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**PUBLIC SERVICE
COMMISSION**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 1

Refer to the Application, Tab 27. The provided schedule is to reflect the reconciliation of the rate base and capital used to determine Columbia's revenue requirement. However, the rate base shown on the schedule does not agree with the rate base provided in Schedule B-1 of the Application. Likewise, the capitalization does shown in Tab 27 does not agree with the capitalization provided in Schedule J-1 of the Application.

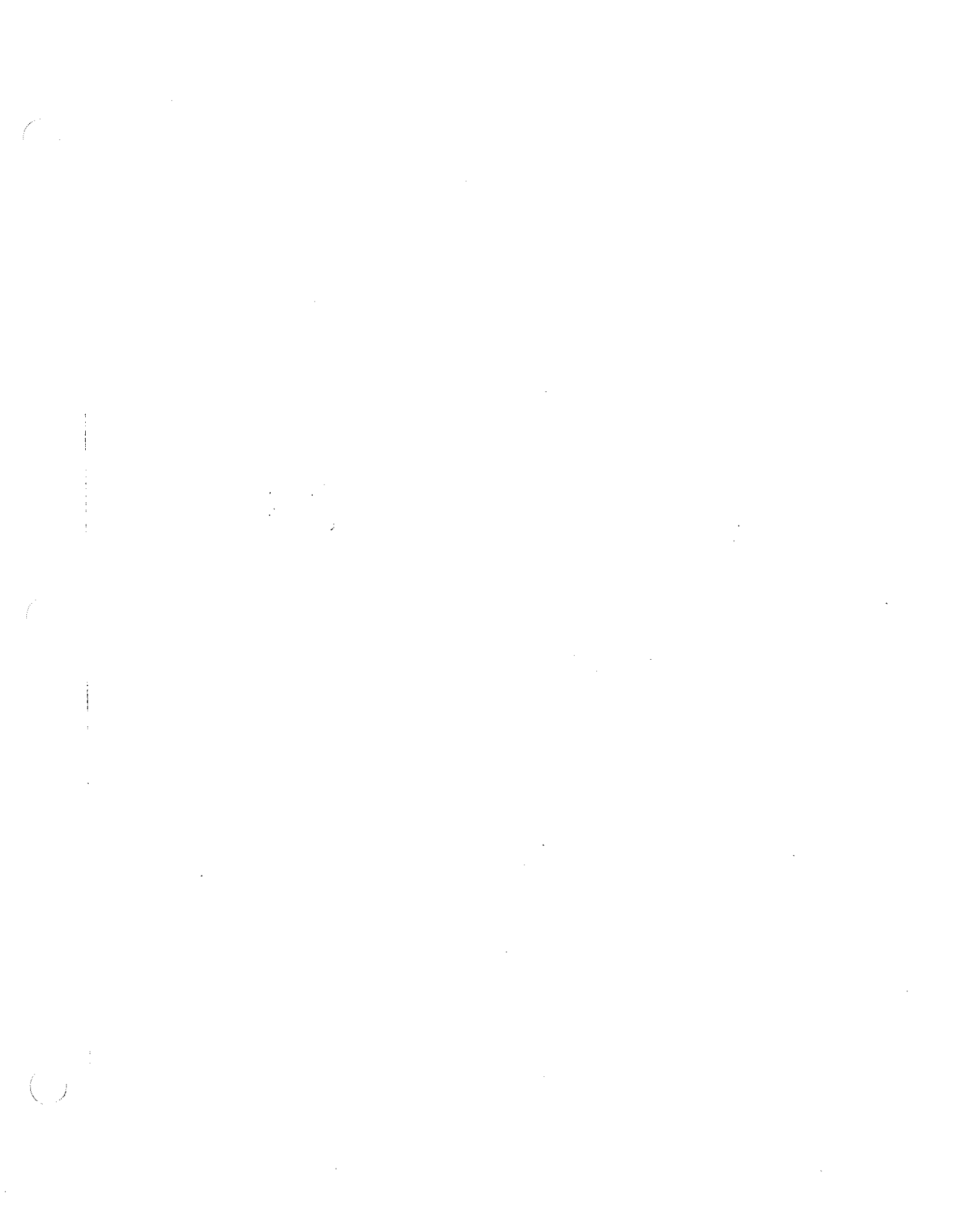
- a. Explain in detail why the rate base and capital presented in Tab 27 do not agree with Schedules B-1 and J-1.
- b. Provide the originally required reconciliation of rate base and capital. The reconciliation should begin with the proposed rate base, then list and identify all reconciling items, and conclude with the proposed capital.

Response of Columbia Gas of Kentucky:

- a. The schedule in Tab 27 has been corrected, and now agrees with Schedules B-1 and J-1. See 2007-00008 PSC Set 2-001 Attachment 1.
- b. See response to item a.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2007-00008
HISTORIC TEST PERIOD FILING REQUIREMENTS
CORRECTED

LINE NO.	DESCRIPTION	RATE BASE (SCHED. B-1)	CAPITALIZATION	DIFFERENCE	FINANCIAL STATEMENT
<u>ASSETS</u>					
1	PROPERTY, PLANT AND EQUIPMENT				
2	GAS UTILITY AND OTHER PLANT	250,010,565	0	2,636,308	252,646,873
3	LESS: ACCUM. DEPRECIATION	112,159,509	0	0	112,159,509
4	NET PROPERTY, PLANT AND EQUIPMENT	<u>137,851,056</u>	<u>0</u>	<u>2,636,308</u>	<u>140,487,364</u>
5	CURRENT ASSETS				
6	CASH	3,473,737	0	(265,038)	3,208,699
7	ACCOUNTS RECEIVABLE	0	0	9,058,442	9,058,442
8	GAS INVENTORY	47,790,396	0	22,534,448	70,324,844
9	OTHER INVENTORIES	0	0	40,065	40,065
10	PREPAYMENTS	344,194	0	315,178	659,372
11	REGULATORY ASSETS	0	0	2,530,524	2,530,524
12	OTHER	0	0	324,139	324,139
13	TOTAL CURRENT ASSETS	<u>51,608,327</u>	<u>0</u>	<u>34,537,758</u>	<u>86,146,085</u>
14	INVESTMENT IN SUBSIDIARY	0	0	209,250	209,250
15	REGULATORY ASSETS - LONG TERM	0	0	1,717,422	1,717,422
	DEFERRED CHARGES & SPECIAL DEPOSITS & FUNDS	<u>4,281,375</u>	<u>0</u>	<u>(17,353,021)</u>	<u>(13,071,646)</u>
17	TOTAL ASSETS	<u>193,740,758</u>	<u>0</u>	<u>21,538,467</u>	<u>215,488,475</u>
<u>CAPITALIZATION AND LIABILITIES</u>					
18	CAPITALIZATION				
19	COMMON STOCK EQUITY	0	79,189,296	6,736,244	85,925,540
20	LONG-TERM DEBT	0	72,843,576	(30,788,565)	42,055,011
21	TOTAL CAPITALIZATION	<u>0</u>	<u>152,032,872</u>	<u>(24,052,321)</u>	<u>127,980,551</u>
22	CURRENT LIABILITIES				
23	ACCOUNTS PAYABLE	0	0	15,397,382	15,397,382
24	ACCOUNTS PAYABLE TO ASSOC. COMPANIES	0	0	5,652,243	5,652,243
25	ACCRUED TAXES	0	0	2,835,321	2,835,321
26	ACCRUED INTEREST	0	0	92,209	92,209
27	ESTIMATED RATE REFUNDS	0	0	33,814	33,814
28	DEFERRED INCOME TAXES	22,129,461	0	(20,555,731)	1,573,730
29	OTHER	0	0	34,250,353	34,250,353
30	TOTAL CURRENT LIABILITIES	<u>22,129,461</u>	<u>0</u>	<u>37,705,591</u>	<u>59,835,052</u>
31	OTHER LIABILITIES AND DEFERRED CREDITS				
32	INCOME TAXES - NONCURRENT	0	0	19,537,312	19,537,312
33	INVESTMENT TAX CREDITS	0	0	963,300	963,300
34	OTHER REGULATORY LIABILITIES - LONG TERM	0	0	2,708,049	2,708,049
35	OTHER LIABILITIES AND DEFERRED CREDITS	163,698	0	4,300,513	4,464,211
36	TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	<u>163,698</u>	<u>0</u>	<u>27,509,174</u>	<u>27,672,872</u>
	TOTAL CAPITALIZATION AND LIABILITIES	<u>22,293,159</u>	<u>152,032,872</u>	<u>41,162,444</u>	<u>215,488,475</u>
38	TOTAL	<u>171,447,599</u>	<u>(152,032,872)</u>	<u>(19,623,977)</u>	<u>0</u>



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Question No. 2

Refer to the Application, Tab 28.

- a. Refer to page 16. Does Columbia sell its customer accounts receivable? If yes, provide a complete description of this financing option, including when Columbia started the program, all terms and conditions related to the sale of customer accounts receivable, and who bears the risk if the sold customer accounts receivable becomes uncollectible. In addition, describe how this financing option affected Columbia's Kentucky operations during the test year.
- b. For each of the account titles listed below, describe the account and the activity recorded in this account. Also indicate whether this account includes activity for Columbia's Kentucky operations and the applicable Kentucky operations balance for the account as of test-year end.
 - (1) Page 14, Other Accounts Receivable – Receivable – Lake Choctaw.
 - (2) Page 18, Prepayments – Pension Restoration Plan.
 - (3) Page 21, Deferred Assets – Longwall Mining Project.
 - (4) Page 21, Other Current Regulatory Assets – Super 8 Motel.
 - (5) Page 56, Special Employee Severance Program – Delaying – Out Place.
 - (6) Page 77, A&G Expenses, Supplies/Expenses – Volunteer Activity.
 - (7) Page 84, A&G Expenses, Supplies/Expenses – Name Change (Expenses).
 - (8) Page 87, A&G Expenses, Supplies/Expenses – STRIVE.
 - (9) Page 87, A&G Expenses, Supplies/Expenses – Project Phoenix.
 - (10) Page 96, A&G Expenses, Outside Services – Education 2000.

