1,451,703	35,392,032	1,944,583	103,030,033	(20,485,523)
OPERATING EXPENSES						
PRODUCTS PURCHASED - NATURAL GAS	9,254,453	1,057,542	19,740,628	1,396,729	44,424,727	(20,590,279)
OPERATION	2,694,651	881,211	5,097,314	(54,917)	29,762,462	907,518
MAINTENANCE	159,484	(31,659)	342,040	(6,397)	2,943,349	462,565
DEPRECIATION AND DEPLETION	576,237	39,239	1,150,808	76,359	6,752,912	507,151
OTHER TAXES	271,583	19,012	540,492	33,906	2,946,910	149,950
TOTAL OPERATING EXPENSES	12,956,408	1,965,345	26,871,282	1,445,680	86,830,360	(18,563,095)
OPERATING INCOME (LOSS)	3,669,674	(513,642)	8,520,750	498,903	16,199,673	(1,922,428)
OTHER INCOME (DEDUCTIONS)						
INCOME FROM INVESTMENT IN SUBSIDIARY	3,598	712	7,264	185	28,785	(18,461)
INTEREST INCOME AND OTHER, NET	226,540	23,383	513,823	66,077	2,537,660	(265,544)
INTEREST EXPENSE & RELATED CHARGES	(383,873)	(8,153)	(803,291)	(23,800)	(4,741,303)	72,232
TOTAL OTHER INCOME (DEDUCTIONS)	(153,735)	15,942	(282,204)	42,462	(2,174,858)	(211,773)
INCOME (LOSS) BEFORE INCOME TAXES	3,515,939	(497,700)	8,238,546	541,365	14,024,815	(2,134,201)
INCOME TAXES	1,338,889	(220,616)	3,164,693	174,566	5,142,295	(948,946)
NET INCOME BEFORE EXTRAORDINARY ITEMS	2,177,050	(277,084)	5,073,853	366,799	8,882,520	(1,185,255)
EXTRAORDINARY ITEMS						
CUMULATIVE CHANGE IN ACCOUNTING PRINCIPAL						
NET INCOME (LOSS)	2,177,050	(277,084)	5,073,853	366,799	8,882,520	(1,185,255)

REPORT ID: INC FORMAT ID: INC

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**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

233. Reference testimony of Katko, Schedule C-2.2A & 2.2B, Sheets 1 of 2 which shows property Tax Expenses for the Forecasted Period are increasing 19.9% due to an increased level of Property including Storage Gas. Please provide all work papers, source documents and underlying data used in the development of both forecast and base period property taxes and actual booked charges for the years 2009, 2010, 2011 and 2012.

Response:

Please refer to Workpaper WPD-2.4I in Columbia's application for a calculation of property tax expense for the forecasted test period. This workpaper provides support for an adjustment included on Schedule D-2.4; however, the only difference between the calculation shown and the unadjusted forecasted test period property tax expense included on Schedule C-2.2 is an update to Gas Storage to reflect the amount included in Columbia's application. A similar workpaper for the base period was not developed.

The primary driver of property tax expense increases for Columbia is an increased capital expenditure program due in large part to the Accelerated Main Replacement Program.

Please refer to the response to AG Set 1 No. 212 for actual booked property tax expense for the years 2009 through 2012.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 234
Respondent: S. Mark Katko and Susanne M. Taylor

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

234. Reference testimony of Katko, Schedule D-2.2 Sheet 2 of 3. Please provide all work papers, source documents and underlying data used in the development of both forecast and base period management fees and actual booked charges for the years 2009, 2010, 2011 and 2012.

Response:

Please refer to Attachment A hereto for work documents used in the development of base period management fees of \$12,352,361 and forecasted test period management fees of \$12,733,636. Also, please refer to Attachment B hereto for actual management fees booked by Columbia for the years 2009, 2010, 2011, and 2012.

CKY

Management Fee - Base Period

Base Period	2012				2013								Total
	Sept actual	Oct actual	Nov actual	Dec actual	Jan actual	Feb actual	Mar	Apr	May	Jun	Jul	Aug	
Gross O&M	1,120,668	1,082,388	1,454,302	1,178,312	1,083,933	1,209,222	1,234,098	1,215,289	1,203,410	1,241,260	1,213,919	1,213,262	14,450,063
2&1 Budget Adjustment							57,758						57,758
Gross 426 (a)	(181)	(5,000)	(314)	(2,216)	-	-	-	-	-	-	-	-	(7,711)
Total Gross	1,120,487	1,077,388	1,453,988	1,176,096	1,083,933	1,209,222	1,291,856	1,215,289	1,203,410	1,241,260	1,213,919	1,213,262	14,500,110
Balance Sheet Transfers	(146,495)	(139,532)	(197,684)	(196,589)	(157,028)	(176,881)	(191,074)	(188,162)	(186,323)	(192,183)	(187,950)	(187,848)	(2,147,749)
Net Management Fee	973,992	937,856	1,256,304	979,507	926,905	1,032,341	1,100,782	1,027,127	1,017,087	1,049,077	1,025,969	1,025,414	12,352,361

Forecasted Period	2014												Total
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
Gross O&M	1,207,858	1,241,415	1,256,278	1,228,747	1,228,066	1,267,186	1,246,844	1,262,129	1,272,923	1,246,747	1,300,145	1,298,549	15,056,887
Gross 426 (a)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Gross	1,207,858	1,241,415	1,256,278	1,228,747	1,228,066	1,267,186	1,246,844	1,262,129	1,272,923	1,246,747	1,300,145	1,298,549	15,056,887
Balance Sheet Transfers	(186,370)	(191,548)	(193,841)	(189,594)	(189,488)	(195,525)	(192,386)	(194,744)	(196,410)	(192,371)	(200,610)	(200,364)	(2,323,251)
Net Management Fee	1,021,488	1,049,867	1,062,437	1,039,153	1,038,578	1,071,661	1,054,458	1,067,385	1,076,513	1,054,376	1,099,535	1,098,185	12,733,636

(a) Not included in base period for rate base filing since it is on a regulatory, not GAAP, basis.

	CKY Management Fee - Base Period			Forecasted Test Period
	September 2012 - August 2013			
	Actual	Forecast	Grand Total	
Labor	2,159,511	2,291,429	4,450,940	4,637,114
Operating Materials	53,992	66,030	120,022	299,089
Non Operating Materials	87,155	87,546	174,701	
Outside Services	666,880	762,720	1,429,601	1,511,811
IBM Services	1,887,726	1,814,092	3,701,818	3,653,297
Employee Expenses	178,478	280,218	458,696	582,021
Uncollectible	(1,106)		(1,106)	-
Clearing - Vehicle Maint	443	434	877	867
Dues and Donations	22,540	29,338	51,879	58,807
Other	73,644	64,808	138,452	136,614
Purchased Power, Gas & Fuel - Equipment	4,528		4,528	-
Utilities	20,330	23,386	43,716	45,266
Insurance	19,001	18,529	37,530	37,531
Capital Work in Progress	(3,374)	(12,782)	(16,156)	-
Maintenance	121,093	127,175	248,268	357,972
Employee Benefits	1,076,618	880,699	1,957,316	1,899,640
Stock Compensation	141,945	172,305	314,250	346,919
Rents & Leases	256,831	255,814	512,645	553,917
Interest Expense	40,490	37,601	78,091	30,941
Depreciation	186,639	209,294	395,933	460,163
Taxes	135,460	212,603	348,063	444,918
Grand Total	7,128,825	7,321,238	14,450,063	15,056,887

Columbia Gas of Kentucky Management Fee

	2009	2010	2011	2012
Labor	3,029,820	3,317,612	3,656,694	4,042,036
Operating Materials	22,843	60,813	77,825	97,440
Non Operating Materials	130,056	142,635	135,901	127,723
Outside Services	939,137	1,183,482	1,438,216	1,266,907
Outsourced Services	3,440,448	3,775,656	3,685,335	3,659,749
Employee Expenses	146,036	220,740	308,499	328,606
Uncollectible			17,888	(1,106)
Clearing	1,133	1,090	723	740
Dues & Donations	50,505	34,731	56,423	42,564
Other	80,631	156,895	120,845	112,613
Purchased Power, Gas & Fuel		931	173	12,033
Utilities	52,721	62,459	45,852	45,669
Insurance	33,001	34,742	30,602	37,068
Capitla Work in Progress		(300)	(5,250)	(20,613)
Maintenance	163,812	196,053	222,807	239,137
Employee Benefits	1,734,841	1,883,768	2,117,377	1,868,397
Stock Comp	162,479	196,540	227,209	298,720
Rents & Leases	409,802	438,918	481,580	527,899
Interest Expense	115,068	80,897	86,757	102,973
Accretion Expense	766	876	72	
Depreciation	178,985	194,430	286,590	343,925
Taxes	450,632	319,317	456,976	316,680
Grand Total	11,142,715	12,302,287	13,449,094	13,449,161

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

235. Reference testimony of Katko, Schedule D-2.2 Sheet 2 of 3 from witness Katko (on page 73 of Volume #8). Please provide all work papers, source documents and underlying data used in the development of both forecast and base period uncollectible accounts expenses and actual booked charges for the years 2009, 2010, 2011 and 2012.

Response:

Please refer to Attachment A of this response for the calculation of uncollectible expense for low pressure residential, commercial, and industrial accounts for the years 2009 through 2012. Actual normal expense for each year is summarized in the table below.

Year	Amount
2009	\$ 1,440,000
2010	\$ 33,000
2011	\$ 703,000
2012	\$ 122,000

In addition, Attachment A provides the calculation of the 2013 net charge-off factor which was used to calculate low pressure uncollectible accounts expense for the adjusted forecasted test period. A calculation is not available specifically for the base period.

Uncollectible expense for high pressure commercial and industrial accounts for the years 2009, 2010, 2011 and 2012 is:

Year	Amount*
2009	\$ 17,227
2010	\$ (4,047)
2011	\$ (8,104)
2012	\$ (4,931)

*credit amounts indicate that a prior reserve was reversed due to a subsequent customer payment.

Uncollectible expense for high pressure commercial and industrial accounts is determined based on a review of each specific high pressure commercial and industrial account by representatives from Finance, Revenue Recovery and Gas Transportation. Please refer to Attachment B of this response for documentation of the review.

For the adjusted forecasted test period, high pressure uncollectible accounts expense was calculated based on a five-year historic trend of actual activity for the years 2008 through 2012.

2013 NET CHARGE-OFF FACTOR USED TO CALCULATE ADJUSTED FORECASTED TEST PERIOD EXPENSE

	(000's)
RESIDENTIAL BILLED SALES - SEP,2012 THROUGH AUG,2013	\$ 62,590
PLUS UNBILLED RESIDENTIAL SALES AUG,2013	\$ 1,943
LESS UNBILLED RESIDENTIAL SALES AUG,2012	\$ (1,963)
TOTAL	\$ 62,570
 NET CHARGED-OFF 12 MONTHS ENDED DEC,2013	 \$ 356
% OF SALES	0.00568963

UNCOLLECTIBLE ACCRUAL AND EXPENSE FOR 2012

	(000's)
RESIDENTIAL BILLED SALES - SEP,2011 THROUGH AUG,2012	\$ 64,609
PLUS UNBILLED RESIDENTIAL SALES AUG,2012	\$ 1,963
LESS UNBILLED RESIDENTIAL SALES AUG,2011	\$ (1,989)
TOTAL	\$ 64,583

NET CHARGED-OFF 12 MONTHS ENDED DEC,2012	\$ 227
% OF SALES	0.00351486

RESIDENTIAL BILLED SALES - SEP THROUGH DEC,2012	\$ 17,271
PLUS UNBILLED RESIDENTIAL SALES DEC,2012	\$ 6,468
LESS UNBILLED RESIDENTIAL SALES AUG,2012	\$ (1,963)
SUB TOTAL	\$ 21,776

% OF SALES CALCULATION 0.00351486

Desired Balance 12/31/2012	\$ 77
LESS RESERVE BALANCE 1/1/2012	\$ 182
PLUS 2012 NET CHARGE-OFF	\$ 227
 CALCULATED ACCRUAL FOR 2012	 <u>\$ 122</u>

UNCOLLECTIBLE ACCRUAL AND EXPENSE FOR 2011

RESIDENTIAL BILLED SALES - SEP, 2010 THROUGH AUG,2011	\$ 81,718
PLUS UNBILLED RESIDENTIAL SALES AUG,2011	\$ 1,989
LESS UNBILLED RESIDENTIAL SALES AUG,2010	\$ (1,993)
TOTAL	\$ 81,714

NET CHARGED-OFF 12 MONTHS ENDED DEC,2011	\$ 630
% OF SALES	0.00770982

RESIDENTIAL BILLED SALES - SEP THROUGH DEC,2011	\$ 18,938
PLUS UNBILLED RESIDENTIAL SALES DEC,2011	\$ 6,651
LESS UNBILLED RESIDENTIAL SALES AUG,2011	\$ (1,989)
SUB TOTAL	\$ 23,600

% OF SALES CALCULATION 0.00770982

Desired Balance 12/31/2011	\$ 182
LESS RESERVE BALANCE 1/1/2011	\$ 109
PLUS 2011 NET CHARGE-OFF	\$ 630
 CALCULATED ACCRUAL FOR 2011	 <u>\$ 703</u>