Response of Columbia Gas of Kentucky:

- a. No.
- b. Please refer to 2007-00008 PSC Set 2-002b Attachment 1 for the requested information.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008

<u>Account</u>	<u>Auxiliary</u>	<u>Activity</u>	<u>Facility</u>	<u>Description</u>	<u>Used by Columbia's CKY Operations</u>	<u>Activity</u>	<u>Balance as of Sept. 30, 2007</u>
143	9900	10842		Receivable - Lake Choctaw	No	N/A	N/A
165	0067	11190		Pension Restoration Plan	Yes	None	0
182	3417	12495		Deferred Assets - Longwall Mining Project	No	N/A	N/A
182	3499	12540		Other Current Regulatory Assets - Super 8 Motel	No	N/A	N/A
242	0047		101233	Special Employee Severance Program - Delaying - Out Place	Yes	None	0
921		00046		A&G Expenses - Supplies/Expenses - Volunteer Activity	No	N/A	N/A
921		07685		A&G Expenses - Supplies/Expenses - Name Change	No	N/A	N/A
921		08141		A&G Expenses - Supplies/Expenses - STRIVE	Yes	None	0
921		08142		A&G Expenses - Supplies/Expenses - Project Phoenix	Yes	None	0
923		07652		A&G Expenses - Outside Services - Education 2000	Yes	None	0

Analysts' Five-Year Projected Growth Rates
Earnings Per Share, Dividends Per Share,
Book Value Per Share, and Cash Flow Per Share

Gas Group	I/B/E/S First Call	Zacks	Reuters Market Guide	Value Line				Percent Retained to Common Equity
				Earnings Per Share	Dividends Per Share	Book Value Per Share	Cash Flow Per Share	
AGL Resources, Inc.	4.21%	4.50%	4.66%	4.50%	6.50%	6.00%	5.00%	5.00%
Atmos Energy Corp.	5.17%	5.50%	4.96%	7.00%	2.00%	5.00%	8.00%	5.00%
Laclede Group	-	-	-	5.00%	2.00%	7.50%	8.00%	4.00%
New Jersey Resources Corp.	5.25%	6.00%	5.72%	4.50%	4.50%	6.50%	4.00%	7.00%
NICOR, Inc.	2.67%	2.50%	3.25%	4.00%	1.50%	3.00%	2.50%	3.50%
Northwest Natural Gas	4.88%	4.90%	5.33%	7.00%	4.00%	3.50%	4.50%	3.80%
Piedmont Natural Gas Co.	4.00%	5.60%	4.86%	6.00%	5.50%	3.00%	6.00%	4.50%
South Jersey Industries, Inc.	6.00%	6.00%	6.33%	7.00%	6.00%	6.00%	6.50%	6.50%
WGL Holdings, Inc.	3.50%	3.30%	3.40%	1.50%	2.00%	3.50%	2.00%	4.00%
Average	4.46%	4.79%	4.81%	5.17%	3.78%	4.89%	5.17%	4.81%

Source of Information :

- Thomson Financial, September 16, 2006
- Zacks, September 16, 2006
- Reuters, September 16, 2006
- Value Line Investment Survey, September 15, 2006

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Question No. 3

Refer to the Application, Tab 31, the Federal Energy Regulatory Commission's ("FERC") Form 2 for 2005. For each of the following items, explain the nature of the transaction represented by the entry and explain why this amount has been recorded in the particular account.

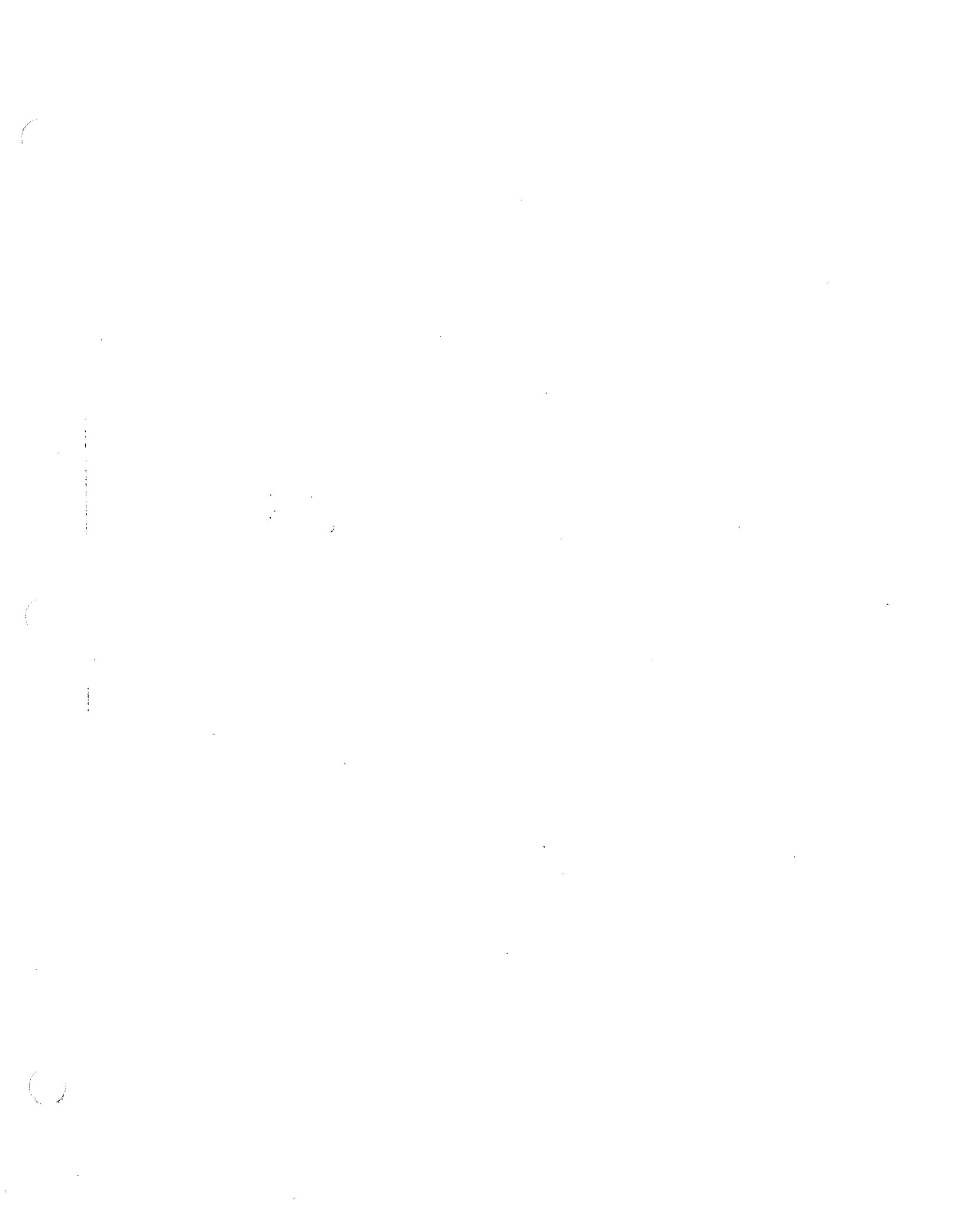
- a. Page 233, Miscellaneous Deferred Debits, Civic Center Building Lease.
- b. Page 234, Accumulated Deferred Income Taxes, Consolidated Rate Effect of Net Operating Loss.
- c. Page 268, Miscellaneous Current and Accrued Liabilities, Accrual for Exchange Gas.
- d. Page 268, Miscellaneous Current and Accrued Liabilities, Accrual for Customer A/R Credit Balances.
- e. Page 269, Other Deferred Credits, Civic Center Building Lease.
- f. Page 269, Other Deferred Credits, Nicole Energy Reserve.
- g. Page 269, Other Deferred Credits, Lake Carnico Capital Project.

Response of Columbia Gas of Kentucky:

- a. *Civic Center Building Lease recorded in account 186, Miscellaneous Deferred Debit* represents the deferred asset for the difference between the excess levelized lease expense and the cash payment. The offsetting liability is recorded in account 253, Other Deferred Credits.
- b. Consolidated Rate Effect of Net Operating Loss, recorded in account 190, represents estimated deferred income taxes resulting from filing a consolidated Kentucky income tax return. The consolidated return has three major companies, including Columbia Gas of Kentucky, that have tax reporting requirements in the state. Prior to 2005, it was estimated that the three companies combined had more deferred taxes recorded on a separate return basis than required on a consolidated basis. As a result of changes in apportionment and changes in consolidated book versus tax differences, the company no longer has a deferred tax benefit from filing a consolidated Kentucky return and the amounts allocated to the three subsidiaries were reversed in 2006.

Public Service Commission Data Request Set 2
Question No. 3 (Cont'd)
Columbia Gas of Kentucky Respondent: **Kelly Humrichouse**

- c. Exchange Gas recorded in account 242, Miscellaneous Current and Accrued Liabilities represents the liability for gas received in our system with the agreement to return the gas at a pre-determined point in the future.
- d. Customer A/R Credit Balances recorded in account 253, Miscellaneous Current and Accrued Liabilities, represents the balance of tariff customers who have a credit balance on their account.
- e. Civic Center Building Lease recorded in account 253, Other Deferred Credit represents the deferred legal liability for the difference between the excess levelized lease expense and the cash payment. The offsetting asset is recorded in account 186, Miscellaneous Deferred Debit account.
- f. Nicole Energy reserve recorded in account 253, Other Deferred Credits represents the reserve for penalty revenue billed to Nicole Energy.
- g. *Lake Carnico Capital Project* recorded in Account 253, Other Deferred Credits represents a contribution in aid of construction (CIAC) from Columbia Gas Transmission for improvements on Kentucky's pipeline system to facilitate receiving additional capacity for the Lake Carnico area. In September 2006 the CIAC was transferred to account 107, Construction Work in Progress.



Public Service Commission Data Request Set 2
Question No. 4
Columbia Gas of Kentucky Respondent: **John Spanos**

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Question No. 4

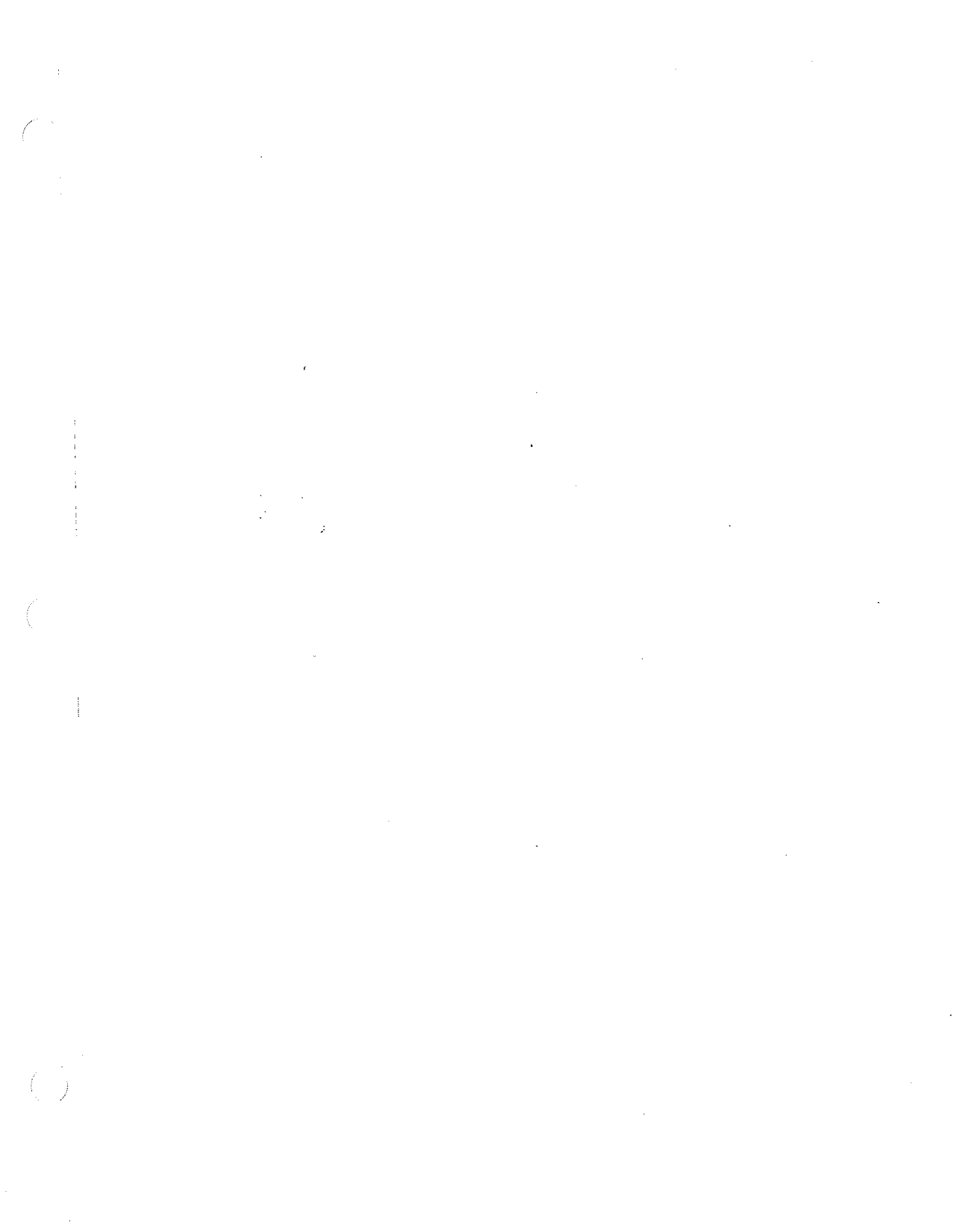
Refer to the Application, Tab 32. Provide a schedule that compares the current and proposed depreciation rates, by account number and asset groups.