UNCOLLECTIBLE ACCRUAL AND EXPENSE FOR 2010

RESIDENTIAL BILLED SALES - SEP,2009 THROUGH AUG,2010	\$ 67,187
PLUS UNBILLED RESIDENTIAL SALES AUG,2010	\$ 1,993
LESS UNBILLED RESIDENTIAL SALES AUG,2009	<u>\$ (1,752)</u>
TOTAL	\$ 67,428

NET CHARGED-OFF 12 MONTHS ENDED DEC,2010 \$ 245

% OF SALES 0.00363351

RESIDENTIAL BILLED SALES - SEP THROUGH DEC,2010	\$ 22,165
PLUS UNBILLED RESIDENTIAL SALES DEC,2010	\$ 9,898
LESS UNBILLED RESIDENTIAL SALES AUG,2010	<u>\$ (1,993)</u>
SUB TOTAL	\$ 30,070

% OF SALES CALCULATION 0.00363351

Desired Balance 12/31/2010 \$ 109

LESS RESERVE BALANCE 1/1/2010	\$ 321
PLUS 2010 NET CHARGE-OFF	<u>\$ 245</u>

CALCULATED ACCRUAL FOR 2010 \$ 33

UNCOLLECTIBLE ACCRUAL AND EXPENSE FOR 2009

RESIDENTIAL BILLED SALES - SEP,2008 THROUGH AUG,2009	\$ 114,646
PLUS UNBILLED RESIDENTIAL SALES AUG,2009	\$ 1,752
LESS UNBILLED RESIDENTIAL SALES AUG,2008	<u>\$ (2,163)</u>
TOTAL	\$ 114,235

NET CHARGED-OFF 12 MONTHS ENDED DEC,2009 \$ 1,738

% OF SALES 0.01521425

RESIDENTIAL BILLED SALES - SEP THROUGH DEC,2009	\$ 15,893
PLUS UNBILLED RESIDENTIAL SALES DEC,2009	\$ 6,984
LESS UNBILLED RESIDENTIAL SALES AUG,2009	<u>\$ (1,752)</u>
SUB TOTAL	\$ 21,125

% OF SALES CALCULATION 0.01521425

Desired Balance 12/31/2009 \$ 321

LESS RESERVE BALANCE 1/1/2009	\$ 619
PLUS 2010 NET CHARGE-OFF	<u>\$ 1,738</u>

CALCULATED ACCRUAL FOR 2009 \$ 1,440

Year	Month	Amount	Reference	
2009	June Uncollectible Meeting	\$ 7,571.18	A	
	October Uncollectible Meeting	\$ 17,294.51	B	
	November Uncollectible Meeting	\$ (7,639.12)	C	
2009 Total				\$ 17,226.57
2010	January Uncollectible Meeting	\$ 3,805.30	D	
	February Uncollectible Meeting	\$ (13,316.54)	E	
	September Uncollectible Meeting	\$ 10,305.94	F	
	October Uncollectible Meeting	\$ 5,682.77	G	
	November Uncollectible Meeting	\$ (10,524.80)	H	
2010 Total				\$ (4,047.33)
2011	March Uncollectible Meeting	\$ (7,352.32)	I	
	April Uncollectible Meeting	\$ (5,682.77)	J	
	July Uncollectible Meeting	\$ 8,001.03	K	
	August Uncollectible Meeting	\$ (8,001.03)	L	
	September Uncollectible Meeting	\$ 6,100.22	M	
	October Uncollectible Meeting	\$ (1,391.81)	N	
	November Uncollectible Meeting	\$ 222.20	O	
2011 Total				\$ (8,104.48)
2012	January Uncollectible Meeting	\$ (4,930.61)	P	
	April Uncollectible Meeting	\$ 11,948.33	Q	
	May Uncollectible Meeting	\$ 9,005.90	R	
	June Uncollectible Meeting	\$ (20,954.23)	S	
	September Uncollectible Meeting	\$ 6,397.31	T	
	October Uncollectible Meeting	\$ (3,242.74)	U	
	November Uncollectible Meeting	\$ (3,154.57)	V	
2012 Total				\$ (4,930.61)



Intercompany Communication

Date: June 30, 2009
Subject: Minutes from Jun 2009
Uncollectible Meeting
To: Cindy Huddle
Deanna Carter
Sheri Leastman
Brian Elliott

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On Tuesday, June 30, 2009, the June 2009 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's balance was reserved due to non payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
AS-America	\$0.00	7,571.18	0.00	7,571.18	7,571.18

If you need any additional information, please feel free to contact me at 460-6453.

Approved by:

Robert Kriner, EDE Controller

A



Intercompany Communication

Date: October 28, 2009
Subject: Minutes from October 2009
 Uncollectible Meeting
To: Cindy Huddle
 Deanna Carter
 Sheri Leastman

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On Wednesday October 28, 2009, the October 2009 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's balance was reserved due to company being out of business:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
RJ Ind	\$0.00	112.56	0.00	112.56	112.56

The following GMB customer's balance was reserved due to non pay:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
VA West	\$0.00	17,181.95	0.00	17,181.95	17,181.95

Note 13:

VA West Customer has been placed on payment plan however, revenue recovery is not sure if customer will follow through with commitment. Customer has not paid as agreed at this time. Term letter to be sent.

Approved by:

 Robert Kriner, EDE Controller

B



Intercompany Communication

Date: November 30, 2009
Subject: Minutes from November 2009
Uncollectible Meeting
To: Cindy Huddle
Deanna Carter
Sheri Leastman
Brian Elliott

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On Monday November 30, 2009, the November 2009 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's reserve was adjusted due to payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
VA West	\$17,181.95	(7,639.12)	0.00	9,542.83	(7,639.12)

Approved by:

Robert Kriner, EDE Controller

C



Intercompany Communication

Date: January 31, 2010
Subject: Minutes from January 2010
Uncollectible Meeting
To: Cindy Huddle
Deanna Carter
Sheri Leastman
Brian Elliott

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On Friday January 29, 2010, the January 2010 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customers' reserves were adjusted due to non payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
RJ Industries	\$112.58	31.59	0.00	144.15	31.59
VA West	\$9,542.83	3,773.71	0.00	13,316.54	3,773.71

Approved by:

Robert Kriner, EDE Controller

D



Intercompany Communication

Date: February 28, 2010
Subject: Minutes from February 2010
Uncollectible Meeting
To: Cindy Huddle
Deanna Carter
Sheri Leastman
Brian Elliott

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On Friday February 28, 2010, the February 2010 Uncollectible Meeting was held and the following recommendations were made:

{Positive = Hurt, Negative = Help}

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's reserve was reversed due to payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
VA West	\$13,316.54	(13,316.54)	0.00	0.00	(13,316.54)

Approved by:

Robert Kriner, EDE Controller

E



Intercompany Communication

Date: October 4, 2010
 Subject: Minutes from September 2010 Uncollectible Meeting
 To: Deanna Carter
 Brian Elliott
 Cindy Huddle
 June Konold
 Bob Kriner
 Sherry Leasiman
 Colleen Schenz
 From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On September 30, 2010, the September 2010 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer was reserved due to non-payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
People's Gas Inc.	\$0.00	10,524.80	0.00	10,524.80	10,524.80

The following GMB customer's reserve was decreased due to payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
A-S America	\$7,571.18	(218.88)	0.00	7,352.32	(218.88)

Note 13: People's Gas Inc Customer is disputing current bill and refusing to pay based on the meter readings for the customer.

Approved by:

Robert Kriner, EDE Controller

F



Intercompany Communication

Date: November 2, 2010
 Subject: Minutes from October 2010
 Uncollectible Meeting
 To: Deanna Carter
 Brian Elliott
 Cindy Huddle
 June Konold
 Bob Kriner
 Sherry Leasiman
 Colleen Sohenz
 From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On October 28, 2010, the October 2010 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer was reserved due to non-payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
VA West Chase	\$0.00	5,682.77	0.00	5,682.77	5,682.77

Note 13: VA West Chase Customer has not been responding to termination notices. The revenue recovery team believes this customer is out of business and requested the customer be reserved for doubt of collection on arrearages.

Approved by:

Robert Kriner, EDE Controller

G



Intercompany Communication

Date: December 2, 2010
Subject: Minutes from November 2010
Uncollectible Meeting
To: Dearna Carter
Brian Elliott
Cindy Huddle
Jana Konold
Bob Kriner
Sherry Leestman
Colleen Schenz
From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (90 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On November 29, 2010, the November 2010 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's reserve was reversed due to payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
People's Gas Inc.	\$10,524.80	(10,524.80)	0.00	0.00	(10,524.80)

Approved by:

Robert Kriner, EDE Controller

H



Intercompany Communication

Date: April 1, 2011
Subject: Minutes from March 2011
Uncollectible Meeting
To: Deanna Carter
Brian Elliott
Cindy Huddle
June Konold
Bob Kriner
Shery Leasman
Colleen Scherz
From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On March 25, 2011, the March 2011 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's reserve was reversed due to payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
A-S America	\$7,352.32	(7,352.32)	0.00	0.00	(7,352.32)

Approved by:

Robert Kriner, EDE Controller

I



Intercompany Communication

Date: May 2, 2011
Subject: Minutes from April 2011
Uncollectible Meeting
To: Deanna Carter
Brien Elliott
Cindy Huddle
June Kanold
Bob Kriner
Sherry Laastrman
Colleen Schenz
From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that may be deemed uncollectible.

On April 29, 2011, the April 2011 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's reserve was reversed due to payment:

	<u>Prior Reserve Bal</u>	<u>Curr Reserve Adj</u>	<u>Write-off</u>	<u>New Reserve Bal</u>	<u>Income Impact</u>
VA West Chase	\$5,682.77	(5,682.77)	0.00	0.00	(5,682.77)

Approved by:

Robert Kriner, EDE Controller

J



Intercompany Communication

Date: August 2, 2011
Subject: Minutes from July 2011
Uncollectible Meeting
To: Deanna Carter
Brian Elliott
Cindy Huddle
Judy Konold
Bob Kriner
Sherry Leestman
Colleen Schenz
From: Jeremy Wenlworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (90 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that July be deemed uncollectible.

On July 28, 2011, the July 2011 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer was reserved due to non-payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
Lex-Fay Urban	\$0.00	8,001.03	0.00	8,001.03	8,001.03

Approved by:

Robert Kriner, EDE Controller

K



Intercompany Communication

Date: September 2, 2011
Subject: Minutes from August 2011
Uncollectible Meeting
To: Deanna Carter
Brian Elliott
Cindy Huddie
Jana Konold
Bob Kriner
Sherry Loestman
Colleen Schenz
Stan Segun
From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for those delinquent customers that August be deemed uncollectible.

On August 30, 2011, the August 2011 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer was reversed due to payment:

	Prior Reserve Bal	Curr. Reserve Adj	Write-off	New Reserve Bal	Income Impact
Lax-Fay Urban	\$8,001.03	(8,001.03)	0.00	0.00	(8,001.03)

Approved by:

Robert Kriner, EDE Controller

L



Intercompany Communication

Date: October 4, 2011
Subject: Minutes from September 2011
Uncollectible Meeting
To: Deanna Carter
Brian Elliott
Cindy Huddle
Jana Konold
Bob Kriner
Sherry Leasman
Colleen Schenz
Stan Segun
From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that September be deemed uncollectible.

On September 30, 2011, the September 2011 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer was reserved due to non-payment:

Kentucky Dept of Parks

<u>Prior Reserve Bal</u>	<u>Curr Reserve Adj</u>	<u>Write-off</u>	<u>New Reserve Bal</u>	<u>Income Impact</u>
\$0.00	6,100.22	0.00	6,100.22	6,100.22

Approved by:

Robert Kriner, EDE Controller

M



Intercompany Communication

Date: November 2, 2011
 Subject: Minutes from October 2011
 Uncollectible Meeting
 To: Deanna Carler
 Brian Elliott
 Cindy Huddle
 June Konold
 Bob Kriner
 Sherry Leesman
 Colleen Schenz
 Stan Sagun
 From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that October be deemed uncollectible.

On October 28, 2011, the October 2011 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's reserve was decreased due to payment:

Kentucky Dept of Parks

Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
\$6,100.22	(1,391.81)	0.00	4,708.41	(1,391.81)

The following GMB customer's reserve was depleted due to charge off:

RJ Industries

Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
\$144.15	0.00	144.15	0.00	0.00

Approved by:

June Konold, EDE Assistant Controller

N



Intercompany Communication

Date: December 2, 2011
Subject: Minutes from November 2011
 Uncollectible Meeting
To: Deanne Carlar
 Brian Ellott
 Cindy Huddie
 June Konold
 Bob Krinar
 Sherry Leasman
 Colleen Schenz
 Stan Sagun
From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that were deemed uncollectible.

On November 28, 2011, the November 2011 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's reserve was decreased due to payment:

Kentucky Dept of Parks

Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
\$4,708.41	222.20	0.00	4,930.61	222.20

The following GMB customer's reserve was depleted due to charge off:

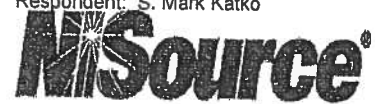
RJ Industries

Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
\$144.15	0.00	144.15	0.00	0.00

Approved by:

 June Konold, EDE Controller





Intercompany Communication

Date: February 2, 2012

Subject: Minutes from January 2012
 Uncollectible Meeting

To: Deanna Carter
 Brian Elliott
 Cindy Huddle
 June Konold
 Bob Krner
 Sherry Leastman
 Colleen Schenz
 Stan Sagun

From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that were deemed uncollectible.

On January 30, 2012, the January 2012 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

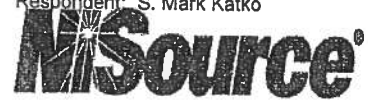
The following GMB customer's reserve was reversed due to payment

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
Kentucky Dept of Parks	\$4,930.61	(4,930.61)	0.00	0.00	(4,930.61)

Approved by:

 June Konold, EDE Controller

P



Intercompany Communication

Date: May 2, 2012
Subject: Minutes from April 2012
Uncollectible Meeting
To: Deanna Carter
Cindy Huddle
June Konold
Sherry Leastman
Colleen Schenz
Carla Rider
Stan Sagun
From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that were deemed uncollectible.

On April 30, 2012, the April 2012 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

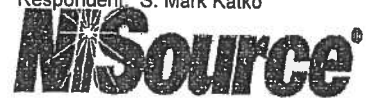
The following GTS customer was reserved due to non-payment

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
University of Kentucky	\$0.00	11,948.33	0.00	11,948.33	11,948.33

Approved by:

June Konold, EDE Controller

Q



Intercompany Communication

Date: June 4, 2012

Subject: Minutes from May 2012
 Uncollectible Meeting

To: Deanna Carter
 Cindy Huddle
 June Konold
 Sherry Leastman
 Colleen Schenz
 Carla Rider
 Stan Sagun
 Linda Moore

From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that were deemed uncollectible.

On May 30, 2012, the May 2012 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GTS customers were reserved due to non-payment

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
Cintas Corporation	\$0.00	7,371.55	0.00	7,371.55	7,371.55
Kuhlmann Electric	\$0.00	13,582.68	0.00	13,582.68	13,582.68

The following GTS customer's reserve was reversed due to payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
University of Kentucky	\$11,948.33	(11,948.33)	0.00	0.00	(11,948.33)

Note 12: Kuhlmann Electric This customer is on a compliance request currently. A final bill notice will be issued and sent out 6/11/12. Revenue Recovery stated that customer has not been receiving bills. Revenue Recovery will be contacting customer regarding this bill soon.

Approved by:

 Linda Moore, EDE Assistant Controller

R



Intercompany Communication

Date: July 5, 2012
Subject: Minutes from June 2012
 Uncollectible Meeting
To: Deanna Carter
 Cindy Huddle
 June Konold
 Sherry Leastman
 Colleen Schenz
 Carla Rider
 Stan Sagun
 Linda Moore
From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that were deemed uncollectible.

On June 28, 2012, the June 2012 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

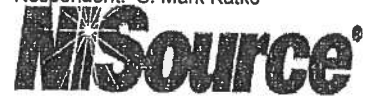
The following GTS customers' reserves were reversed due to payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
Cintas Corporation	\$7,371.55	(7,371.55)	0.00	0.00	(7,371.55)
Kuhlmann Electric	\$13,582.68	(13,582.68)	0.00	0.00	(13,582.68)

Approved by:

 Linda Moore, EDE Assistant Controller

S



Intercompany Communication

Date: October 5, 2012

Subject: Minutes from September 2012
 Uncollectible Meeting

To: Deanna Carter
 Cindy Huddle
 June Konold
 Sherry Leastman
 Colleen Schenz
 Carla Rider
 Stan Sagun
 Linda Moore

From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that were deemed uncollectible.

On October 1, 2012, the September 2012 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customers were reserved due to non-payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
Cintas Corp	\$0.00	3,164.67	0.00	3,164.67	3,164.67
Marriott Hotels	\$0.00	3,242.74	0.00	3,242.74	3,242.74

Approved by:

 Linda Moore, EDE Assistant Controller

T



Intercompany Communication

Date: November 6, 2012

Subject: Minutes from October 2012
Uncollectible Meeting

To: Deanna Carter
Cindy Huddle
June Konold
Sherry Leestman
Colleen Schenz
Carla Rider
Stan Sagun
Linda Moore

From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that were deemed uncollectible.

On November 1, 2012, the October 2012 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's reserve was reversed due to payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
Cintas Corp	\$3,242.74	(3,242.74)	0.00	0.00	(3,242.74)

Approved by:

Linda Moore, EDE Assistant Controller

u



Intercompany Communication

Date: December 7, 2012

Subject: Minutes from November 2012
Uncollectible Meeting

To: Deanna Carter
Cindy Huddle
June Konold
Sherry Leastman
Colleen Schenz
Carla Rider
Stan Sagun
Linda Moore

From: Jeremy Wentworth

Background: On a monthly basis, a meeting is held with Columbia & Bay State representatives from the Finance, Revenue Recovery & Gas Transportation (GTS) Departments to discuss the delinquency status (60 days or older) of Large Volume GMB and GTS customers. At that time, recommendations from Revenue Recovery and GTS are made to Finance to establish a reserve and/or write-off the balances for these delinquent customers that were deemed uncollectible.

On November 30, 2012, the November 2012 Uncollectible Meeting was held and the following recommendations were made:

(Positive = Hurt, Negative = Help)

Columbia Gas of Kentucky, Inc (CKY)

The following GMB customer's reserve was reversed due to payment:

	Prior Reserve Bal	Curr Reserve Adj	Write-off	New Reserve Bal	Income Impact
Marriott Hotels	\$3,154.57	(3,154.57)	0.00	-0.00	(3,154.57)

Approved by:

Linda Moore, EDE Assistant Controller

✓

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 236
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

236. Please provide Average-Aged Trial Balances for 2010, 2011 & 2012 and the first 5 months of 2013.

Response:

Columbia requests clarification regarding this request. It is not familiar with the term average-aged trial balance.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 237
Respondent: S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

237. Reference testimony of Katko, page 10. Mr. Katko states that uncollectible accounts expense is based on the latest estimate of net charge-offs as a percentage of residential revenue. For the period 2008-June 2013, please provide monthly net charge-offs and residential revenues booked by the Company.

Response:

Please see Attachment A hereto for the monthly net charge-offs for low pressure residential, commercial and industrial accounts and residential revenues for the period 2008 to July 2013.

Columbus Gas of Kentucky, Inc.
Case No. 2013-00167
Net Charge Offs and Residential Revenues

PSC Case No. 2013-00167
AG Set 1 DR No. 237
Attachment A
Page 1 of 2
Respondent: S. Mark Katko

	Net Charge offs*	Billed Residential Revenue	Unbilled Residential Revenue**
2008			
JANUARY	\$ (22,270.25)	\$ 19,230,094.30	\$ 10,762,000.00
FEBRUARY	\$ 7,861.31	\$ 19,639,253.27	\$ 9,564,000.00
MARCH	\$ 62,770.98	\$ 17,110,147.13	\$ 7,317,000.00
APRIL	\$ 151,427.09	\$ 10,403,167.21	\$ 3,983,000.00
MAY	\$ 226,792.65	\$ 5,242,638.04	\$ 2,780,000.00
JUNE	\$ 419,859.86	\$ 3,806,856.95	\$ 2,056,000.00
JULY	\$ 317,273.92	\$ 2,871,832.01	\$ 2,097,000.00
AUGUST	\$ 270,195.66	\$ 2,769,462.99	\$ 2,163,000.00
SEPTEMBER	\$ 182,753.52	\$ 2,796,702.12	\$ 2,141,000.00
OCTOBER	\$ 57,207.00	\$ 3,300,130.02	\$ 5,934,000.00
NOVEMBER	\$ (143,781.13)	\$ 8,840,123.48	\$ 11,837,000.00
DECEMBER	\$ (17,824.16)	\$ 19,179,685.46	\$ 12,718,000.00
2009			
JANUARY	\$ (8,627.44)	\$ 23,005,163.70	\$ 14,817,000.00
FEBRUARY	\$ 19,684.92	\$ 23,166,606.38	\$ 10,475,000.00
MARCH	\$ 101,351.55	\$ 13,765,686.53	\$ 5,791,000.00
APRIL	\$ 201,985.60	\$ 9,114,348.29	\$ 3,449,000.00
MAY	\$ 379,359.32	\$ 4,736,460.81	\$ 2,197,000.00
JUNE	\$ 378,068.51	\$ 2,658,929.40	\$ 1,677,000.00
JULY	\$ 450,926.86	\$ 2,674,690.73	\$ 1,678,000.00
AUGUST	\$ 341,155.89	\$ 1,410,731.96	\$ 1,752,000.00
SEPTEMBER	\$ 168,629.27	\$ 1,646,076.90	\$ 1,733,000.00
OCTOBER	\$ (96,557.91)	\$ 2,203,223.78	\$ 2,977,000.00
NOVEMBER	\$ (70,762.52)	\$ 4,230,758.93	\$ 4,530,000.00
DECEMBER	\$ (127,304.61)	\$ 7,812,639.23	\$ 6,984,000.00
2010			
JANUARY	\$ (50,732.37)	\$ 11,943,744.64	\$ 7,124,000.00
FEBRUARY	\$ (24,248.07)	\$ 11,098,528.59	\$ 6,453,000.00
MARCH	\$ (5,286.62)	\$ 11,898,213.01	\$ 5,079,000.00
APRIL	\$ 26,645.92	\$ 5,997,233.84	\$ 3,072,000.00
MAY	\$ 139,794.52	\$ 3,459,110.69	\$ 2,303,000.00
JUNE	\$ 184,227.86	\$ 2,433,890.47	\$ 1,968,000.00
JULY	\$ 150,641.08	\$ 2,241,462.28	\$ 1,965,000.00
AUGUST	\$ 95,510.43	\$ 2,223,308.89	\$ 1,993,000.00
SEPTEMBER	\$ (101,962.47)	\$ 2,404,432.90	\$ 2,298,000.00
OCTOBER	\$ (1,748.45)	\$ 2,897,544.21	\$ 3,542,000.00
NOVEMBER	\$ (124,164.56)	\$ 4,998,923.09	\$ 6,154,000.00
DECEMBER	\$ (44,238.03)	\$ 11,863,918.67	\$ 9,898,000.00
2011			
JANUARY	\$ 1,950.80	\$ 17,044,374.99	\$ 9,254,000.00
FEBRUARY	\$ (49,692.38)	\$ 14,861,233.74	\$ 6,507,000.00
MARCH	\$ (15,747.82)	\$ 9,214,177.67	\$ 5,214,000.00
APRIL	\$ 80,493.28	\$ 6,800,071.17	\$ 2,892,000.00
MAY	\$ 202,238.37	\$ 3,975,738.10	\$ 2,523,000.00
JUNE	\$ 203,629.34	\$ 2,880,639.80	\$ 2,089,000.00
JULY	\$ 154,110.31	\$ 2,452,345.77	\$ 2,079,000.00
AUGUST	\$ 152,468.39	\$ 2,324,966.45	\$ 1,989,000.00
SEPTEMBER	\$ 50,724.16	\$ 2,451,719.79	\$ 2,312,000.00
OCTOBER	\$ (32,340.52)	\$ 3,001,734.02	\$ 3,773,000.00
NOVEMBER	\$ (98,014.07)	\$ 5,266,529.84	\$ 5,213,000.00
DECEMBER	\$ (18,578.35)	\$ 8,218,344.36	\$ 6,651,000.00

Columbus Gas of Kentucky, Inc.
Case No. 2013-00167
Net Charge Offs and Residential Revenues

PSC Case No. 2013-00167
AG Set 1 DR No. 237
Attachment A
Page 2 of 2
Respondent: S. Mark Katko

	Net Charge offs*	Billed Residential Revenue	Unbilled Residential Revenue**
2012			
JANUARY	\$ (17,921.44)	\$ 11,466,195.84	\$ 6,745,000.00
FEBRUARY	\$ (6,816.67)	\$ 10,737,342.66	\$ 5,885,000.00
MARCH	\$ 17,192.49	\$ 8,518,758.02	\$ 3,590,000.00
APRIL	\$ 46,901.05	\$ 4,527,918.58	\$ 2,943,000.00
MAY	\$ 51,165.73	\$ 3,496,360.97	\$ 2,180,000.00
JUNE	\$ 91,759.82	\$ 2,404,578.33	\$ 1,985,000.00
JULY	\$ 59,324.46	\$ 2,288,785.62	\$ 1,975,000.00
AUGUST	\$ 40,358.09	\$ 2,229,465.54	\$ 1,963,000.00
SEPTEMBER	\$ 28,130.16	\$ 2,259,478.20	\$ 2,198,000.00
OCTOBER	\$ (13,550.70)	\$ 2,700,205.27	\$ 3,256,000.00
NOVEMBER	\$ (46,352.69)	\$ 4,736,274.27	\$ 4,940,000.00
DECEMBER	\$ (20,966.18)	\$ 7,575,734.18	\$ 6,468,000.00
2013			
JANUARY	\$ (9,447.18)	\$ 10,563,346.44	\$ 6,458,000.00
FEBRUARY	\$ (4,031.95)	\$ 10,231,219.27	\$ 5,631,000.00
MARCH	\$ 12,433.24	\$ 9,136,803.62	\$ 4,764,000.00
APRIL	\$ 23,845.94	\$ 6,792,842.30	\$ 2,821,000.00
MAY	\$ 67,103.72	\$ 3,451,056.83	\$ 2,285,000.00
JUNE	\$ 80,172.26	\$ 2,834,062.75	\$ 2,174,000.00

*Excludes high pressure Industrial and commercial net charge offs

**Represents the gross unbilled for the month. Each month the prior month unbilled will reverse.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

238. Reference testimony of Katko. Please provide all work papers, source documents and underlying data to attachment SMK-1 Page 1 with respect to Deferred Credit Expenses for the forecasted and base periods and actual booked charges for the years 2009, 2010, 2011 and 2012.