Response of Columbia Gas of Kentucky:

Please see PSC Set 2-004 Attachment.

Data: Historic Period Forecasted Period
Type of Filing: Original Updated
Workpaper Reference No(s):

Line No.	Description	Gas Plant Account (1)	Current Rate (2) %	Projected Rate (3) %
INTANGIBLE PLANT				
1	ORGANIZATION COSTS	301.10	Amort.	Amort.
2	MISCELLANEOUS INTANGIBLE PLANT	303.00	Amort.	Amort.
3	MISC INTANGIBLE PLANT-DIS SOFTWARE	303.10	Amort.	Amort.
4	MISC INTANGIBLE PLANT-FARA SOFTWARE	303.20	Amort.	Amort.
5	MISC INTANGIBLE PLANT-OTHER SOFTWARE	303.30	Amort.	Amort.
PRODUCTION PLANT				
6	Structures and Improvements	305.00	0.00	0.00
7	Liquefied Petroleum Gas Equipment	311.00	0.00	0.00
DISTRIBUTION PLANT				
8	LAND RIGHTS-OTHER DISTR SYSTEMS	374.40	1.53	1.88
9	RIGHTS OF WAY	374.50	1.22	1.39
10	STRUC & IMPROV-CITY GATE M & R	375.20	1.96	2.98
11	STRUC & IMPROV-GENERAL M & R	375.30	1.96	2.98
12	STRUC & IMPROV-REGULATING	375.40	1.96	2.98
13	STRUC & IMPROV-DISTR. IND. M & R	375.60	1.96	2.98
14	STRUC & IMPROV-OTHER DISTR. SYSTEMS	375.70	2.00	2.01
15	STRUC & IMPROV-OTHER DISTR SYS-ILP	375.71	AMORT.	AMORT.
16	STRUC & IMPROV-COMMUNICATIONS	375.80	5.32	4.63
17	MAINS	376.00	1.57	0.00
	Cast Iron	376.10		2.44
	Bare Steel	376.20		2.66
	Coated Steel	376.30		2.05
	Plastic	376.40		2.19
18	M & R STATION EQUIP-GENERAL	378.10	2.35	3.19
19	M & R STA EQUIP-GENERAL-REGULATING	378.20	2.35	3.19
20	M & R STA EQUIP-GEN-LOCAL GAS PURCH	378.30	2.35	3.19
21	M & R STA EQUIP-CITY GATE CHECK STA	379.10	2.27	1.77
22	SERVICES	380.00	2.59	0.00
	Bare Steel	380.20		2.96
	Coated Steel	380.30		3.58
	Plastic	380.40		3.69
23	METERS	381.00	2.59	3.46
24	METER INSTALLATIONS	382.00	2.39	3.06
25	HOUSE REGULATORS	383.00	1.39	2.79
26	HOUSE REGULATOR INSTALLATIONS	384.00	1.10	1.42
27	INDUSTRIAL M & R STATION EQUIPMENT	385.00	2.09	4.92
28	OTHER EQUIP-ODORIZATION	387.20	4.22	6.64
29	OTHER EQUIP-TELEPHONE	387.41	2.34	3.76
30	OTHER EQUIPMENT-RADIO	387.42	2.34	3.76
31	OTHER EQUIP-OTHER COMMUNICATION	387.44	2.34	3.76
32	OTHER EQUIP-TELEMETERING	387.45	2.34	3.76
33	OTHER EQUIP-CUST INFO SERVICE	387.46	2.34	3.76
GENERAL PLANT				
Office Furniture and Equipment:				
34	OFFICE FURN & EQUIP-UNSPECIFIED	391.10	AMORT.	AMORT.
35	OFFICE FURN & EQUIP-DATA HANDLING	391.11	AMORT.	AMORT.
36	OFFICE FURN & EQUIP-INFO SYSTEMS	391.12	AMORT.	AMORT.
37	TRANS EQUIP-TRAILERS OVER \$1,000	392.20	6.34	4.38
38	TRANS EQUIP-TRAILERS \$1,000 or LESS	392.21	6.34	4.38
39	STORES EQUIPMENT	393.00	AMORT.	AMORT.
40	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	394.10	AMORT.	AMORT.
41	TOOLS,SHOP, & GAR EQ-CNG STATIONARY	394.11	13.77	24.33
42	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	394.13	AMORT.	AMORT.
43	TOOLS,SHOP, & GAR EQ-SHOP EQUIP	394.20	AMORT.	AMORT.
44	TOOLS,SHOP, & GAR EQ-TOOLS & OTHER	394.30	AMORT.	AMORT.
45	LABORATORY	395.00	AMORT.	AMORT.
46	POWER OPERATED EQUIP-GENERAL TOOLS	396.00	0.00	0.00
47	Miscellaneous Equipment	398.00	AMORT.	AMORT.



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Question No. 5

Refer to the Application, Tab 32, pages III-4 and III-5.

- a. Identify any asset accounts where the information on these pages indicates that the asset has been fully depreciated or will be fully depreciated within 12 months of the end of the depreciation study. If the depreciation study proposes a continuing depreciation rate for an asset that is shown to be fully depreciated, explain in detail why a depreciation rate is necessary for that asset.
- b. For each of the accounts listed below, explain why the net salvage value was selected, considering the data provided on the referenced pages.
 - (1) Account No. 375.34, Structures and Improvements – Measuring and Regulating; pages III-87 and III-88.
 - (2) Account No. 376, Mains, all types; pages III-92 and III-93.
 - (3) Account No. 378, Measuring and Regulating Station Equipment – General; pages III-94 and III-95.
 - (4) Account No. 379.1, Measuring and Regulating Station Equipment – City Gate; pages III-96 and III-97.
 - (5) Account No. 380, Services, all types; pages III-98 and III- 99.
 - (6) Account No. 381, Meters; pages III-100 and III-101.
 - (7) Account No. 382, Meter Installations; pages III-102 and III- 103.
 - (8) Account No. 383, House Regulators; pages III-104 and III- 105.
 - (9) Account No. 387.2, Other Equipment – Odorization; pages III-110 through III-113.
 - (10) Account No. 396, Power Operated Equipment; pages III- 114 and III- 115.
- c. For each of the accounts listed below, explain how the specific annual accrual rate and composite remaining life values were determined from the data contained on the referenced pages. Include all calculations, assumptions, and other supporting documentation.
 - (1) Account No. 375.7, Other Distribution System – Other Buildings and Distribution System Structures; pages III-124 and III-125.

Public Service Commission Data Request Set 2
Question No. 5 (Cont'd)
Columbia Gas of Kentucky Respondent: **John Spanos**

- (2) Account No. 376, Mains, all types; pages III-128 through III-133.
 - (3) Account No. 380, Services, all types; pages III-137 through III-139.
- d. For each of the accounts or account categories listed below, explain how the calculated annual accrual rate was determined. Include all calculations, assumptions, and other supporting documentation.
- (1) Total Account 387, Other Equipment.
 - (2) Total Distribution Plant.
 - (3) Total Account 394, Tools, Shop and Garage Equipment.
 - (4) Total General Plant.
 - (5) Total Depreciable Plant.

Response of Columbia Gas of Kentucky:

- a) There is only one asset account on pages III-4 and III-5 of Tab 32 that is fully depreciated or will be fully depreciated within the next 12 months. The fully depreciated asset class is Account 396, Power Operated Equipment. There is no proposed depreciation rate for this asset class for the existing assets; however, new assets will be depreciated at a 6.35% rate.
- b) A general explanation of how net salvage percentages are determined for all accounts is set forth on pages II-26 and II-27 of Tab 32.
 - 1) The 37 years of historical analysis for Account 375.34, pages II-87 and II-88, coupled with past estimates for this account and the estimates of other gas utilities provided support for the negative 10 percent net salvage.
 - 2) The 37 years of historical analysis for Account 376, pages II-92 and II-93, combined with estimates of other gas utilities and expectations within the gas industry provided support for the negative 15 percent net salvage.
 - 3) The 37 years of historical analysis for Account 378, pages III-94 and III-95, as well as the trend to more negative net salvage and the estimates of other gas utilities established support for negative 10 percent net salvage.
 - 4) There is limited historical analysis for Account 379.1; therefore, informed judgment had a greater impact in the determination of the net salvage percent. The assets in this account are similar to Account 378; therefore, the cost to remove and the expected gross salvage are comparable. Thus, the net salvage percent of negative 10 is based on expectations that net salvage will be similar to Account 378.
 - 5) The 37-year history for Account 380, pages III-98 and III-99 sets forth a negative 68 percent net salvage, however, the most recent 5-year period is negative 51 percent. Expectations that the percentages of the most recent five years, coupled with past estimates for this account and the

Public Service Commission Data Request Set 2
Question No. 5 (Cont'd)
Columbia Gas of Kentucky Respondent: **John Spanos**

- trends in the gas industry for services, provide support for the negative 50 percent net salvage.
- 6) The 37-year history for Account 381, pages III-100 and III-101, establishes basically zero percent net salvage for over \$3M of retirements. The zero percent net salvage percent is consistent with gas industry estimates.
 - 7) The 37-year history on pages III-102 and III-103 establishes a negative 9 percent net salvage and the most recent five-year period sets forth negative 13 percent net salvage. This historical analysis coupled with past estimates of this account and estimates of other gas utilities for meter installations provides support for the negative 10 percent net salvage.
 - 8) The 37-year history for Account 383, pages III-104 and III-105 sets forth a negative 6 percent net salvage. There is a trend for less cost of removal but not a substantial change. Therefore, with past estimates and utility averages ranging from 0 to negative 10 percent, a negative 5 percent was used.
 - 9) The 37-year history sets forth a large negative net salvage percent; however, the data is limited and greatly influenced by the 2001 cost of removal. Based on the type of assets in this account, past estimates for this account and estimates used by other gas utilities, it was determined that zero percent net salvage was the most reasonable.
 - 10) There is a reasonable amount of data for Account 396, pages III-114 and III-115, but there are a few salvage anomalies which require judgment. The past estimate for this account and estimates for other gas utilities help determine the most reasonable estimate of positive 25 percent net salvage.
- c) 1) The life, net salvage and surviving original cost by vintage are the bases for the annual accrual rate and composite remaining life. In the case of Account 375.7, there are four categories. The book reserve is allocated proportionately to each vintage within a location based on the calculated accrued depreciation (theoretical reserve). Therefore, the future accruals are the original cost minus the book reserve. The annual accrual is the future accruals divided by the vintage remaining life which is based on the survivor curve and probable retirement data.
- 2) The calculation for all types of mains in Account 376 is determined in the same fashion as described above. The service life, net salvage percent, surviving plant balance by vintage and where appropriate, truncation date, are the bases for allocating the book reserve to each vintage and in turn

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Question No. 5 (Cont'd)
Columbia Gas of Kentucky Respondent: **John Spanos**

determining the annual accrual and composite remaining life. The composite remaining life shown at the bottom of page III-133 is the culmination of all types of main (future accruals divided by annual accruals).

- 3) The calculation is the same as described for Accounts 375.7 and 376.
- d)
 - 1) The calculations on pages III-150 through III-152 establish the individual accrual rates for each of the subaccounts for total Account 387. The total Account 387 accrual rate of 3.95 is the annual accrual amount of the two subaccounts added together divided by the total original cost for the two subaccounts.
 - 2) The 2.81 percent accrual rate for Distribution plant is all the annual accrual amounts for distribution accounts divided by the original cost for the same distribution plant accounts.
 - 3) The accrual rate for total Account 394 of 7.55 percent is the summation of accrual amounts by subaccount divided by the total Account 394 original cost.
 - 4) The calculation for General Plant is the same as that described for Distribution Plant.
 - 5) The total Depreciable Plant accrual rate of 2.93 percent is the summation of all depreciable account annual accrual amounts divided by the total original cost of the same accounts. $(7,089,978/241,990,402)$.

Columbia Gas of Kentucky Respondent: **Susanne M. Taylor, NCSC Controller**

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Question No. 6

Refer to the Application, Tab 38.

- a. Concerning costs allocated to Columbia by NiSource Corporate Services Company ("NCSC"), can costs related to NiSource, Inc.'s ("NiSource") electric operations and non-regulated, non-gas operations be allocated to Columbia's Kentucky operations? Explain the response.
- b. Concerning the "Bases of Allocation" factors applied by NCSC to allocate costs, are NiSource's regulated electric and gas operations separated or combined when calculating the bases? Explain the response.
- c. If the Bases of Allocation factors reflect a combination of NiSource's regulated electric and gas operations, explain why it is reasonable, from the rate-making perspective, that costs associated with NiSource's regulated electric operations should be charged to Columbia's Kentucky gas operations.

Response of Columbia Gas of Kentucky:

- a. No, costs related to NiSource, Inc.'s ("NiSource") electric operations and non-regulated, non-gas operations are billed to those respective companies that are benefiting from the services being provided.
- b. Allocations are billed on a per company basis, and direct billing is always the preferred method of billing by NCSC. However, is not always practical to direct bill and so allocation bases are used in those instances. Based on the nature of service, an allocation basis is selected which best fits the service being performed. There are bases that separate regulated electric and gas operations where gas distribution operations need to be accounted for separately and direct billing is not practical.
- c. Costs associated with NiSource's regulated electric operations are not charged to Columbia's Kentucky gas operations.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 7

Refer to the Direct Testimony of Herbert A. Miller, Jr. ("Miller Testimony"), page 6. When compared to the Accelerated Main Replacement Program ("AMRP") the Commission approved for The Union Light, Heat and Power Company ("ULH&P") in January 2002,¹ Columbia's proposed AMRP would replace 3.6 times as many miles of pipe in just twice the time period. Explain how Columbia developed its time frame of 20 years for its AMRP.

Response of Columbia Gas of Kentucky:

Please refer to the response of question 2007-00008 PSC Set 2-015 as well as the attachment to question 2007-00008 PSC Set 2-014.

¹ Case No. 2001-00092, Adjustment of Gas Rates of The Union Light, Heat and Power Company, final Order dated January 31, 2002. As a result of the merger of Cinergy Corp. and Duke Energy Corporation, ULH&P is now known as Duke Energy Kentucky, Inc. ("Duke Kentucky"). The reference to Duke Kentucky will be utilized through the remainder of this data request.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 8

Refer to the Miller Testimony, page 10.

- a. What type of customers will Columbia's new employee in the New Business function attempt to attract?
- b. Does Columbia have any other employees who are designated to attract new customers?

Response of Columbia Gas of Kentucky

- a. The new business employee will work to attract new commercial and residential customers.
- b. Yes, Columbia has a new business function to support new business requests.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 9

Provide the cost that Columbia will incur in converting its billing system from utilizing a minimum bill to a customer charge. Include all workpapers, calculations, and assumptions used to determine the conversion cost.

Response of Columbia Gas of Kentucky:

Columbia will not incur additional costs in converting its billing system from utilizing a minimum bill to a customer charge.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

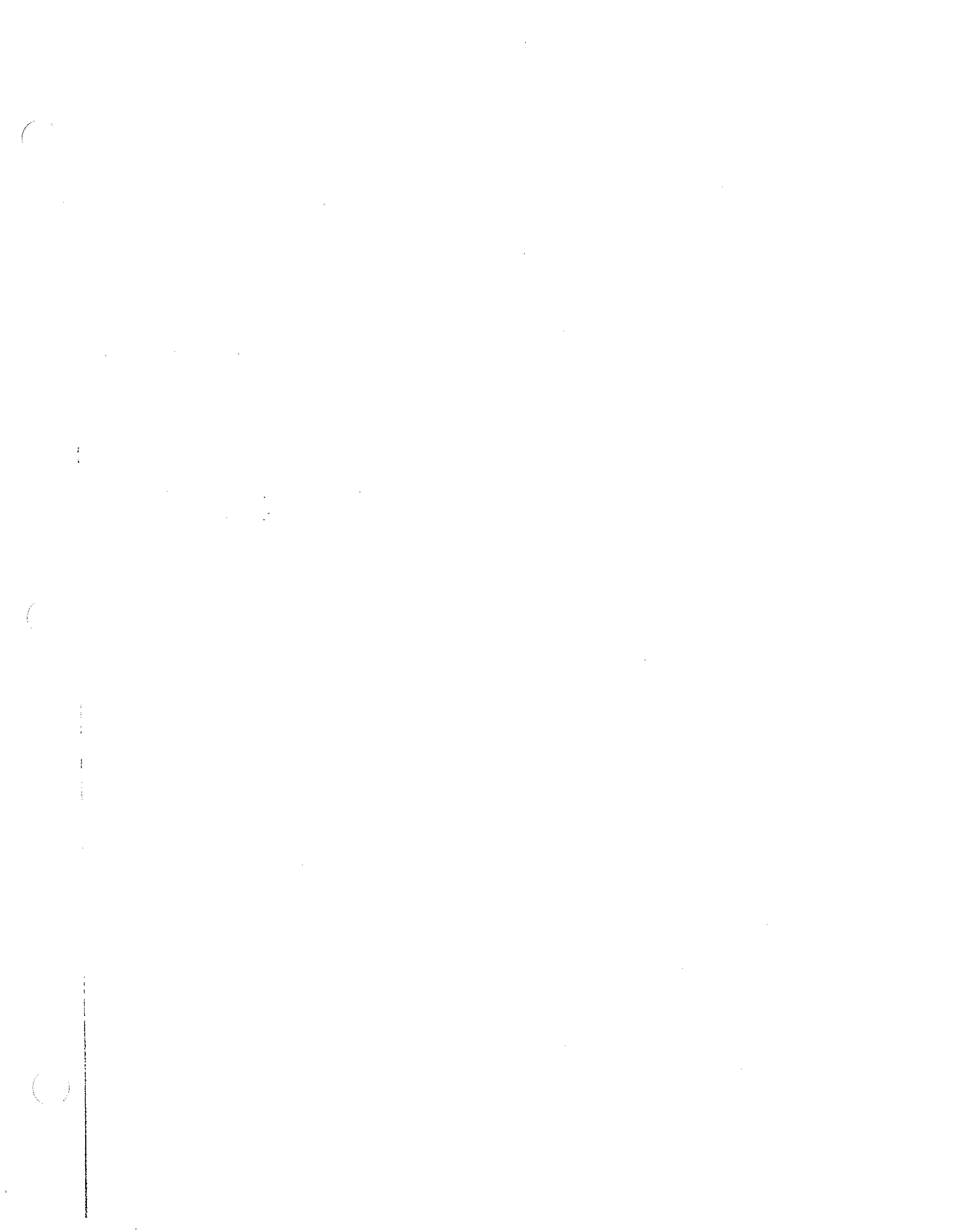
Question No. 10

Refer to the Direct Testimony of James M. Webb ("Webb Testimony"), page 12, line 20. Concerning the replacement of bare steel ("BS") pipes since the late 1960s, the Direct Testimony of Edwin Humphries ("Humphries Testimony"), page 8, states that Columbia's current replacement is 9 miles per year.

- a. What was Columbia's replacement program for BS and cast iron ("CI") prior to the Stone and Webster ("S&W") studies?
- b. How many miles of BS and CI pipe have been replaced on the Columbia system since the late 1960s?

Response of Columbia Gas of Kentucky:

- a. Before Columbia decided to embark upon an accelerated main replacement program, its replacement program involved evaluating the leakage history on the mains and identifying locations having the most leakage repairs. This evaluation also involved consulting local personnel and reviewing the number of clamps required to repair an individual leak. Every effort was made to maximize the amount of bare steel removed by looking for other nearby locations having leakage repairs. Other efforts to maximize the amount of bare pipe removed included: consulting highway and road departments for project lists, looking for opportunities to eliminate dual main streets, and consulting winter operations reports for necessary betterment. The resulting program was one that strived to eliminate the maximum amount of bare steel that was justified by the leakage history.
- b. Columbia has reduced its inventory of unprotected steel by approximately 1035 miles and its inventory of cast iron by 14 miles since the late 1960's. The reductions in the inventory of unprotected steel pipe were not achieved exclusively by replacement. Much of the effectively coated pipe was brought under cathodic protection and is now represented in the inventory of cathodically protected pipe. Historical records do not distinguish between replacements of bare steel and reductions in quantities of unprotected pipe due to bringing such pipe under cathodic protection.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
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ORDER DATED APRIL 10, 2007**