Response:

Please see the table below for a breakdown of activity for Deferred Credits Expenses for 2009, 2010, 2011, 2012, the base period, and the forecasted test period.

Deferred Credits						
					Forecasted	
	2009	2010	2011	2012	Base	Test
	\$	\$	\$	\$	Period	Period
	\$	\$	\$	\$	\$	\$
Energy Efficiency/Conservation Program						
Materials & Supplies	-	540	5,959	-	10,414	5,150
Consulting Fees	-	-	-	19,249	-	-
Other Outside Services	-	141,976	800,101	956,757	1,183,726	837,390
Advertising	-	77,497	135,476	106,601	149,256	92,700
Deferred Credits	-	(220,013)	(941,536)	(1,082,607)	(1,343,396)	(935,240)
Net O&M Expense	-	-	-	-	-	-
Energy Assistance Program						
Other Outside Services	55,584	50,168	90,936	83,194	81,268	50,000
Deferred Credits	(55,584)	(50,168)	(90,936)	(83,194)	(81,268)	(50,000)
Net O&M Expense	-	-	-	-	-	-
Regulatory/External Affairs						
Consulting Fees	-	-	-	-	18,500	-
Other Outside Services	-	-	-	-	15,000	-
Deferred Credits	-	-	-	-	(98,500)	-
Net O&M Expense	-	-	-	-	(65,000)	-
Total Deferrable Expenses	55,584	270,181	1,032,472	1,165,801	1,458,164	985,240
Total Deferred Credits	(55,584)	(270,181)	(1,032,472)	(1,165,801)	(1,523,164)	(985,240)
Difference	-	-	-	-	(65,000)	-

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

239. Reference testimony of Katko, Schedule F-6 Page 1 of 1. Please provide all work papers, source documents and underlying data to attachment SMK-1 Page 1 with respect to Public Awareness/Pipeline Safety Expenses for the forecasted and base periods and actual booked charges for the years 2009, 2010, 2011 and 2012.

Response:

Below are the public awareness expenses for the requested periods. The amounts for 2009 through 2012 were billed to Columbia from NiSource Corporate Services Company (NCSC). The amounts for the base period and forecasted test period include amounts billed by NCSC and expenses incurred directly by Columbia.

2009	\$44,362
2010	\$75,913
2011	\$63,652
2012	\$79,056

Base Period	\$105,920
Forecasted Test Period	\$211,841

Attachment A is a copy of Columbia's approved Public Awareness Plan. Attachment B is Columbia's 2013 Public Awareness Workplan. As outlined in Columbia's response to AG Data Request Set One No. 064, Columbia is undertaking an accelerated effort to further reduce third party excavation damages recognized as a top risk in our Distribution Integrity Management Program (DIMP). Columbia is targeting an additional \$150,000 to increase public awareness through increased public safety messaging on damage prevention.

Columbia Gas[®]
of Kentucky

A NiSource Company

Public Awareness Plan

Revised 10-01-2012

Forward

Public awareness and the understanding of pipeline operations are vital to the continued safe operation of pipelines. On December 17, 2002 the President of the United States of America signed into law the Pipeline Safety Improvement Act (PSIA)¹ that required an owner or operator of a gas or hazardous liquid pipeline facility to take action on improving its public education program and allowed the Secretary of the U.S. Department of Transportation to issue standards prescribing the elements of an effective public education program. In response, the Office of Pipeline Safety (OPS) issued an Advisory Bulletin (ADB-03-08) for operators to complete and submit a self-assessment survey of their public education programs. It later promulgated regulations² that revised 49 CFR 192.616 and incorporates by reference the American Petroleum Institute's (API) Recommended Practice (RP) 1162, "Public Awareness Program for Pipeline Operators." The regulation states in part that Columbia Gas of Kentucky, Inc. must develop and implement a written continuing public education program that follows the guidance provided in RP 1162.

Representatives from the NiSource Companies listed below, together with respective trade associations, have developed this Plan. A working group, the NiSource Public Awareness Corporate Advisory Council, was formed in December 2004 with the purpose to foster best practices, economies of scale and consistency, where practical, in Public Awareness Communication efforts across the various operating companies.

Columbia Gas of Massachusetts
Columbia Gas of Kentucky
Columbia Gas of Maryland
Columbia Gas of Pennsylvania
Columbia Gas of Ohio
Columbia Gas of Virginia
NiSource Gas Transmission and Storage
Northern Indiana Energy

¹ Pipeline Safety Improvement Act of 2002, Title 49. Transportation, Subtitle VIII, Pipelines, Chapter 601, Safety, § 60116 Public education programs.

² Final Rule - Pipeline Safety: Pipeline Operator Public Awareness Program (Docket No. RSPA-03-15852), Federal Register Vol. 70 No. 96, Page 28833, May 19, 2005.

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1. Program Objectives

Columbia Gas of Kentucky, Inc., herein referred to as the "**Company**", has continuously striven to educate the general public, public safety agencies, emergency responders and excavators on how to excavate around the **Company's** gas lines and how to respond to possible gas leaks involving natural gas for many years (Federal Pipeline Safety Standards found in 49 CFR 192.614, 192.615, and 192.616).

The purpose of the program is to:

- Enhance public safety by educating Commonwealth of Kentucky residents on the hazards of natural gas, and how to recognize and react to possible leaks in pipelines of all kinds operating in the Commonwealth of Kentucky. This includes natural gas pipelines, and pipelines carrying liquefied natural gas and propane.
- Raise public awareness of the necessity to call Kentucky 811 in their state before digging when doing any kind of excavation work.
- Raise the awareness of the affected public and stakeholder audiences of the presence of buried natural gas pipelines in the communities we serve. A more informed public will also understand that they too have a significant role in helping to prevent third-party damage accidents.
- Help excavators understand the steps that they should take to prevent damage to the pipeline and respond properly if the pipeline is damaged.
- Enhance emergency response coordination by helping emergency response agencies and first responders understand the proper actions to take in response to a pipeline emergency.
- Improve pipeline safety performance.
- Build trust and better relationships with the public along the pipeline route.
- Keep appropriate **Company** personnel, jurisdictional authorities and the public informed about the **Company's** integrity management efforts and the results of its integrity management activities.

2. Glossary of Terms

American Petroleum Institute (API)	Oil and natural gas industry members brought together to influence public policy in support of a strong, viable U.S. oil and natural gas industry essential to meet the energy needs of consumers in an efficient, environmentally responsible manner. API also provides the opportunity for standards development, technical cooperation and other activities to improve the industry's competitiveness through sponsorship of self-supporting programs.
Code of Federal Regulations (CFR)	The codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation.
Common Ground Alliance (CGA)	The Common Ground Alliance (CGA) is a member-driven association dedicated to ensuring public safety, environmental protection, and the integrity of services by promoting effective damage prevention practices.
Continuous Improvement	Continuous means constantly adapting the program by gathering and applying information and by evaluating changes to determine their effectiveness. It includes monitoring incidents, identifying opportunities for improvement, implementing changes, obtaining feedback, analyzing trends, updating records, and conducting management review in an integrated, holistic approach to program enhancement and greater awareness of pipeline safety.
Distribution Lines	A pipeline other than a gathering or transmission pipeline.
Gathering Lines	A gathering line beginning is not beyond the furthestmost downstream point in a production operation, and the endpoint may not extend beyond the first downstream processing plant.
High Consequence Areas (HCA's)	A high consequence area is a location that is specially defined in federal DOT pipeline safety regulations (49 CFR 192.903) as an area where transmission pipeline releases could have greater consequences to health and safety or the environment. Pipeline safety regulations require a pipeline operator to take specific steps to ensure the integrity of a pipeline for which a release could affect an HCA and, thereby, the protection of the HCA.

High Volatile Liquid (HVL)	A highly volatile liquid, as defined in pipeline safety regulations, is a hazardous liquid that will form a vapor cloud when released to the atmosphere and has a vapor pressure exceeding 276kPa (40 psia) at 37.8 degrees C (100 degrees F).
Integrity Management Plan (IMP)	An integrity management program is a documented set of policies, processes, and procedures that are implemented to ensure the integrity of a pipeline, in accordance with 49 CFR 192, Subpart O, "Pipeline Integrity Management."
Integrity Management Program	The overall approach by the Company operator to ensure the integrity of the gas distribution system.
Local Distribution Company (LDC)	The local distribution systems for liquids and natural gas differ because of the nature and use of the products. Typically, liquid petroleum products are distributed by means of tank trucks or rail cars. Local natural gas distribution companies receive natural gas at "city gate stations" and distribute it via underground mains and services located along city streets to end users such as homes and businesses.
Kentucky Gas Association (KGA)	An organization to inform member companies of rules, regulations and accepted practices within the gas industry to promote customer satisfaction, public safety and awareness.
Kentucky 811	The role of Kentucky 811 is to reduce accidents by receiving notifications of proposed excavations, identifying possible conflicts with nearby facilities, processing the information and notifying affected facility owners/operators in order to protect underground facilities. In addition to the national one-call number (811), the one-call center can be reached at 1-800-752-6007. Columbia Gas of Kentucky is a member of Kentucky 811 and works with the organization to promote safe digging practices and one-call requirements.
Master Meter Operator	A pipeline system for distributing gas within, but not limited to, a definable area such as a mobile home park, housing project or apartment complex, where the operator purchases metered gas from an outside source for resale through a gas distribution pipeline system. The gas distribution pipeline system supplies the ultimate consumer who either purchases the gas directly through a meter or by other means, such as rents.
National One Call (811)	This nationwide abbreviated dialing code will provide an

effective replacement for an array of numbers used across the nation to connect to communication systems operated by underground utility operators and state and local governments. "One Call" notification systems will enable contractors to give advance notice of their plans to excavate so that utility companies can mark underground facilities prior to excavation to prevent damage to these facilities.

National Pipeline Mapping System (NPMS)	A geographic information system (GIS) created by the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS) in cooperation with other federal and state governmental agencies and the pipeline industry. The NPMS consists of geospatial data, attribute data, public contact information and metadata pertaining to the interstate and intrastate gas and hazardous liquid transmission pipelines, liquefied natural gas (LNG) facilities and hazard liquid breakout tanks jurisdictional to OPS.
Odorant	Any material added to natural or LP gas in small concentration to impart a distinctive odor. Odorants in common use include various mercaptans, organic sulfides, and blends of these.
Office of Pipeline Safety (OPS)	Office of Pipeline Safety, part of the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the U.S. Department of Transportation. OPS develops and enforces safety and integrity regulations for pipelines and pipeline operations.
Oil and Gas Producers Underground Protection Service	The one call center for production and gathering locators. Their toll free number is 1-800-925-0988.
Operator	All companies that operate pipelines as defined by 49 CFR 192.
Pipeline and Hazardous Materials Safety Administration (PHMSA)	PHMSA is one of twelve agencies of the US Department Of Transportation and has two separate offices, one for Hazardous Materials and one for Pipeline Safety. PHMSA is the federal agency charged with the safe and secure movement of almost one million daily shipments of hazardous materials by all modes of transportation. The agency also oversees the nation's pipeline infrastructure, which accounts for 64 percent of the energy commodities consumed in the United States.
Pipeline Right-of-Way	A defined strip of land on which an operator has the rights

(ROW)	to construct, operate and/or maintain a pipeline. A ROW may be owned outright by the operator or an easement may be acquired for specific use of the ROW.
Places of Congregation (POC)	Places where people assemble or work on a regular basis – on or along a transmission pipeline ROW, unrelated to habitation. Includes: businesses, schools, places of worship, hospitals, prisons, parks, playgrounds, etc.
Pipeline Safety Improvement Act of 2002 (PSIA)	Pipeline Safety Improvement Act of 2002 (PSIA 2002) required that the Department of Transportation (DOT), the Department of Energy (DOE) and the National Institute of Standards and Technology (NIST) in the Department of Commerce (DOC) carry out a program of research, development, demonstration and standardization to ensure the integrity of pipeline facilities.
Public Awareness Work Plan	The Public Awareness Work Plan is the document used to document specific activities that support the Company's Public Awareness Plan.
RP1162	API's Recommended Practice 1162: "Public Awareness Program for Pipeline Operators."
Third Party Damages	Damages caused to pipeline facilities by parties other than Company personnel or their agents.
Transmission Lines	Transmission pipelines move large amounts of liquids or natural gas from producing and/or refining locations to local "outlets," such as bulk storage terminals (for liquids) and natural gas for distribution systems. Transmission pipelines can be classified as "intrastate" (within the states borders) or "interstate" (crossing state lines)

3. Statement of Management Support

At Columbia Gas of Kentucky, Inc., we believe an informed public plays an important role in assuring the continued safety and reliability of our natural gas pipeline system. That is why we are committed to developing and implementing a program that raises public awareness about the presence and purpose of our facilities, the importance of damage prevention, and the steps to take in the event of a natural gas emergency.