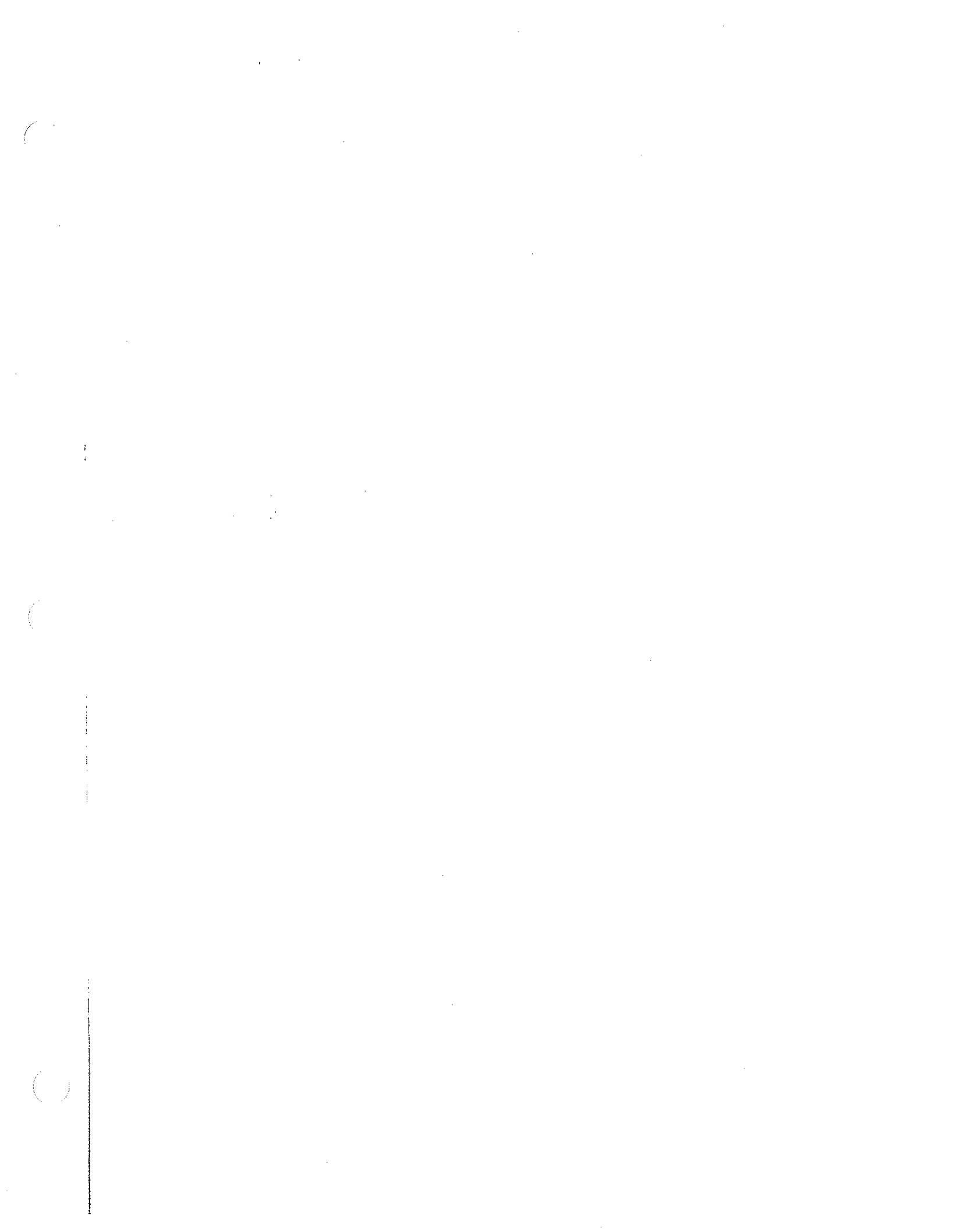
Question No. 11

Columbia owns and maintains the service lines. Why is the replacement of the 15,000 BS service lines included in the proposed AMRP program? Explain the response.

Response of Columbia Gas of Kentucky:

Columbia owns, operates and maintains all service lines between the main line and curb valve or customers property line (Company Service). Columbia owns, operates, and maintains all service lines from curb valve or customers property line to the customer's meter (Customer Service) that have been installed new by Columbia or replaced by Columbia pursuant to the order made by the Commission the 10th day of November, 1988, Case No. 10127. Columbia operates and maintains but does not own any customer service line installed before November 10, 1988. Columbia assumes ownership of customer service lines installed before November 10, 1988 only after replacing a customer service line at Columbia's cost.

It has been Columbia's practice to replace all existing steel service lines regardless of ownership during a main replacement project. Original steel service lines are of the same vintage as the main line being replaced and are subject to the same leak causes; corrosion leakage, mechanical joint leakage, and thread leakage are the most common. Only service lines that are plastic from the main to the meter are reconnected to a new main. Unprotected steel service lines are a significant source of leakage and this replacement practice reduces leakage and increases safety for the customer, reduces customer service interruptions, reduces the cost of service line replacement when done with the main line, and avoids re-cutting hard surfaces that were cut for main line replacement. For the reasons stated, both replacement of steel service lines as well as replacement of main lines are appropriately included in the AMRP program.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 12

Refer to the Webb Testimony, page 13, lines 12 and 13. Mr. Webb states that Columbia has averaged over 1,360 corrosion leaks per year over the past 5 years. However, this statement does not appear to agree with the information provided in the Humphries Testimony, Figures 2 through 5 and 7. Reconcile the differences between the statement in Mr. Webb's testimony and the data provided by Mr. Humphries. Explain in detail the differences between the information.

Response of Columbia Gas of Kentucky:

Mr. Webb's testimony refers to both main and service line corrosion leaks while Mr. Humphries' analysis and testimony refers to main leakage only.



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ORDER DATED APRIL 10, 2007**

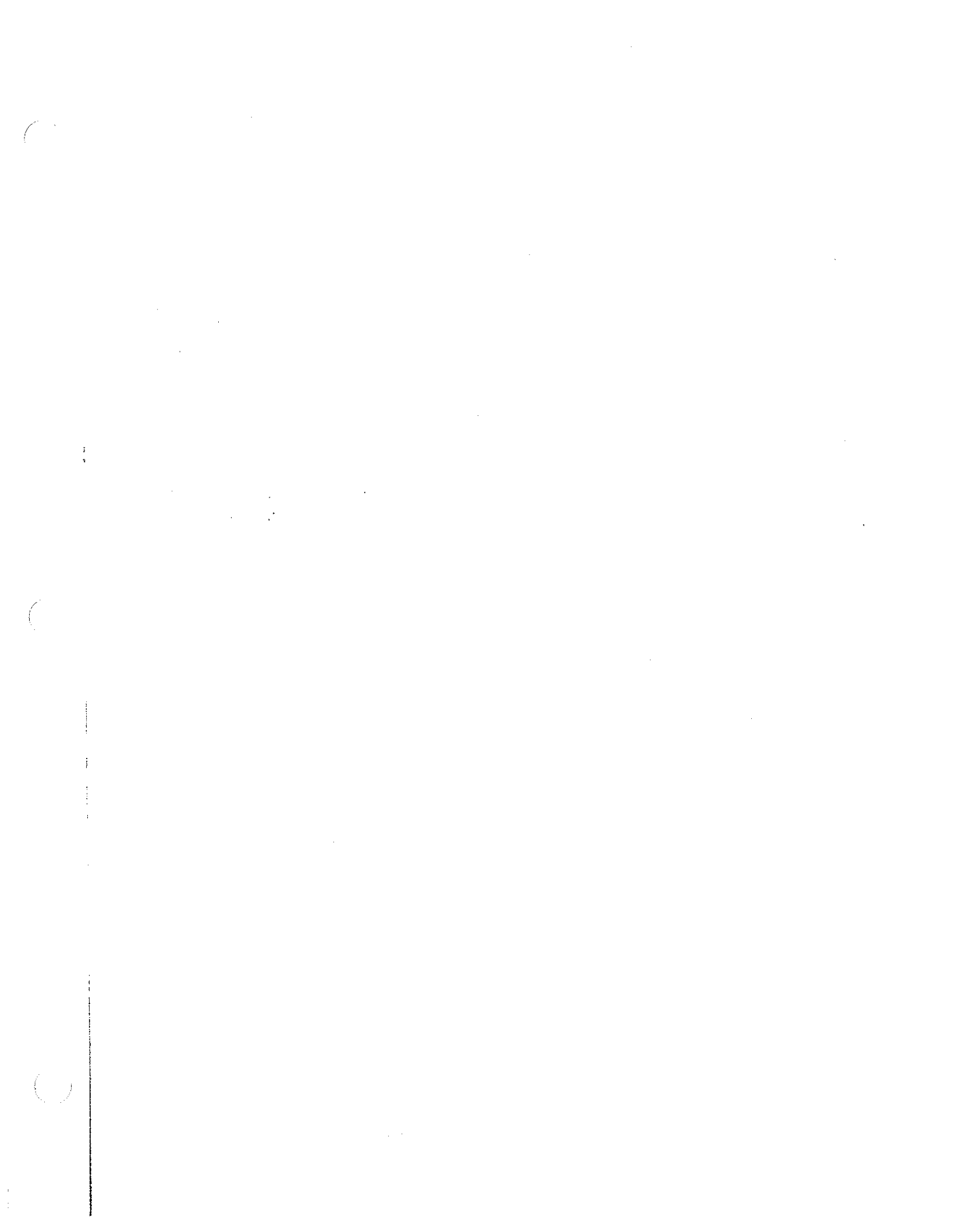
Question No. 13

Refer to the Webb Testimony, page 15. Mr. Webb indicates that the most cost-effective method of replacement is an area-based replacement strategy.

- a. Has Columbia committed itself to employing the area-based replacement strategy as part of its AMRP? Explain the response.
- b. Describe the actions Columbia has undertaken to date to plan for the utilization and implementation of such an area-based replacement strategy.
- c. If the Commission did not approve the proposed AMRP cost recovery mechanism, would Columbia still employ the area-based replacement strategy to replace its existing BS and CI mains? Explain the response.

Response of Columbia Gas of Kentucky:

- a. Columbia will be employing the area-based replacement strategy as part of the AMRP whenever it makes sense to do so. There are several situations where it may not be advantageous to utilize this replacement strategy (i.e. emergency replacement work, cross-country lines, etc). See Webb Testimony, page 15 for additional information.
- b. Columbia has met with a peer company who currently has an AMRP to discuss this strategy and its pros/cons. Current projects utilizing this strategy are planned for 2007 in another Columbia company for evaluation purposes.
- c. Yes, Columbia will begin to employ this strategy, when it makes sense, regardless of whether the Commission approves the proposed AMRP. Columbia believes this strategy will prove to be an effective and efficient way to replace existing BS and CI mains and services. However, if cost recovery through the AMRP is not provided, Columbia would be required to seek base rate relief on a repetitive basis.



Public Service Commission Data Request Set 2
Question No. 14
Columbia Gas of Kentucky Respondent: **Mike Webb**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 14

Refer to the Webb Testimony, page 18. Provide the workpapers, calculations, and assumptions used to determine Columbia's annual investment in the AMRP would be approximately \$9.9 million.