In line with this commitment, we affirm that:

- **Company** management is accountable for implementing a **Public Awareness Program (PAP)** in accordance with applicable federal, state, and local laws and regulations.
- **Company Program Administrator** and **Steering Team** shall develop a **Public Awareness Program** that addresses our operating and regulatory requirements.
- The **Company** will maintain its membership with the state's one-call center, Kentucky 811. In addition, the **Company** will continue to support and supplement the Kentucky 811 in its efforts to educate excavators about the requirements, roles and responsibilities for excavation safety and use of the one-call center.
- The **Company** shall continuously monitor and evaluate the effectiveness of the program and implement enhancements as necessary to achieve desired results.
- We will commit appropriate personnel, funding and other resources as necessary to successfully carry out this **Public Awareness Program**.

We pledge to support this **Public Awareness Program** as an important element in assuring the continued safety and reliability of our natural gas pipeline system.

Signature on file.

Signature on file.

*Danny G. Cote, Vice President Pipeline
Safety and Compliance, NiSource Gas
Distribution*

*Herbert A. Miller, Jr., President
Columbia Gas of Kentucky, Inc.
Date: December 31, 2012*

Date: December 31, 2012

4. Program Administration

As further defined below, this program is administered by:

- The Columbia Gas of Kentucky, Inc. **Public Awareness Program Administrator**, and
- The Columbia Gas of Kentucky, Inc. **Public Awareness Steering Team**.

4.1. Program Administrator

The **Company** has designated the Communications Manager as the **Program Administrator** to implement, deliver and perform ongoing development of the **PAP**, herein identified as Lisa Smith. The Communications Manager shall oversee the project and can be reached at 859-288-0245.

4.2. Public Awareness Steering Team

The Public Awareness **Steering Team** supports implementation of the **Public Awareness Program**. At a minimum, functional groups represented on the team include:

- **Operations:** Primarily responsible for implementing local face-to-face communication and emergency responder elements of Public Awareness Programs. Able to provide advice and counsel on local issues and face-to-face communication needs.
- **Regulatory Compliance:** Assist with interpretation and compliance with applicable laws and regulations. Provide support for program implementation, advice and counsel to administrator.
- **Communications & Community Relations:** Provides counsel and support for development and implementation of effective messages, materials or other communication tools and techniques to support program.

The **Public Awareness Steering Team** members are listed in **Appendix A**.

4.3. Roles and Responsibilities

The **Program Administrator** is to develop and implement the program in accordance with the **PAP** Schedule outlined in **Table 4-1**. Development of the program shall include documentation of:

- Affected parties that will be targeted by the **PAP**
- Media and methods of communication to be used for each target audience, as well as the basis for selecting the chosen method and media.
- Letters, brochures and other communication vehicles used to promote

public awareness.

- Industry association communications and programs that support the **Company's** public awareness initiatives.
- The frequency of communications for each target audience and the basis for selecting the frequency.
- Supplemental activities, beyond the baseline program, and the basis for implementing such enhancements.
- The program evaluation process, including objectives, methodology and results.
- Program improvements based on the results of the evaluation.

Additionally, the **Program Administrator** shall be responsible for ongoing program maintenance and administration, including, but not limited to:

- Establishing an annual schedule of **PAP** activities to be completed during the calendar year.
- Documenting the date each activity was completed.
- Updating Stakeholder lists to ensure message is reaching all of the intended audience.
- Updating printed materials with any information that may have changed since the previous distribution such as phone numbers, mailing/web address, etc.
- Scheduling/conducting any personal contact as defined in the **PAP**.
- Ensuring Direct mailers/letters are sent as defined in the **PAP**.
- Bill inserts incorporated as defined in the **PAP**.

4.4. Program Development

The **Company** has established and will periodically review this written description of its **PAP** components, including:

- A statement of management commitment to achieving effective public community awareness.
- A description of roles and responsibilities for personnel administering the program.
- Identification of key personnel and their titles (including individuals responsible for program development, delivery and ongoing improvement of the program).
- Identification of the media and methods of communication to be used in the program, as well as the basis for selecting the chosen methods and media.

- Documentation of frequency and the basis for selecting the frequency for communicating with each of the targeted audiences.
- Identification of any necessary program enhancements beyond the baseline program and the basis for implementing such enhancements.
- The program evaluation process, including the evaluation objectives, methodology to be used to perform the evaluation and analysis of the results and criteria for program improvements based on the results of the evaluation.

TABLE 4-1

Public Awareness Program Schedule	
6/20/06	Define program objectives
	Obtain management support and document program administrator roles and responsibilities
	Identify pipeline assets covered within the program
	Identify the four stakeholder audience groups and methods of identification
	Determine the message type and content
	Establish baseline delivery frequencies
	Establish delivery methods- Identify personnel, vendors, contractors and associations to be utilized
6/20/07	Evaluate the need for supplemental activities beyond the baseline
	Implement program and track progress
6/20/10	Perform program evaluation
After 6/20/10	Make program modifications as deemed necessary for continuous improvement

4.5. Management of Change

This section describes the **Management of Change (MOC)** process to identify and consider the impact of significant changes to the **Company's PAP**. Any change that may substantially affect the program's implementation or may significantly modify the program or schedule for carrying out the program elements is considered a "significant change." The **Company's** pipeline systems and the environment in which they operate are seldom static. Thus the **Company's PAP** will need to adapt over time. A systematic process shall be used to ensure that, prior to implementation; significant changes to the **PAP** are evaluated.

MOC shall address technical, physical, procedural, and organizational significant changes whether permanent or temporary. A **MOC** process includes the following:

- Reason for change
- Authority for approving changes
- Analysis of implications
- Documentation
- Communication of change to affected parties
- Time limitations

The **MOC** process ensures the changes are recognized, formally reviewed, impacts considered, communicated to affected parties, documented, justified, and approved before being implemented.

The **Program Administrator** is responsible for the maintenance of the **MOC** process.

Under the **MOC** process, the **Program Administrator** shall document and justify any significant change to the **PAP** prior to implementing the change. A request for change form may be used as shown in **Appendix B**. It is recommended that the **Program Administrator** maintain a log of significant changes made to the **Company's PAP**, refer to **Appendix C**.

Upon receiving a request for change, the **Program Administrator** shall make a determination of whether the request for change is significant. If significant, the **Program Administrator** should review the proposed change with the affected parties.

When applicable, the **Program Administrator** should seek subject matter expertise to assist in performing a review and impact analysis of the proposed change(s).

Significant changes should be approved by the Vice President, Pipeline Safety and Compliance.

4.6. Program Documentation

Program Administrator shall maintain records of key program elements to demonstrate the level of implementation of **PAP**. Record keeping shall include:

- Lists, records or other documentation of stakeholder audiences with whom the operator has communicated.
- Copies of all materials provided to each stakeholder audience.
- All program evaluations, including current results, follow-up actions and expected results.

The record retention for each of these items shall be at least five (5) years.

5. Identification of Pipeline Assets

5.1. Identification of Pipeline Assets

The **Company's** primary goal is the safe and reliable continuous operation of all its pipeline facilities. This goal assures delivery of product to customers without adverse effects on employees, customers, the public, and the environment. The **PAP** shall be administered to parties affected by the **Company's** facilities, including:

- Distribution mains and services.
- Transmission Pipeline rights-of ways and facilities (660 feet either side of a pipeline).
- Regulator Stations and Meter Sets.

5.2. Integrity Management Program Overview for Transmission Pipelines

The **Company's** Pipeline Integrity Management Program (IMP) meets the requirements identified in 49 CFR Part 192, Subpart O *Pipeline Integrity Management*. This Program is a comprehensive systematic approach to maintain and improve the safety of the **Company's** transmission pipeline system. A key element of the IMP is a Communications Plan that meets the requirements of ASME B31.8S, "Supplement to B31.8 on Managing System Integrity of Gas Pipelines". This Communications Plan keeps appropriate **Company** personnel, jurisdictional authorities and the public informed about their integrity management efforts and the results of the **Company's** integrity management activities.

The **PAP** provides the requirements of informing the public (external communications) of the **Company's** Integrity Management Program efforts. Internal communication requirements for integrity management are found in the **Company's** written IMP.

The **PAP** shall include IMP messages for the following stakeholder audiences within high consequence areas (HCAs)³:

- Affected Public
- Emergency Officials
- Public Officials

Message content for these stakeholder audiences are listed in **Table 7-3**.

³ High consequence area is defined in Part 192.903.

6. Stakeholder Audience

The **Company** has a number of stakeholder audiences for messages regarding the safe operations of the **Company's** pipeline system within the four primary audience groups suggested in 49 CFR 192.616:

- The Affected Public
- Emergency Officials
- Public Officials
- Excavators

Method(s) used to identify audiences are listed in the tables below. Other methods are available and dependent on system requirements, collaborative efforts, demographics and geographic area.

Where specific circumstances suggest a wider coverage area for a certain pipeline location, the **Company** shall consider expanding its communication coverage area as appropriate. For example, the **Company** may elect to deliver a damage prevention message on the potential of pipeline damages associated with farming activities across the entire rural service territory after a farmer damages a pipeline while tilling.

**TABLE 6-1
AFFECTED PUBLIC**

<i>Stakeholder Audience</i>	<i>Audience Definition</i>	<i>Audience Examples</i>	<i>Audience Identification Examples</i>
LDC Customers	People or entities that are served by gas distribution facilities	LDC Customers (including Businesses and School districts)	<ul style="list-style-type: none"> • Customer databases
Residents along the local distribution system	People or entities who live on or immediately adjacent to the distribution pipelines	<ul style="list-style-type: none"> • Non-customers living adjacent to the distribution pipelines • Businesses • School districts 	<ul style="list-style-type: none"> • Use Zip Code address databases or geo-spatial address databases
Transmission class pipeline customers	Businesses or facilities that are served through transmission class pipeline by Operating Company.	<ul style="list-style-type: none"> • Power plants • Businesses • Industrial Facilities 	<ul style="list-style-type: none"> • Customer databases
Residents located adjacent to the transmission class pipeline ROW	People who live adjacent to a natural gas and/or hazardous liquid transmission class pipeline ROW	<ul style="list-style-type: none"> • Transmission Class Customers • Non-customers living adjacent to transmission class pipelines 	<ul style="list-style-type: none"> • Use Zip Code address databases or geo-spatial address databases • Use of outside vendors to provide address databases from periodicals associated with farming or the agricultural community
Places of congregation	Identified places where people assemble or work on a regular basis – on or along a	<ul style="list-style-type: none"> • Businesses • School districts • Places of worship 	<ul style="list-style-type: none"> • Use Zip Code address databases or geo-spatial address databases. Use of

	transmission class pipeline ROW, unrelated to habitation	<ul style="list-style-type: none"> • Hospitals and mental facilities • Prisons • Parks and recreational facilities • Day-care centers • Playgrounds 	<p>outside vendors to provide address databases</p> <ul style="list-style-type: none"> • Use of patrolling to identify places of congregation • Customer databases • Standard Industrial Classification Codes
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**TABLE 6-2
EMERGENCY OFFICIALS**

<i>Stakeholder Audience</i>	<i>Audience Definition</i>	<i>Audience Examples</i>	<i>Audience Identification Examples</i>
Emergency Officials	Local, state or regional officials, agencies and organizations with emergency response and/or public safety jurisdiction along the pipeline route.	<ul style="list-style-type: none"> • Fire departments • Police/sheriff departments • Local Emergency Planning Commissions (LEPCs) • County and State Emergency Management Agencies (EMA) • Other emergency response organizations • Other public safety organizations • Coast Guard 	<ul style="list-style-type: none"> • Telephone directory • Internet • Contact local or state officials • Company personnel • Company databases

**TABLE 6-3
LOCAL PUBLIC OFFICIALS**

<i>Stakeholder Audience</i>	<i>Audience Definition</i>	<i>Audience Examples</i>	<i>Audience Identification Examples</i>
Public Officials	Local, city, county or state officials and/or their staffs having land use and street/road jurisdiction along the pipeline route.	<ul style="list-style-type: none"> • Planning boards • Zoning board • Licensing departments • Permitting departments • Building code enforcement departments • City and county managers • Public and government officials • Public utility boards • Includes local "Governing Councils" as defined by many communities • Public officials who manage franchise or license agreements 	<ul style="list-style-type: none"> • Company personnel • Telephone directory • Internet • Company databases • Contact local or state officials

**TABLE 6-4
EXCAVATORS**

<i>Stakeholder Audience</i>	<i>Audience Definition</i>	<i>Audience Examples</i>	<i>Audience Identification Examples</i>
Excavators/ Contractors/ Developers/ Miscellaneous Construction-related Parties	Companies and local/state government agencies who are involved in any form of excavation activities.	<ul style="list-style-type: none"> • Construction companies • Excavation equipment rental companies • Public works officials • Public street, road and highway departments (maintenance and construction) • Timber companies • Fence building companies • Drain tiling companies • Landscapers • Well Drillers 	<ul style="list-style-type: none"> • SIC Codes • Call Before You Dig/Kentucky 811 • Dig Safe
Land developers	Companies and private entities involved in land development and planning	<ul style="list-style-type: none"> • Home builders • Land developers • Real estate sales 	<ul style="list-style-type: none"> • SIC Codes • Appropriate associations • Telephone directory
One Call Centers - Kentucky 811	Excavation One-Call Centers relevant to the area.	<ul style="list-style-type: none"> • Each state, region or organization established to notify underground facility owner/operators of proposed excavations. Excavation One-Call Centers relevant to the area. 	<ul style="list-style-type: none"> • Call Before You Dig/Kentucky 811

7. Message Type/Content

The **Company's** Public Awareness messages provide:

- A broad overview of how pipelines operate,
- The hazards that may result from activity in close proximity to pipelines and those hazards possible due to pipeline operations, and
- The measures undertaken to prevent impact to public safety, property or the environment.