Response of Columbia Gas of Kentucky:

See Attachment 2007-00008 PSC Set 2-014

2007 - 00 - PSC Set 2-014 - Attachment 1

Replacement Schedule (Years)	Miles New Pipe Installed per Year	Annual Problem Pipe Capital		New Capital Program	Economies of Scale Cost Reduction Factors		2007 Capital Program Total	2005 Customers
		Mains	Services		Total	Factors		
10	46.9	15,097,735	4,773,994	19,871,729	26,471,729	0%	6,600,000	143,051
15	31.3	10,085,158	3,182,663	13,267,821	19,847,819	0%		
20	23.2	7,548,897	2,388,897	9,937,794	14,535,794	0%		
30	15.6	5,032,578	1,591,351	6,623,929	10,223,910	0%		
40	11.7	3,774,434	1,193,499	4,967,932	7,567,932	0%		
50	9.4	3,019,547	954,799	3,974,346	6,037,346	0%		
60	7.8	2,516,269	795,666	3,311,935	5,111,935	0%		
70	6.7	2,159,819	681,999	2,841,818	4,383,818	0%		
80	5.9	1,867,217	598,749	2,465,966	3,803,966	0%		
90	5.2	1,677,626	530,444	2,208,070	3,397,070	0%		
100	4.7	1,508,773	477,399	1,986,173	3,083,173	0%		

Total Program Cost = \$ 198,717,287 10% +/- Variation Range \$218,589,016 \$178,845,559

MAINS

2005 Adj. Unit Cost by Group
Min \$/ft. (optional)

\$/ft used to develop program

Steel (Miles)
Bare Steel (Miles)
CI (Miles)

Bare Steel & CI (Miles)
Bare Steel & CI (Feet)

Unit Replacement Cost

Replacement Cost
w/ size for size & same footage

R/I 5 Yr Avg
R/I to be used

Adjusted Install Footage

Size Reduction Factor
Increase in size group
Decrease in size group

Adjusted Unit Replacement Cost

Adjusted Replacement Cost
w/ smaller size & reduced footage

SERVICES

	Unit Cost	Initial Estimate	Per Service	Number	Cost
Svc Reconnects	200	60%		27,843	5,568,600
Svc Replacement	1,629	40%		18,562	30,237,488
Adjacent Svc Replacement	1,400	5%		4,451	6,230,910
Meter Move Outs	250	75%		5,888	1,422,000
Adjacent Meter Move Outs	250	75%		6,239	1,559,813
Relights	50			46,405	2,320,250
Adjacent Relights	50			8,017	400,871
Total					47,739,942

Services	135,418
Services on BS/CI (DIS)	46,405
Main (Feet)	13,287,648
Main (Feet)/Services	94.7
% of Main BS or CI	21.5%
BS & CI Services	15,971
BS & CI Main (ft)/Services	61.4
# of Inside Meters (DIS)	15,903
(DIS)	7,564
Total Plastic, coated (protected & unprotected) services	119,447

Main (Miles)	Bare Unpr	Coated Unpr	Bare Prot	Coated Prot	Plastic	Cast Iron	Other	Total
508	0	0	0	0	0	0	0	508
854	0	0	0	0	0	0	0	854
1,121	0	0	0	0	0	0	0	1,121
25	0	0	0	0	0	0	0	25
2	0	0	0	0	0	0	0	2
2,517	0	0	0	0	0	0	0	2,517

20.2%
0.0%
0.3%
33.9%
44.5%
1.0%
0.1%
100%

37.2%
0.0%
0.5%
62.4%
100%
1,369

Number of Services

Bare Unpr	15,744
Coated Unpr	1,903
Bare Prot	227
Coated Prot	27,550
Plastic	89,994
Cast Iron	0
Other	0
Total	135,418

Bare Unpr	5,568,600
Coated Unpr	30,237,488
Bare Prot	6,230,910
Coated Prot	1,422,000
Plastic	1,559,813
Cast Iron	2,320,250
Other	400,871
Total	47,739,942

Bare Unpr	1,369
Coated Unpr	515
Bare Prot	24
Coated Prot	539
Plastic	2,846,908
Cast Iron	62.07
Other	176,694,849
Total	2,475,572

Bare Unpr	27,843
Coated Unpr	18,562
Bare Prot	4,451
Coated Prot	5,888
Plastic	6,239
Cast Iron	46,405
Other	8,017
Total	119,447

Bare Unpr	5,568,600
Coated Unpr	30,237,488
Bare Prot	6,230,910
Coated Prot	1,422,000
Plastic	1,559,813
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Other	400,871
Total	47,739,942

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Coated Unpr	18,562
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Coated Prot	5,888
Plastic	6,239
Cast Iron	46,405
Other	8,017
Total	119,447

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Bare Prot	4,451
Coated Prot	5,888
Plastic	6,239
Cast Iron	46,405
Other	8,017
Total	119,447

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Bare Prot	4,451
Coated Prot	5,888
Plastic	6,239
Cast Iron	46,405
Other	8,017
Total	119,447

0

1

2

3

4

5

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 15

Refer to the Webb Testimony, page 21, line 6. The S&W studies recommended a replacement of 27 miles of BS and CI pipe per year for 20 years. Provide the feasibility study and other criteria taken into consideration for choosing the 20-year program.

Response of Columbia Gas of Kentucky:

Referring to attachment 2007 – 00008 PSC Set 2-014, it shows that many different replacement schedules were estimated and considered. A cross sectional team of individuals from Engineering, Operations, Regulatory Affairs, Sales, and Communications reviewed and discussed these options. Considerations included a balanced approach with regards to safely managing the inventory of problem pipe and the financial impact of the AMRP to our customers along with the capital dollar requirements for each schedule. The team also weighed the anticipated construction congestion and its impact on neighborhoods and traffic. Finally, the available labor resources within Engineering and Operations, adequate materials, and the availability of qualified contractors to execute this strategy were all considered. Based on these considerations, the cross-sectional team determined that a twenty year replacement period was the best approach. Columbia then hired Stone & Webster to review its leakage data and Stone & Webster agreed that the twenty year replacement schedule was appropriate.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 16

Refer to the Webb Testimony, page 21. Provide all calculations, workpapers, assumptions, and other documentation used to determine the cost per foot estimates Mr. Webb states at lines 21 through 23.

Response of Columbia Gas of Kentucky:

Refer to the Attachment provided in response to question PSC Set 2-014. These "work papers" have the estimated quantities and the calculated unit costs associated with each anticipated activity.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 17

Refer to the Webb Testimony, Exhibit 1. Indicate which components shown on the schedule titled "Columbia Gas of Kentucky Infrastructure Breakdown" would be included in the proposed AMRP.

Response of Columbia Gas of Kentucky:

The components shown on Exhibit 1 which will be included in the proposed AMRP are the miles of cast/wrought iron mains (25), miles of unprotected /bare steel mains (516) and the miles of other mains (2). In addition there will be a nominal amount of plastic and protected steel mains retired as a result of the AMRP. These situations will occur when it is more economical to install longer, continuous sections of new plastic in order to avoid additional connection costs to short existing sections of plastic or protected steel.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 18

Refer to the Humphries Testimony, page 4, line 80. Mr. Humphries states that 10 percent of coated steel was not cathodically protected. Explain why Columbia ignored protecting the coated steel pipes for so many years.

Response of Columbia Gas of Kentucky:

Columbia has not ignored protecting coated steel pipe. The earliest records of Columbia Gas of Kentucky's Corrosion Control program date back to 1968. From that time forward Columbia's Corrosion Technicians have identified and evaluated sections of coated pipe installed prior to July 31, 1971 for cathodic protection. Sections of pipe that were determined to have an effective coating through field inspection and testing were electrically isolated and had a cathodic protection current applied. These sections of pipe were documented as cathodically protected when sufficient current had been applied to the bare pipe surface to meet one of the criteria for cathodic protection listed in Appendix D of CFR Part 192.

During the ongoing process of locating and evaluating sections of pipe for cathodic protection, it was determined that a number of early coatings found in Columbia's systems were, or had become ineffective in providing electrical isolation for the pipe wall from the surrounding soil. The current requirement to achieve cathodic protection for these pipe sections were essentially the same as bare pipe of the same diameter. This category of coated pipe is known in the industry as ineffectively coated pipe and was not cathodically protected.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 19

Refer to the Humphries Testimony, page 4. The data shows there were 6,018 leaks over the last 15 years.

- a. What was the cost of repairing those leaks each year?
- b. Explain why Columbia ignored controlling the high rate of leaks, which has been, according to the S&W study, six times higher than the cathodically protected and plastic pipes.

Response of Columbia Gas of Kentucky:

- a. The cost of repairing the leaks for the last 15 years is tabulated below:

Year	Leak Repair Cost
1990	\$ 542,078
1991	\$ 455,545
1992	\$ 460,740
1993	\$ 415,131
1994	\$ 383,821
1995	\$ 461,256
1996	\$ 513,174
1997	\$ 626,120
1998	\$ 426,070
1999	\$ 512,238
2000	\$ 629,690
2001	\$ 684,288
2002	\$ 683,587
2003	\$ 788,926
2004	\$ 600,038
2005	\$ 605,931
2006	\$ 857,561
Total	\$ 9,646,194

Public Service Commission Data Request Set 2
Question No. 19 (Cont'd)
Columbia Gas of Kentucky Respondent: **Mike Webb**

- b. Columbia has not ignored controlling the leakage on its bare steel and cast iron main lines. The following methods have been used to reduce the numbers of leaks on bare steel and cast iron facilities:
- Using a replacement program to identify and remove the poorest performing segments of pipe.
 - Identifying dual main streets and eliminating bare steel footage where ever possible.
 - Coating exposed bare steel mains and installing anodes when the pipe was exposed for leak repair or other reasons.
 - Moving to better repair methods for cast iron bell joints.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 20

Refer to the Humphries Testimony, page 6.

- a. In selecting comparison companies for the analysis, explain why the following companies were not included:
 - 1) Bay State Gas Company.
 - 2) Columbia Gas of Maryland, Inc.
 - 3) Columbia Gas of Ohio, Inc. ("Columbia Ohio")
 - 4) Columbia Gas of Pennsylvania, Inc.
 - 5) Columbia Gas of Virginia, Inc.
- b. Would it have been reasonable to have reviewed the data for these NiSource-affiliated distribution companies in conjunction with this analysis? Explain the response.

Response of Stone & Webster:

- a. In the preparation of the independent review of Columbia's proposed AMRP, a great deal of company data was developed and presented by Stone & Webster Consultants. Stone & Webster Consultants compared Columbia results to other results that we had previously developed in other operating companies. The inclusion of the NiSource-affiliated distribution companies did not appear to be necessary. It was thought that the NiSource affiliates would have a similar approach to their bare steel and cast iron replacement program and we wanted to compare Columbia to its peers within its industry.
- b. It is not considered necessary to review and compare the data from other NiSource-affiliated companies. It would be more objective to compare Columbia to other companies and how they approached their bare steel and cast iron replacement program. If for example the NiSource-affiliated companies had no accelerated mains replacement programs in place, then the comparison would be meaningless.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 21

Refer to the Humphries Testimony, page 8, lines 160 through 171. If the corrosion continues at the same rate, why does Mr. Humphries consider 20 years to be a very manageable schedule for replacement of BS and CI pipes in Columbia's distribution system?

Response of Stone & Webster:

Twenty years is a very manageable schedule for the replacement of all bare steel and cast iron distribution piping. It is three times the current rate of replacement. Adoption of such a program would clear out all BS and CI piping by the year 2027. Review of the example companies indicates that 20 years is regarded as an appropriate schedule.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 22

Refer to the Humphries Testimony, page 8. Mr. Humphries includes a chart showing the current removal rates of selected gas companies. In proposing an AMRP, does accelerated mean a specific number of years or simply replacing the mains at a faster rate than previously experienced? Explain the response.

Response of Stone & Webster:

These two criteria are synonymous. In this instance the proposed AMRP is twenty (20) years. It will require the retirement of 27 miles of main per year to achieve that replacement rate. If one reduces the AMRP to ten years the proposed retirement rate will have to increase to 54 miles per year. Twenty years was selected because it would be a manageable replacement schedule.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 23

Is S&W providing regression analysis for replacing BS and CI mains and BS service lines? If yes, explain how it is going to be implemented in the proposed program.

Response of Columbia Gas of Kentucky:

No, S&W is currently not providing regression analysis for replacing BS and CI main and BS service lines.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 24

Will Columbia establish bid documents for the annual main replacement plan?
Explain the response.