In addition, the **Company's** program provides provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

- Use of a one-call notification system prior to excavation and other damage prevention activities;
- Possible hazards associated with unintended releases from a gas pipeline facility;
- Physical indications that such a release may have occurred;
- Steps that should be taken for public safety in the event of a gas pipeline release; and
- Procedures for reporting such an event.

Table 7-1 provides a summary of the **Company's** required message types to be communicated to the intended audiences of distribution and transmission class systems. **Table 7-2** provides a summary of supplemental message types. **Table 7-3** provides a summary of the message types to meet the **Company's** Integrity Management Plan and Program external communication requirements.

**TABLE 7-1
BASELINE MESSAGES**

MESSAGE TYPE	TRANSMISSION CLASS LINES				DISTRIBUTION LINES			
	Affected Public	Emergency Officials	Public Officials	Excavators/ Contractors	Affected Public	Emergency Officials	Public Officials	Excavators/ Contractors
Damage prevention awareness	X			X	X	X	X	X
Emergency Preparedness		X	X			X	X	
Hazard Awareness and Prevention Measures	X	X	X	X	X	X	X	X
How to obtain additional information	X	X	X	X	X	X	X	X
Leak recognition and response	X	X		X	X	X		X
One call requirements	X		X	X	X			X
Pipeline location information	X	X	X		X	X	X	X
Pipeline purpose and reliability	X	X	X	X	X	X	X	X
Potential Hazards		X						

**TABLE 7-2
SUPPLEMENTAL MESSAGES**

MESSAGE TYPE	TRANSMISSION CLASS LINES				DISTRIBUTION LINES			
	Affected Public	Emergency Officials	Public Officials	Excavators/ Contractors	Affected Public	Emergency Officials	Public Officials	Excavators/ Contractors
ROW encroachment prevention	X		X		X		X	
Maintenance/construction activity					X			
Incident response notification and/or evacuation measures						X		
Purpose and reliability								
Prevention measures					X	X	X	X
Damage prevention				X	X	X	X	X
Special procedures if sour gas or other segment specific reason								
General location								
Hazard awareness								

**TABLE 7-3
INTEGRITY MANAGEMENT MESSAGES**

MESSAGE TYPE	Affected Public	Emergency Officials	Public Officials	Land Owners & Tenants Along Right-of-way
Company name, location and contact information	X	X	X	X
General location information and where more specific location information or maps can be obtained		X	X	X
Commodity transported		X		X
How to recognize, report and respond to a leak		X		
Contact phone numbers both routine and emergency	X	X		X
General information about Company's prevention, integrity measures, emergency preparedness, HCAs and how to obtain a summary of Integrity Management Plans	X	X	X	X
Damage prevention information, including excavation notification numbers and excavation notification center requirements and who to contact if there is any damage	X			X
Coordination of Company's emergency preparedness with local officials		X		
Summary of operators emergency capabilities		X		

8. Delivery Methods and Baseline Frequency

The message content, delivery method and frequency, as well as the audiences' retention of the messages, are carefully considered during the development and implementation of the **Company's Public Awareness Program**. The **Company** may consider one or more of the baseline delivery method and/or media contained in **Table 8-1**.

Some of the **Company's** communications are available on demand (e.g. websites, pipeline markers) and others are periodic in nature (e.g. mass mailings, public meetings and advertisements). This Baseline Schedule shall include:

- Stakeholder Audience
- Message Type
- Delivery Method and/or Media
- Delivery Frequency

Public Awareness messages are to be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area. The **Company** uses U.S. Census data to identify non-English speaking populations in our service territory.

The combination of the specific messages, delivery methods, and delivery frequencies are available in the **Company's** program for each audience. The **Company** utilizes an Annual Public Awareness Work Plan which reflects the yearly dynamic plan consistent with changing media channels, data and business needs.

TABLE 8-1

<i>Audience</i>	<i>Delivery Method and/or Media</i>	<i>Baseline Delivery Frequency</i>
Affected Public: LDC Customers	<ol style="list-style-type: none"> 1. Bill inserts 2. Direct mail 3. Web site 4. "On hold" messages 5. Bill messages 6. Paid media 7. Public Service Announcements 8. Media Outreach 9. Specialty Advertising 10. Above/Belowground Pipeline Marker Signs 11. Company vehicles 	Twice annually
Affected Public: Non-customers along the local distribution system	<ol style="list-style-type: none"> 1. Direct Mail 2. Public Service Announcements 3. Web site 4. Paid media 5. Media Outreach 6. Specialty Advertising 7. Above/Belowground Pipeline Marker Signs 8. Company vehicles 	Annually
<i>Audience</i>	<i>Delivery Method and/or Media</i>	<i>Baseline Delivery Frequency</i>
Emergency Officials For Local	<ol style="list-style-type: none"> 1. Kentucky Gas Association training 	Annually

Distribution Companies	<ol style="list-style-type: none"> 2. Preventing Accidental Ignition/Damage Prevention/Responding to AOC (M7) training 3. Group meetings 4. Print material 5. Personal contact 6. Telephone calls 7. Videos and CD's 8. Trade publications 9. Web site 10. National Pipeline Mapping System (NPMS) 11. Kentucky Fire Commission training 12. Personal contact 	
<i>Audience</i>	<i>Delivery Method and/or Media</i>	<i>Baseline Delivery Frequency</i>
Public Officials	<ol style="list-style-type: none"> 1. Targeted distribution of print material 2. Website 3. Personal contact 4. National Pipeline Mapping System (NPMS) 	Every three years.
<i>Audience</i>	<i>Delivery Method and/or Media</i>	<i>Baseline Delivery Frequency</i>
Excavators/Contractors	One-Call Center outreach	Annually
Excavators/Contractors	<ol style="list-style-type: none"> 1. Participation in local damage prevention councils 2. Group meetings 3. Personal contact 4. Targeted distribution of print material 5. Web site 6. Above/Belowground Pipeline Marker Signs 	On-going

9. Supplemental Enhancements of Company's Baseline Public Awareness Program

9.1. Scope and Purpose

This section provides guidance on how the **Company** may enhance its baseline program with supplemental program components when a more intensive effort is needed to increase pipeline safety awareness.

The term "program enhancement" refers to the **Company's** decision to supplement its **Public Awareness Program** beyond the baseline. This section provides guidance when the **Company's** consideration of relevant factors along the pipeline route indicates that supplemental program enhancement is warranted.

Three primary forms of enhancement are provided for consideration in the development and administration of the **Company's Public Awareness Program**:

9.1.1. Increased Frequency (Shorter Interval)

Increased frequency refers primarily to providing communications to specific stakeholder audiences on a more frequent basis (shorter interval) than the baseline interval to reach the intended audience.

9.1.2. Enhanced Message Content and Delivery / Media Efforts

Enhanced message content and delivery/media efforts refer to providing additional or supplemental communications activities beyond those identified in the baseline, using an enhanced or custom-tailored message content and/or different, or additional, delivery methods/media to reach the intended audience.

9.1.3. Coverage Areas

Coverage areas refer to broadening or widening the stakeholder audience coverage area beyond those contained in the baseline for delivery of certain communications messages. This can also be considered relative to widening the buffer distance for reaching the stakeholder audience along the pipeline route.

9.2. Considerations of Relevant Factors

When subsequent periodic program evaluations are performed, the **Company** shall assess what components of the **Public Awareness Program** that should be enhanced.

The **Company** may consider each of the following factors applied along the entire route of the pipeline system:

- Potential hazards
- High Consequence Areas (HCAs)

- Population density
- Land development activity
- Land farming activity
- Third-party damage incidents
- Environmental considerations
- Pipeline history in an area
- Specific local situations
- Regulatory requirements
- Results from previous Public Awareness Program evaluations
- Other relevant needs

HCA: The **Company** should consider public awareness activity above the baseline level as described in **Table 7-3** of this Plan.

Perception of Hazards: The **Company** should consider the hazards associated with the pipeline as perceived by either the **Company** or the audience. For example, if a pipeline segment has experienced multiple third-party damage, the **Company** should consider increasing the frequency of messages to those third-parties and other relevant audiences where appropriate.

9.3. Natural Gas Transmission Pipelines

The **Company** should consider the following for program enhancements for transmission pipelines when conditions are warranted.

9.3.1. The Affected Public

- The occurrences indicate an elevated potential for third-party damage. Examples include:
 - A mailing to farmers along the right-of-way just prior to the deep plowing season where deep till plow methods are used.
 - An additional or interim mass mailing to or face-to-face communications with residents of new housing developments in areas along the pipeline route that may not have previously been reached.
 - Increasing the frequency of baseline communication efforts as listed in **Table 7.1**.
- Frequently changing population in an area for an identified audience when determining supplemental efforts to:
 - Residents in areas such as multi-family developments or densely populated urban areas.
 - Increase the frequency of communications to residents.
- Right-of-way encroachments have occurred frequently. Examples of supplemental efforts include:
 - Enhanced mailings to, face-to-face communications with, or

increasing the frequency of communications to residents/developers/contractors in areas of right-of-way encroachment.

- The potential for concern about consequences of a pipeline emergency is heightened. Consider widening the coverage area for:
 - HVL pipelines in high population areas extend the coverage area beyond the 1/8th mile minimum distance each side of the pipeline.
 - Large diameter, high pressure, high volume pipelines where a pipeline emergency would likely affect the public outside of the specified minimum coverage area—extend the coverage area to a wider distance as deemed prudent.

9.3.2. Public Officials

Consideration should be given to supplemental program enhancement where:

- Heightened public sensitivity to pipeline emergencies exists in the area, independent of cause or which operator was involved.
- Significant right-of-way encroachments (such as new construction developments) are occurring.
- Submit updates to the National Pipeline Mapping system annually.

9.3.3. Emergency Officials

Consideration should be given to supplemental program enhancement where:

- Emergency officials have heightened sensitivity to pipeline emergencies.
- After post-emergency review, or where there's potential for enhanced "liaison activities" between the **Company** and emergency officials that could have improved the emergency response to a pipeline emergency.
- Requested by emergency officials to provide additional communications.
- Submit updates to the National Pipeline Mapping system annually.

9.3.4. Excavators/Contractors and One-Call Centers

Consideration should be given to supplemental program enhancement where:

- There are instances that indicate an elevated potential for third-party damage.
- Developers and contractors are performing a high number of excavations along a pipeline route in developing areas.
- There are instances of problems identified with excavators' use or

lack of use of the One-Call System. In those cases the **Company** may request that Kentucky 811 perform additional public awareness outreach activities.

9.4. Local Natural Gas Distribution Companies (LDCs)

Table 7-2, for LDCs, in **Section 7**, provides supplemental communication recommendations for each of the different audiences.

The **Company's** supplemental communications may vary in frequency and delivery method within a specific audience group due to its size and service territory (rural, suburban, urban). The **Company** may tailor its program based on specific local considerations.

10. Program Evaluation

10.1. Scope and Purpose

This section provides guidance on how the **Company** will periodically evaluate its **PAP**.

The purpose of the **Company's PAP** evaluation is to:

- Assess whether the **Company's** current Program is effective in achieving the objectives of the **PAP** as defined in **Section 1** of this Plan,
- Provide the **Company** with information on implementing improvements (enhancements) in its **PAP** effectiveness based on findings from the evaluation(s), and
- Demonstrate to **Company** management and regulators the status and validity of the **Company's PAP**.

10.2. Program Evaluation Elements

The evaluation elements consist of measuring program implementation and effectiveness.

Based on the results of the evaluation, the **Company** shall make necessary changes in the Program's implementation process, stakeholder identification effort, messages, delivery methods and/or frequency of delivery as soon as practical but not to exceed 12 months after the completion of the evaluation.

10.3. Measuring Program Implementation

The **Company** shall conduct an annual implementation review to determine if the Program has been developed to address the objectives, elements, and schedule. In addition the review shall determine if the responsible parties have implemented and properly documented the requirements of this **PAP**. The annual review shall be documented on the Form "Annual Record of Review" in **Appendix D**.

Appendix E includes a set of questions to be used as a guide when conducting the annual review of the implementation process.

The annual review can be accomplished either by an internal self-assessment or by a third-party.

Where appropriate, results from regulatory inspections shall also be part of the annual review.

10.4. Measuring Program Effectiveness

As the **PAP** matures, the **Company** shall assess progress on the following measures to assess whether the actions undertaken in implementation of this **PAP** are achieving the intended goals and objectives.

Assessing progress may take several years to achieve as the **Company** develops

and implements the **PAP**.

A baseline effectiveness survey shall be conducted to assess whether the **Company's** current **PAP** is effective in:

- Outreach: Whether the audience received the Public Awareness communication.
- Knowledge: Inquire about what the person would do hypothetically in certain situations.
- Behavior: Inquire of actual behaviors.

Section 10.4.2 provides additional information on surveys.

Upon completion of the baseline survey, the **Company** shall evaluate the results, determine if improvements are needed, and implement improvements where needed.

After completion of the baseline survey, a Program effectiveness survey shall be conducted once every four years.

When major design changes occur in the **PAP** consideration shall be given to determine if a survey should be implemented.

10.4.1. Measure 1—Outreach: Percentage of Each Intended Audience Reached with Desired Messages

In order to assess if the **Company's** public awareness messages has reached the intended audience, the **Company** shall estimate the number and percentages of individuals or entities reached within an intended audience (e.g., households, excavating companies, local government, and local first responder agencies) during its program assessment.

The **Company** performs a public awareness effectiveness survey every fourth year to assess whether the current program is effective in achieving the objectives of the current Public Awareness Programs and to provide the **Company** information on implementing improvements in the **Company** Public Awareness Program effectiveness, based on findings from the evaluation(s). The results shall be used to guide implementation of improvements to the **Company's** **PAP**.

Appendix F contains supplemental measures the **Company** shall consider to measure program outreach effectiveness.

10.4.2. Measure 2—Understandability of the Content of the Message

This measure assesses the percentage of the intended stakeholder audience that understood and retained the key information in the message received. This measurement helps to evaluate the effectiveness of the delivery media, delivery methods and the message

style and content.

Pre-test materials: The **Company** should pre-test public awareness materials for their appeal and the messages for their clarity, understandability and retain ability before they are widely used. One or more of the following representative audiences may be used to assist in pre-testing:

- Small sample group of operator employees not involved in developing the **Public Awareness Program**,
- Small section of the intended stakeholder audience,
- Professional vendor with demonstrated public awareness expertise, or
- Other focus groups.

Survey target stakeholder audiences: The **Company** may use one or a combination of survey methods such as face-to-face contacts, telephone or written surveys.

The following factors shall be considered when designing program effectiveness surveys:

- Sample size appropriate to draw general conclusions,
- Questions to gauge understandability of messages and knowledge or survey respondent,
- Retention of messages, and
- Comparison of the most effective means of delivery.

The **Company** may choose to develop and implement its own program effectiveness survey in-house; have a survey designed with the help of a third-party; or participate in and use the results of an industry group or trade-association survey. If the latter approach is used, the **Company** shall assess the results relevant to the **Company's** own pipeline corridors and **Public Awareness Program**.

10.4.3. Measure 3—Desired Behaviors by the Intended Stakeholder Audience

This measure is aimed at determining whether appropriate prevention behaviors have been learned and is taking place when needed and whether appropriate response or mitigation behaviors would occur and have taken place. This is a measure of learned and, if applicable, actual reported behavior.

The baseline survey conducted as the means of assessing Measure 2 (above) should be designed to include questions that ask respondents to report on actual behaviors following incidents.

Appendix F contains supplemental measures the **Company** should consider to measure program outreach effectiveness.

10.4.4. Measure 4—Achieving Bottom-Line Results

One measure of the “bottom-line results” is the damage prevention effectiveness of the **Company’s PAP** and the change in the number and consequences of third-party damages. As a baseline, the **Company shall consider** tracking the following metrics:

- Number of reported near misses.
- Reported pipeline damage occurrences that did not result in a release.
- Third-party excavation damage events that resulted in pipeline failures.
- Comparison of leaks caused by third-party excavation damage to statistics of the Industry.
- The affected public’s perception of the safety of pipelines.
- Other bottom-line measures deemed appropriate.

While third-party excavation damage is a major cause of pipeline incidents, data regarding such incidents shall be evaluated over a relatively long period of time to determine any meaningful trends relative to the **Company’s PAP**.

11. Employee Participation

Company employees shall be provided either training or communication tools for familiarizing them with the **Company's** Public Awareness objectives.

As members of communities and community service organizations, the **Company** recognizes the importance of informed employees promoting pipeline awareness. Key employees who are interested in and capable of performing a greater public communication role may be given the necessary training, communications materials and, as appropriate, be provided with opportunities for direct involvement with the community.

Appendix A. Public Awareness Steering Team

PUBLIC AWARENESS STEERING TEAM

NAME	TITLE
Herbert A. Miller, Jr.	President
Tim McKune	Operations Compliance Manager
Gary Sullivan	Leader, Field Engineering
Kimra Cole	Operations Center Manager
Judy Cooper	Director, Regulatory Policy
Lisa Smith	Communications Manager
Brack Marquette	Director, Government Affairs
Steve Sylvester	General Manager
Angela Reed	Program Specialist 1
Ashley Donnini	Manager, Damage Prevention

Appendix B. Public Awareness Forms

PAP Proposed Change Form	
Date:	Change Type: <input checked="" type="checkbox"/> Editorial <input type="checkbox"/> Technical
Document Number:	
Document Name:	
Brief Description of Change:	
Change From:	
Change To:	
Name of Individual Proposing Change	
Printed Name:	
Signature:	

Form PAP-1

Appendix C. Master Change Log

MOC - MASTER CHANGE LOG			
Date	Document Number	Change Location	Brief Description of Change
11-14-07	2007-1	Section 1	Updated References to Kentucky 811
11-14-07	2007-1	Section 3	Updated References to Kentucky 811
11-14-07	2007-1	Section 6	Added KY 811 to Table 6-4
11-14-07	2007-1	Section 7	Marked One-Call Requirements for Affected Public in table 7-1
11-14-07	2007-1	9.3.4	Updated reference to One-Call Center
11-14-07	2007-1	Appendix A	Updated Steering Team Membership
08-04-08	2008-1	Section 8	Removed "phone call with follow-up of targeted distribution of print material" from Table 8-1
08-04-08	2008-1	Appendix A	Updated Steering Team Membership (remove Brian Adams)
8-27-09	2009-1	Appendix B	Updated Steering Team Membership (replace Keith Campbell with Gary Sullivan)
8-27-09	2009-1	Sec. 3 Statement of Management Support	Added a signature for the Columbia Gas of Kentucky, Inc., President to the plan.
9-20-10	2010-1	Appendix A	Updated Steering Team Membership (added Brack Marquette)

Form PAP-2

Appendix C. Master Change Log

MOC - MASTER CHANGE LOG			
Date	Document Number	Change Location	Brief Description of Change
10-01-11	2011-1	Appendix B	Appendix B forms will no longer be recorded in the plan, but kept by the Administrator.
10-01-12	-i-	Forward	Updated Columbia Gas Transmission to NiSource Gas Transmission and Storage
	Section 2	Glossary of Terms	Removed and added necessary terms to be more applicable to current plan. * Notably – Public Awareness Work Plan: A document used to specify the activities executed to support the Public Awareness Plan.
	Section 3	Statement of Management Support	Updated organizational leadership changes that will support the plan
	Section 4.5	Management of Change	Advisement that significant plan changes will be approved by the Vice President, Pipeline Safety and Compliance
	Section 5.1	Identification of Pipeline Assets	Line items removed to reflect a more accurate reflection of CKY assets
	Section 8 – Table 8.1	Delivery Methods & Baseline Frequency	Addition of the National Pipeline Mapping System & Kentucky Fire Commission Training
	Sections 9.3.2 & 9.3.3	Public & Emergency Officials	Advisement of the annual submission of information to the National Pipeline Mapping System from the organization
	Section 9.5	Gathering/Pipeline Operators	Information removed – no longer pertinent to plan

	Section 10.4.1	Measure 1 – Outreach: Percentage of Each Intended Audience Reached w/Desired Messages	Additional verbiage to demonstrate that Measure 1 – Outreach is achieved through the utilization of a four year survey in which the information is utilized to determine measuring effectiveness and how to administer change or improvements.
	Appendix A	Public Awareness Steering Team	Damage Prevention Manager and Program Specialist, Public Awareness, NiSource Gas Distribution were added to the state steering team.

Appendix E. Sample Assessment of Program Implementation

I Program Development and Documentation: Has the Public Awareness Program been developed and written to address the objectives, elements and baseline schedule as described in **Section 8-1** and the remainder of this Plan?

1. Does the operator have a written **Public Awareness Program**?
2. Have all of the elements described in **Section 2** of this RP been incorporated into the written program?
3. Does the written program address all of the objectives of this RP as defined in Section 2.1?
4. Does the documented program address regulatory requirements identified in **Section 2.2** of this RP and other regulatory requirements that the operator must comply with?
5. Does the operator have a plan that includes a schedule for implementing the program?
6. Does the program include requirements for updating responsibilities as organizational changes are made?

II Program Implementation: Has the public awareness plan been implemented and documented according to the written plan?

1. Is the program updated and current with any significant organizational or major new pipeline system changes that may have been made?
2. Are personnel assigned responsibilities in the written program aware of their responsibilities and have management support (budget and resources) for carrying out their responsibilities on the program?
3. Has the program implementation been properly and adequately documented?
4. Have all required elements of the program plan been implemented in accordance with the written plan and schedule?
5. Does the operator have documentation of the results of evaluating the program for effectiveness?
6. Are the results of the evaluation of program effectiveness being used in a structured manner to improve the program or determine if supplemental actions (e.g. revised messages, additional delivery methods, increased frequency) in some locations?

Appendix F. Measuring Program Effectiveness

<p>Measure 1—Outreach: Percentage of Each Intended Audience Reached with Desired Messages - Supplemental Measures</p> <ul style="list-style-type: none"> • Track the number of inquiries by phone to Company-personnel or to the public awareness portions of the Company's website (Caution - Unless such information is specifically sought by the Company, this measure would not define if the caller or website viewer is a member of the target stakeholder audience nor whether this measure includes counts of repetitive website reviewers) • Track input received via feedback postcards (often called reply or bounce-back cards) from representatives of the stakeholder audience at events or meetings, sent by mail, or as a result of the operator's canvassing of the rights-of-way • Track the number of officials or emergency responders who attend emergency response exercises (this is an indicator of interest and the opportunity to gain knowledge).
<p>Measure 3—Desired Behaviors by the Intended Stakeholder Audience - Supplemental Measures</p> <ul style="list-style-type: none"> • Whether excavators are following through on all safe excavation practices, in addition to calling the One-Call Center • The number of notifications received by the operator from the excavation One-Call Center (e.g. is there a noticeable increase following distribution of public awareness materials?) • An assessment of first responder behaviors, including the response to pipeline-related calls, and a post-incident assessment to determine whether their actions would be and were consistent with the key messages included in the public awareness communications. Assessments of actual incidents <u>should</u> recognize that each response would require unique on-scene planning and response to specifics of each emergency. • Measuring the appropriateness of public stakeholders' responses is also anecdotal but <u>could</u> include tracking whether an actual incident that affected residents was correctly identified and whether reported and personal safety actions undertaken were consistent with public awareness communication.

2013 CKY Public Awareness Workplan

Audience	Baseline Messages	Current Delivery Method and/or Media	Current Delivery Frequency	Suggested Delivery Method and/or Media	Baseline Delivery Frequency
<p>AFFECTED PUBLIC: LDC Customers</p>	<ul style="list-style-type: none"> • Pipeline purpose & reliability • Hazard awareness & prevention measures • Damage prevention awareness • Leak recognition & response • How to get additional information 	<ul style="list-style-type: none"> • Bill Inserts <ul style="list-style-type: none"> ○ Scratch n'Sniff (February) ○ For Your Safety & Comfort (January) ○ Your Service newsletter • Bill Messages <ul style="list-style-type: none"> ○ 811 msg on envelopes • Safety brochure mailing • Press Releases <ul style="list-style-type: none"> ○ Call Before You Dig ○ Herald-Leader OpEd • Web site • On Hold Messages • Advertising <ul style="list-style-type: none"> ○ Call Before You Dig ○ Odor recognition & response ○ Kentucky 811 ○ Truck magnets • Media interviews • Community events <ul style="list-style-type: none"> ○ 811 display @ Thursday Night Live (Lexington) ○ 811 display @ Beer Cheese Festival (Winchester) ○ 811 3K Run (Winchester) ○ 811 display @ Court Days (Mt. Sterling) • Educator outreach <ul style="list-style-type: none"> ○ NEF safety packets for 	<p>Annually Annually</p> <p>4x/year</p> <p>Ongoing</p> <p>August</p> <p>Annually April 25</p> <p>Ongoing</p> <p>Ongoing</p> <p>April-July Sept.-Dec.</p> <p>April Ongoing</p> <p>Ongoing</p> <p>May 30</p> <p>June 8</p> <p>August 11</p> <p>Oct. 18-21</p> <p>Ongoing</p>	<p>Baseline Activity:</p> <ul style="list-style-type: none"> • Bill stuffers <p>Supplemental Activity:</p> <ul style="list-style-type: none"> • Targeted distribution of print materials 	<p>Twice annually</p>