Response of Columbia Gas of Kentucky:

Columbia is planning to initially bid much of the larger main replacement work. However, we will continually evaluate our processes to provide an efficient and cost effective replacement program.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 25

Refer to the Humphries Testimony, Figure 3. Figure 3 shows there are a substantial number of leaks, excluding third party and corrosion. Explain the types of these leaks and whether Columbia has any program to control and reduce them.

Response of Columbia Gas of Kentucky:

A review of main line leak history from 1990 through 2006 for all pipe material types showed the following leak locations when corrosion or third party damage was not indicated as the leak cause. The leak locations are listed in descending order of frequency of occurrence.

Location	Most Common Source of Leakage at the location
Valve	Leak around the stem of the valve
Tap Fitting	Leaks around the sealing surface of the cap on a tap fitting
Body of Pipe	Leaks from natural forces, material failure, construction defect, and undetermined cause
Mechanical Joint	Leak at the sealing gaskets of a compression coupling
Fitting	Leaks on a variety of fitting found on main lines
Bell and spigot Joint	Leaks in the sealing area of the joint
Threaded Joint	Leaks at the threads of a threaded joint coupling
Other	Unable to identify the leak source from available information
Weld or Fusion – Girth	Leaks on girth welds on steel and fusions on plastic pipe
Weld Longitudinal	Leaks on longitudinal welds on steel pipelines
Drip	Leak on any part of a drip connected to a main line

Programs:

Facility Failure Reporting - Columbia Gas of Kentucky has a program for reporting failures of any facility or material and to control and reduce facility failures. This ongoing program identifies poorly performing components, tools, and materials as well as installation and maintenance procedures that result in more rapid failure. From the information gathered from this program poorly performing materials, fittings, and tools are removed from the approved materials list. Installation and maintenance procedures are updated when current practices are found to be the cause of failure.

Valve Maintenance Program- The majority of main line valve leaks occur in the packing around the valve stem. An annual operational inspection of the valve frequently results in leaks around the stem of the valve. In the Mid 1990s plant technicians were trained to replace the packing in main line gate valves with a longer life packing rather than tighten the packing glands to stop leakage around the valve stem.

Bell and Spigot Joint Repair- In the early 1990s Columbia moved to an internal joint sealing method for the Bell Joint and no longer uses a mechanical joint clamp as a preferred method of repair.

Welding and Fusion – Columbia's welding and fusion procedures are evaluated on an on-going basis. All company and contract welders qualified to weld on Columbia's pipelines must re-qualify under the welding procedures annually and must provide a test weld for evaluation every 6 months to maintain their Columbia welding certification. All company and contract employees qualified to fuse plastic pipe must re-qualify annually under Columbia's fusion procedures.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
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ORDER DATED APRIL 10, 2007**

Question No. 26

Refer to the Humphries Testimony, Figure 7. Figure 7 shows the leaks in some service areas in Frankfort and Lexington are much higher than the average in Columbia's system. Provide the program that shows a priority replacement to sections of BS and CI pipes due to the severity of historic leaks.

Response of Columbia Gas of Kentucky:

Figure 7 in Humphries Testimony compares the leakage in Columbia's service territories. There are several metrics used to compare the leakage in the service territories. Not all of the metrics point to the same conclusion described in question 26. As described in Columbia's responses to questions PSC Set 2-0010 and PSC Set 2-0025, Columbia has many programs aimed at reducing leakage from the major causes of leakage on its system; however, in order to provide a meaningful response to this question, additional clarification about the question is required.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 27

Refer to the Humphries Testimony, Figures 1 and 3 through 9. Several of the black and white versions of the graphs are difficult to read and evaluate. Provide color copies of all graphs presented in these figures.

Response of Columbia Gas of Kentucky:

Please refer to color copies provided of Humphries Testimony, Figures 1 through 9.

Figure 1 – Columbia's Current Distribution Infrastructure
Miles Installed by Year

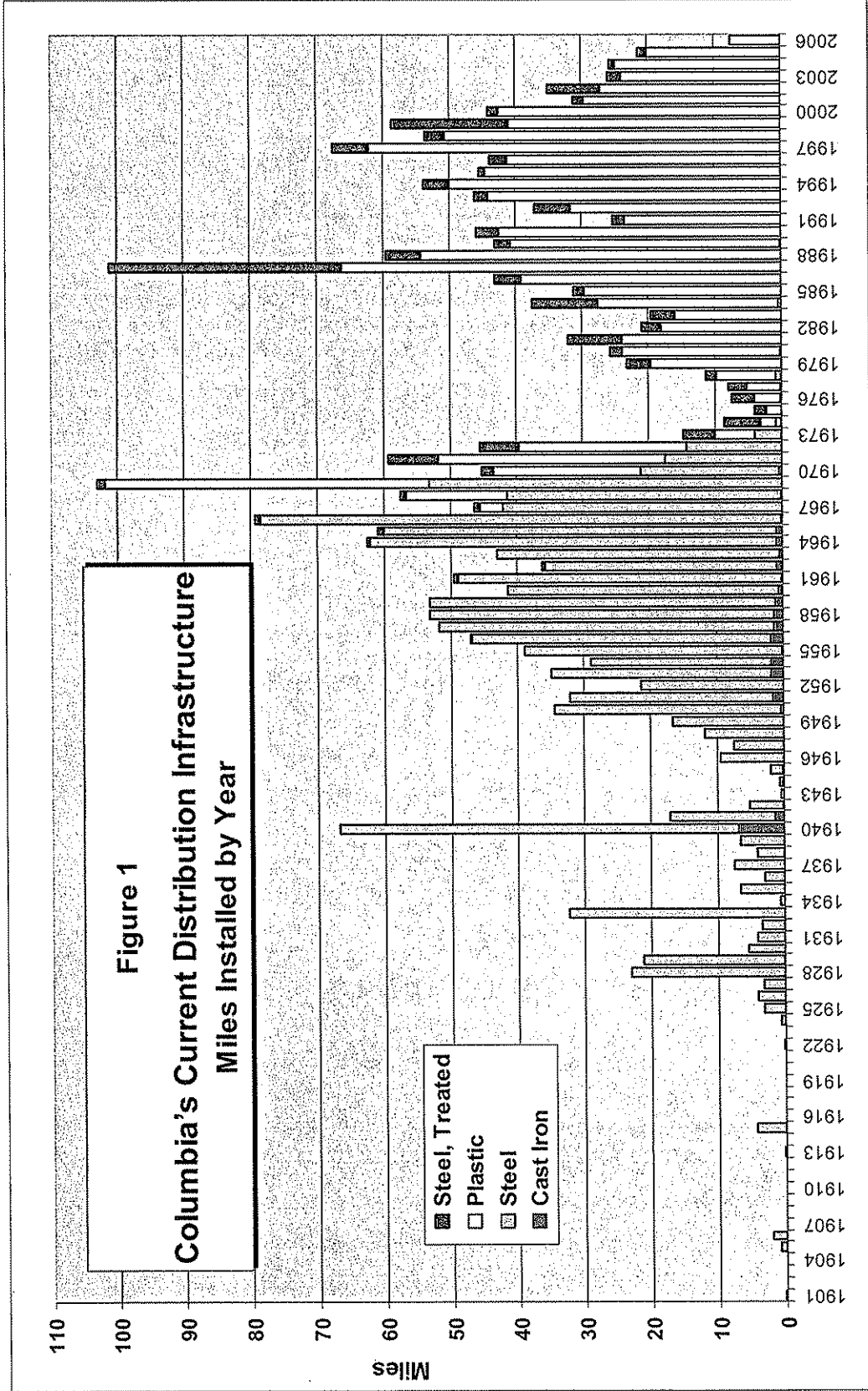


Figure 2 – Gas Main Leaks by Material & Causes
Columbia

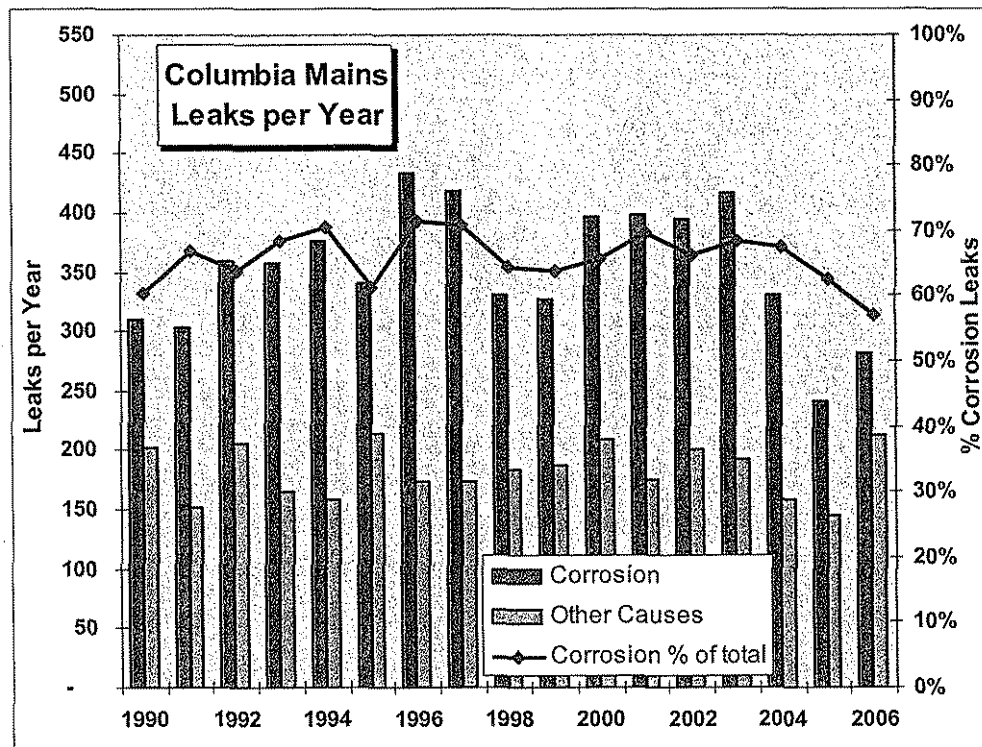
Year	Corrosion				Other Causes						Total Leaks		
	Cast Iron	Treated Steel	Bare Steel	Unknown	Total Corrosion	Cast Iron	Other	Plastic	Treated Steel	Bare Steel		Unknown	Total Other Causes
1990	1		309		310	3		55		88	107	253	563
1991	1		302		303	10	1	74		64	71	220	523
1992	2	1	356	1	360	14	1	87	1	79	102	284	644
1993	2	10	345		357	12		100	7	66	58	243	600
1994	3	4	369		376	8		111	2	77	38	236	612
1995	1	3	336		340	13		124	10	132	24	303	643
1996	5	9	420		434	8	8	122	4	106	23	271	705
1997	5	13	400	1	419	16	2	147	6	111	9	291	710
1998	1	9	320	1	331	14		129	6	104	14	267	598
1999	1	10	317		328	11	2	147	8	120	16	304	632
2000	2	5	390		397	24	2	149	12	111	11	309	706
2001	1		398		399	15	1	123	1	109	14	263	662
2002	3	8	383	1	395	16		132	3	117	22	290	685
2003	2	20	393	1	416	16	1	144	10	88	18	277	693
2004	1	18	311		330	12		131	16	77	2	238	568
2005	2	18	221		241	4	2	102	21	63	32	224	465
2006	2	14	265	1	282	15		90	27	53	91	276	558
Total	35	142	5,835	6	6,018	211	20	1,967	134	1,565	652	4,549	10,567