<p>AFFECTED PUBLIC: Residents along the Local Distribution System (LDC)</p>	<ul style="list-style-type: none"> • Pipeline purpose & reliability • Hazard awareness & prevention measures • Damage prevention awareness • Leak recognition & response • How to get additional information 	<p style="text-align: center;">teachers</p> <ul style="list-style-type: none"> • Bill Inserts <ul style="list-style-type: none"> ○ Scratch n'Sniff (February) ○ For Your Safety & Comfort (January) ○ Your Service newsletter • Bill Messages • Safety brochure mailing • Press Releases <ul style="list-style-type: none"> ○ Call Before You Dig • Web site • On Hold Messages • Advertising <ul style="list-style-type: none"> ○ Call Before You Dig ○ Odor recognition & response ○ Kentucky 811 ○ Truck magnets • Media interviews • Community events <ul style="list-style-type: none"> ○ 811 display @ Thursday Night Live (Lexington) ○ 811 display @ Beer Cheese Festival (Winchester) ○ 811 3K Run (Winchester) ○ 811 display @ Court Days (Mt. Sterling) • Educator Outreach <ul style="list-style-type: none"> ○ NEF safety packets for Kentucky teachers 	<p>Annually</p> <p>Ongoing</p> <p>November</p> <p>Annually</p> <p>Ongoing</p> <p>Ongoing</p> <p>April-July Sept.-Dec.</p> <p>April Ongoing</p> <p>Ongoing</p> <p>May 30</p> <p>June 8</p> <p>August 11</p> <p>Oct. 18-21</p> <p>Ongoing</p>	<p>Baseline Activity:</p> <ul style="list-style-type: none"> • PSAs, or • Paid advertising, or • Bill stuffers <p>Supplemental Activity:</p> <ul style="list-style-type: none"> • Targeted distribution of print materials • Newspaper & magazines • Community events • Community neighborhood newsletters 	<p>Annually</p>
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Audience	Baseline Messages	Current Delivery Method and/or Media	Current Delivery Frequency	Suggested Delivery Method and/or Media	Baseline Delivery Frequency
EMERGENCY RESPONDERS	<ul style="list-style-type: none"> • Pipeline purpose & reliability • Hazard awareness & prevention measures • Damage prevention awareness • Leak recognition & response • How to get additional information 	<ul style="list-style-type: none"> • Safety training (Paradigm) May-June • Personal contact by CKY Operations staff • Maysville Fire School (tentative) • Mailing to paid & volunteer fire departments 	<p>Annually</p> <p>Ongoing</p> <p>Oct. 25-27</p> <p>Annually</p>	<p>Baseline Activity:</p> <ul style="list-style-type: none"> • Print materials, or • Group meetings <p>Supplemental Activity:</p> <ul style="list-style-type: none"> • Telephone calls • Personal contact • Videos & CDs 	Annually
LOCAL PUBLIC OFFICIALS	<ul style="list-style-type: none"> • Pipeline purpose & reliability • Hazard awareness & prevention measures • Damage prevention awareness • Leak recognition & response • How to get addl. info 	<ul style="list-style-type: none"> • Pipeline safety mailer/email to public officials • Personal contact by CKY Operations staff • Neighborhood AMRP project meetings/mailings 	<p>Annually</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Baseline Activity:</p> <ul style="list-style-type: none"> • Targeted distribution of print materials <p>Supplemental Activity:</p> <ul style="list-style-type: none"> • Group meetings • Telephone calls • Personal contact 	Three years

Audience	Baseline Messages	Current Delivery Method and/or Media	Current Delivery Frequency	Suggested Delivery Method and/or Media	Baseline Delivery Frequency
EXCAVATORS: Excavators/ Contractors	<ul style="list-style-type: none"> • Pipeline purpose & reliability • Hazard awareness & prevention measures • Leak recognition & response • One-call requirements • How to get additional information 	<ul style="list-style-type: none"> • Safety training (Paradigm) May-June • Personal contact by CKY Operations staff/job site visits • Kentucky 811 Truck Magnets 	<p>Annually</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Baseline Activity:</p> <ul style="list-style-type: none"> • One-Call Center outreach, or • Group meetings <p>Supplemental Activity:</p> <ul style="list-style-type: none"> • Personal contact • Video & CDs • Open houses 	Annually
ONE-CALL CENTERS	<ul style="list-style-type: none"> • Pipeline location information • Other requirements of the applicable One-Call Center 	<ul style="list-style-type: none"> • Maintain membership in Kentucky 811 • Kentucky 811 ad campaign 	<p>Ongoing</p> <p>April-July</p>	<p>Baseline Activity:</p> <ul style="list-style-type: none"> • Membership in appropriate One-Call Center • Requirements of the applicable One-Call Center 	Requirements of the applicable One-Call Center

	<p>Supplemental Messages:</p> <ul style="list-style-type: none"> • One-Call System performance • Accurate line location information • One-Call System improvements 	<ul style="list-style-type: none"> • Kentucky 811 billboard at Lexington Legends baseball field • Actively work with Kentucky 811 to promote call before you dig messages and 811 number. <ul style="list-style-type: none"> ○ Your Service newsletter ○ News release ○ Website ○ Media interviews ○ Lex. Legends billboard 	<p>Ongoing</p> <p>Ongoing</p>	<ul style="list-style-type: none"> • Maps (as required) <p>Supplemental Activity:</p> <ul style="list-style-type: none"> • Targeted distribution of print materials • Personal contact • Telephone calls • Maps (as required) 	
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**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

240. Reference testimony of Katko, Schedule F-9 Page 1. Please provide all work papers, source documents and underlying data with respect to Political Activities Expense the forecasted and base periods and actual booked charges for the years 2009, 2010, 2011 and 2012.

Response:

Please refer to Attachment A of this this response for a listing of lobbying expenses incurred by Columbia for the periods requested. The listing reflects each statement of expenditures filed by John C. B. "Brack" Marquette, who is Columbia's legislative agent, for the actual portion of the periods requested. Attachment A also shows the annual amount for outside consulting services related to lobbying activities for the same periods.

Columbia Gas of Kentucky, Inc.
 Case No. 2013-00167
 Political Activities Expense
 For Years 2009 through 2012

Reporting Period	Meals, Mileage, Food/Beverage for Legislator \$	Receptions and Events for Legislators \$	Lodging and Misc by Employee \$	Salary of Employee \$	Sub-Total \$	Whitehouse Riddle \$	Total \$
2009 Total							
01/01/2009 - 01/31/2009	-	1,000	50	455	1,505	-	1,505
02/01/2009 - 02/28/2009	-	-	56	228	283	-	283
03/01/2009 - 03/31/2009	-	-	870	2,867	3,736	-	3,736
04/01/2009 - 04/30/2009	-	-	343	2,002	2,345	-	2,345
09/01/2009 - 12/31/2009	-	209	1,217	708	2,134	-	2,134
01/01/2009 - 12/31/2009	-	-	-	-	-	16,250	16,250
	-	1,209	2,536	6,259	10,004	16,250	26,254
2010 Total							
01/01/2010 - 01/31/2010	-	1	457	637	1,096	-	1,096
02/01/2010 - 02/28/2010	-	-	51	364	415	-	415
03/01/2010 - 03/31/2010	-	-	489	2,230	2,719	-	2,719
04/01/2010 - 04/30/2010	-	-	341	3,336	3,677	-	3,677
05/01/2010 - 08/31/2010	-	185	1,999	2,820	5,004	-	5,004
09/01/2010 - 12/31/2010	-	1	546	1,001	1,548	-	1,548
01/01/2010 - 12/31/2010	-	-	-	-	-	27,000	27,000
	-	187	3,884	10,388	14,458	27,000	41,458
2011 Total							
01/01/2011 - 01/31/2011	-	-	29	273	302	-	302
02/01/2011 - 02/28/2011	-	-	437	2,730	3,167	-	3,167
03/01/2011 - 03/31/2011	-	-	265	1,092	1,357	-	1,357
04/01/2011 - 04/30/2011	-	-	-	-	-	-	-
05/01/2011 - 08/31/2011	-	44	1,470	1,535	3,050	-	3,050
09/01/2011 - 12/31/2011	-	-	187	1,320	1,506	-	1,506
01/01/2011 - 12/31/2011	-	-	-	-	-	27,000	27,000
	-	44	2,389	6,950	9,383	27,000	36,383
2012 Total							
01/01/2012 - 01/31/2012	-	57	319	3,575	3,950	-	3,950
02/01/2012 - 02/29/2012	-	-	297	2,475	2,772	-	2,772
03/01/2012 - 03/31/2012	-	-	430	3,850	4,280	-	4,280
05/01/2012 - 08/31/2012	-	160	1,836	7,600	9,597	-	9,597
09/01/2012 - 12/31/2012	-	-	1,027	3,846	4,873	-	4,873
01/01/2012 - 12/31/2012	-	-	-	-	-	27,000	27,000
	-	217	3,910	21,346	25,473	27,000	52,473
Base Period TME 08/31/2013							
09/01/2012 - 12/31/2012	-	-	1,027	3,846	4,873	-	4,873
01/01/2013 - 01/31/2013	-	-	347	1,620	1,967	-	1,967
02/01/2013 - 02/28/2013	-	-	217	3,300	3,517	-	3,517
09/01/2012 - 08/31/2013 (March through August Budgeted Months)	-	-	-	-	-	27,000	27,000
	-	-	1,592	8,766	10,358	27,000	37,358
Forecasted Period TME 12/31/2014 (Based on 2012 Actual)							
01/01/2014 - 12/31/2014	-	217	3,910	21,346	25,473	27,000	52,473

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 241
Respondents: Herbert A. Miller, Jr. and Brooke E. Leslie

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
DATED JULY 19, 2013**

241. Schedule F-9 page 1 provides the detail of Political Activities Expenses. In his testimony, Mr. Miller states on page 4, line 8 that expenditures in the Political Activities Expense category allow Columbia "to continue to provide safe and reliable service at the lowest reasonable price to its customers". Please elaborate on this statement. Please explain how each expenditure in this category allow Columbia "to continue to provide safe and reliable service at the lowest reasonable price to its customers".

Response:

Objection – relevance. This data request is not reasonably calculated to lead to the discovery of relevant information. This question improperly attempts to connect Mr. Miller's general testimony filed with Columbia's application regarding a rate increase based on a revenue requirement comprised of allowable costs with a schedule of expenses which Columbia has excluded from its recovery request. Without waiving its objection Columbia states that while

political activities expenses are not recoverable under Kentucky law, efforts to understand and impact legislative and regulatory policy can promote safe and reliable service and lower prices to customers. Examples of Columbia's efforts are: supporting LIHEAP funding for low-income customers; opposing legislation to impose individual city franchise fees on all Columbia customers system-wide; supporting improvements in the "Call Before You Dig" legislation; investigating and analyzing the expanded use of natural gas for motor vehicles and collaborating with government stakeholders on improving energy efficiency for customers.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 242
Respondents: Herbert A. Miller, Jr. and S. Mark Katko

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
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242. Reference testimony of Katko, Schedule F-1. For each line item under Corporate Dues and Membership, please provide an explanation as to why the Company considers it reasonable for ratepayers to fund such organizations as are presented in this list. For example, why is it reasonable for Kentucky ratepayers to fund a \$7,500 contribution to the University of Missouri.

Response:

Corporate memberships in civic and other organizations contribute to better understanding and collaboration among customer and other interest groups and assist Columbia in designing and implementing improved customer service. Chambers of Commerce, for example, offer opportunities for Columbia to support various communities efforts to improve education, workforce enhancement and job opportunities and economic development. Economic growth and development help spread utility costs and mitigate the effects of

increasing business expenses. Membership in the Financial Research Institute, under the auspices of the University of Missouri, provides educational opportunities to learn about utility industry trends, new advances in technology and customer service and the financial environment of attracting capital. The Institute also makes prominent regulatory speakers available to its members to exchange ideas and best practices for improved utility operations.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 243
Respondent: Paul R. Moul

**COLUMBIA GAS OF KENTUCKY, INC.
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243. Please provide electronic (Microsoft Excel) copies of all rate of return, capital structure, and debt cost rate schedules with all data and formulas intact.

Response:

Please refer to the Microsoft Excel spreadsheets that are attached on the separate CD. The rate of return is set forth in Attachment "Sch01p1.xls," the capital structure is set forth in Attachment "Sch05p1.xls," and the cost of debt is set forth in Attachment "Sch06p1&2.xls." All formulas are intact.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 244
Respondent: Mark Downing

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
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244. Please provide copies of all presentations made to rating agencies and/or investment firms by NiSource Inc. ("NiSource") and/or Columbia Gas of Kentucky, Inc. ("Columbia") between January 1, 2012 and the present.

Response:

Please see the response to AG-1-114.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 245
Respondent: Paul R. Moul

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
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245. Please provide copies of all prospectuses for any security issuances by NiSource and Columbia since January 1, 2010.

Response:

Please reference Columbia's response to AG Data Request Set One No. 111 Attachments A - F, which are copies of all prospectuses for NiSource or Columbia since January 1, 2010.

- A. Attachment PSC Case No. 2013-00167_AG Set 1 DR No. 111 Attachment A, dated April 10, 2013.
- B. Attachment PSC Case No. 2013-00167_AG Set 1 DR No. 111 Attachment B, dated June 12, 2012.
- C. Attachment PSC Case No. 2013-00167_AG Set 1 DR No. 111 Attachment C, dated November 16, 2011.
- D. Attachment PSC Case No. 2013-00167_AG Set 1 DR No. 111 Attachment D, dated June 8, 2011.
- E. Attachment PSC Case No. 2013-00167_AG Set 1 DR No. 111 Attachment E, dated December 2, 2010.
- F. Attachment PSC Case No. 2013-00167_AG Set 1 DR No. 111 Attachment F, dated September 9, 2010.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 246
Respondent: Mark Downing

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
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246. Please provide copies of all studies performed by NiSource and/or Columbia, or by consultants or investment firms hired by NiSource and/or Columbia, to assess: (1) Columbia's financial performance; (2) the performance of the Columbia relative to other utilities; or (3) the adequacy of the Columbia's return on equity or overall rate of return.

Response:

Please see the response to AG-1-112.

KY PSC Case No. 2013-00167
Response to AG's Data Request Set One No. 247
Respondent: Paul R. Moul

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO ATTORNEY GENERAL'S FIRST
REQUEST FOR INFORMATION
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247. Please provide copies of all known investment reports on NiSource
published since January 1, 2012.

Response:

Please refer to AG DR Set One No. 247 Attachment A, attached hereto