Figure 2 -- Continued

Year	Bare Steel		Total Bare Steel	Cast Iron		Total Cast Iron	Total Other Pipe	Total Leaks
	Other Causes	Corrosion		Other Causes	Corrosion			
1990	2	309	311	3	1	4	248	563
1991	3	302	305	10	1	11	207	523
1992	11	358	369	14	2	16	259	644
1993	34	355	389	12	2	14	197	600
1994	35	373	408	8	3	11	193	612
1995	36	339	375	13	1	14	254	643
1996	40	429	469	8	5	13	223	705
1997	52	414	466	16	5	21	223	710
1998	32	330	362	14	1	15	221	598
1999	49	327	376	11	1	12	244	632
2000	43	395	438	24	2	26	242	706
2001	48	398	446	15	1	16	200	662
2002	44	392	436	16	3	19	230	685
2003	40	414	454	16	2	18	221	693
2004	32	329	361	12	1	13	194	568
2005	21	239	260	4	2	6	199	465
2006	27	280	307	15	2	17	234	558
Total	549	5,982	6,532	211	35	246	3,789	10,567

Figure 3 – Gas Main Leaks/Year
Columbia
Excluding Third Party

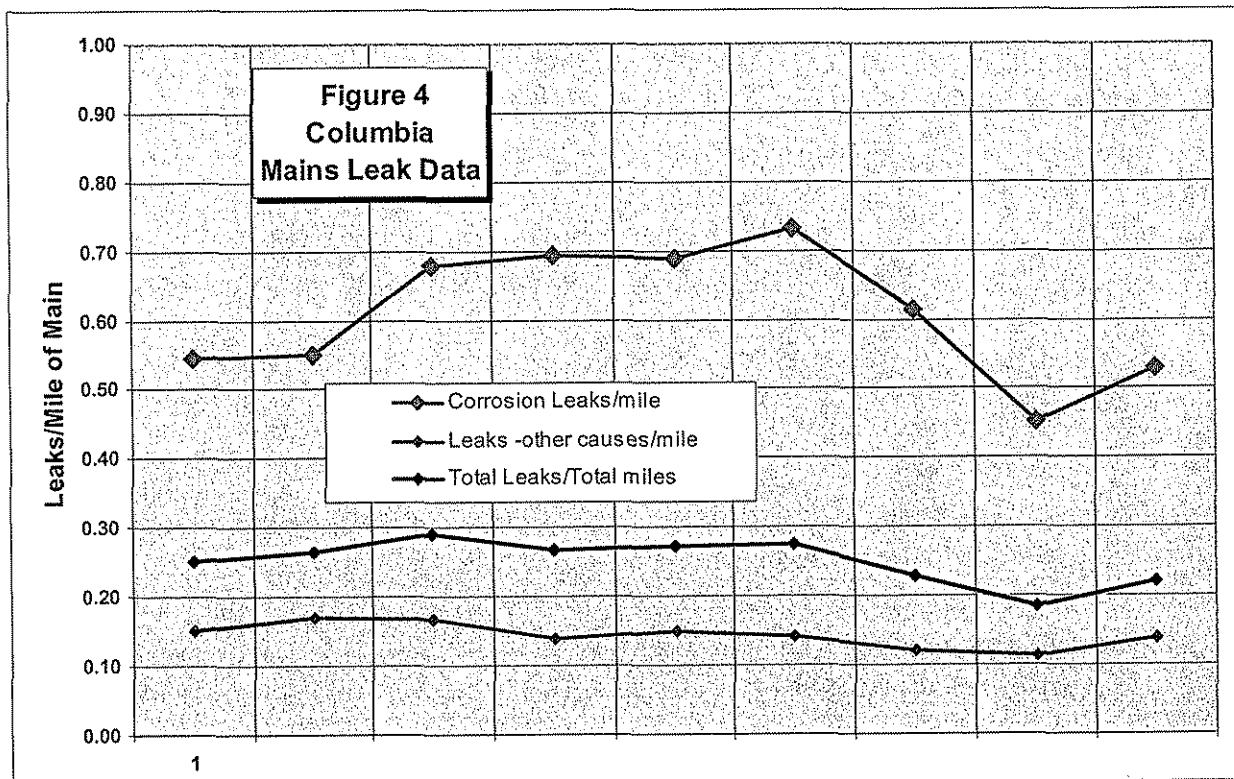
Year	3rd Party	Other Causes	Corrosion	Total	Total excl 3rd Party	Corrosion % of total
1990	50	203	310	563	513	60%
1991	69	151	303	523	454	67%
1992	79	205	360	644	565	64%
1993	78	165	357	600	522	68%
1994	78	158	376	612	534	70%
1995	88	215	340	643	555	61%
1996	98	173	434	705	607	71%
1997	118	173	419	710	592	71%
1998	83	184	331	598	515	64%
1999	117	187	328	632	515	64%
2000	100	209	397	706	606	66%
2001	88	175	399	662	574	70%
2002	89	201	395	685	596	66%
2003	84	193	416	693	609	68%
2004	80	158	330	568	488	68%
2005	79	145	241	465	386	62%
2006	<u>63</u>	<u>213</u>	<u>282</u>	<u>558</u>	<u>495</u>	<u>57%</u>
	1,441	3,108	6,018	10,567	9,126	66%



Proprietary & Confidential

Figure 4 – Columbia Mains Leak Data

	Columbia									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	
<u>Miles of unprotected mains</u>										
Bare Steel	507	503	477	490	488	542	513	509	509	
Coated steel (BS)	71	66	80	58	59	-	-	-	-	
Cast Iron	28	28	27	27	26	26	24	24	24	
Total miles of unprotected mains	606	597	584	575	573	568	537	533	533	
Total miles of unprotected mains	1,760	1,799	1,843	1,896	1,933	1,957	1,956	1,984	1,984	
Total miles of mains	2,366	2,396	2,427	2,471	2,506	2,525	2,493	2,517	2,517	
Leaks -Corrosion	331	328	397	399	395	416	330	241	282	
Leaks -other causes	267	304	309	263	290	277	238	224	275	
Total Leaks	598	632	706	662	685	693	568	465	557	
Corrosion Leaks/mile	0.546	0.549	0.680	0.694	0.689	0.732	0.615	0.452	0.529	
Leaks -other causes/mile	0.152	0.169	0.168	0.139	0.150	0.142	0.122	0.113	0.139	
Total Leaks/Total miles	0.253	0.264	0.291	0.268	0.273	0.274	0.228	0.185	0.221	



**Figure 5 – Gas Main Leaks – Bare Steel & Cast Iron
Columbia**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Cast Iron</u>									
Leaks -other causes	14	11	24	15	16	16	12	4	15
Leaks -Corrosion	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>2</u>	<u>2</u>
CI - All Leaks	15	12	26	16	19	18	13	6	17
CI - Miles	28	28	27	27	26	26	24	24	24
CI - All Leaks/Mile	0.536	0.429	0.963	0.593	0.731	0.692	0.542	0.250	0.708
<u>Bare Steel</u>									
Leaks -other causes	32	49	43	48	44	40	32	21	27
Leaks -Corrosion	<u>330</u>	<u>327</u>	<u>395</u>	<u>398</u>	<u>392</u>	<u>414</u>	<u>329</u>	<u>239</u>	<u>280</u>
BS - All Leaks	362	376	438	446	436	454	361	260	307
BS - Miles	578	569	557	548	547	542	513	509	509
BS - All Leaks/Mile	0.626	0.661	0.786	0.814	0.797	0.838	0.704	0.511	0.603
<u>All Other Pipe</u>									
Other Pipe - All Leaks	221	244	242	200	230	221	194	199	233
Other Pipe - Miles	1,760	1,799	1,843	1,896	1,933	1,957	1,956	1,984	1,984
Other Pipe - All Leaks/Mile	0.126	0.136	0.131	0.105	0.119	0.113	0.099	0.100	0.117
<u>Bare Steel & Cast Iron</u>									
BS & CI - All Leaks	377	388	464	462	455	472	374	266	324
BS & CI - Miles	606	597	584	575	573	568	537	533	533
BS & CI - All Leaks/Mile	0.622	0.650	0.795	0.803	0.794	0.831	0.696	0.499	0.608

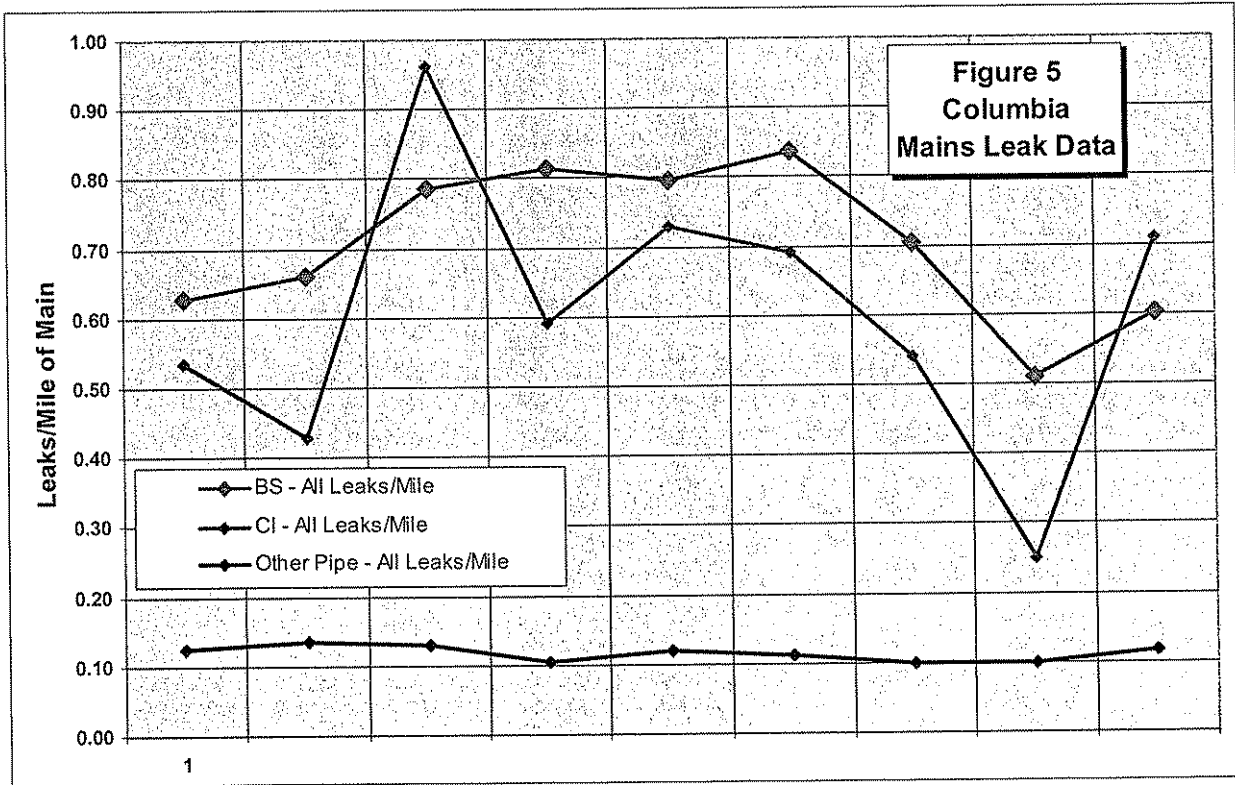
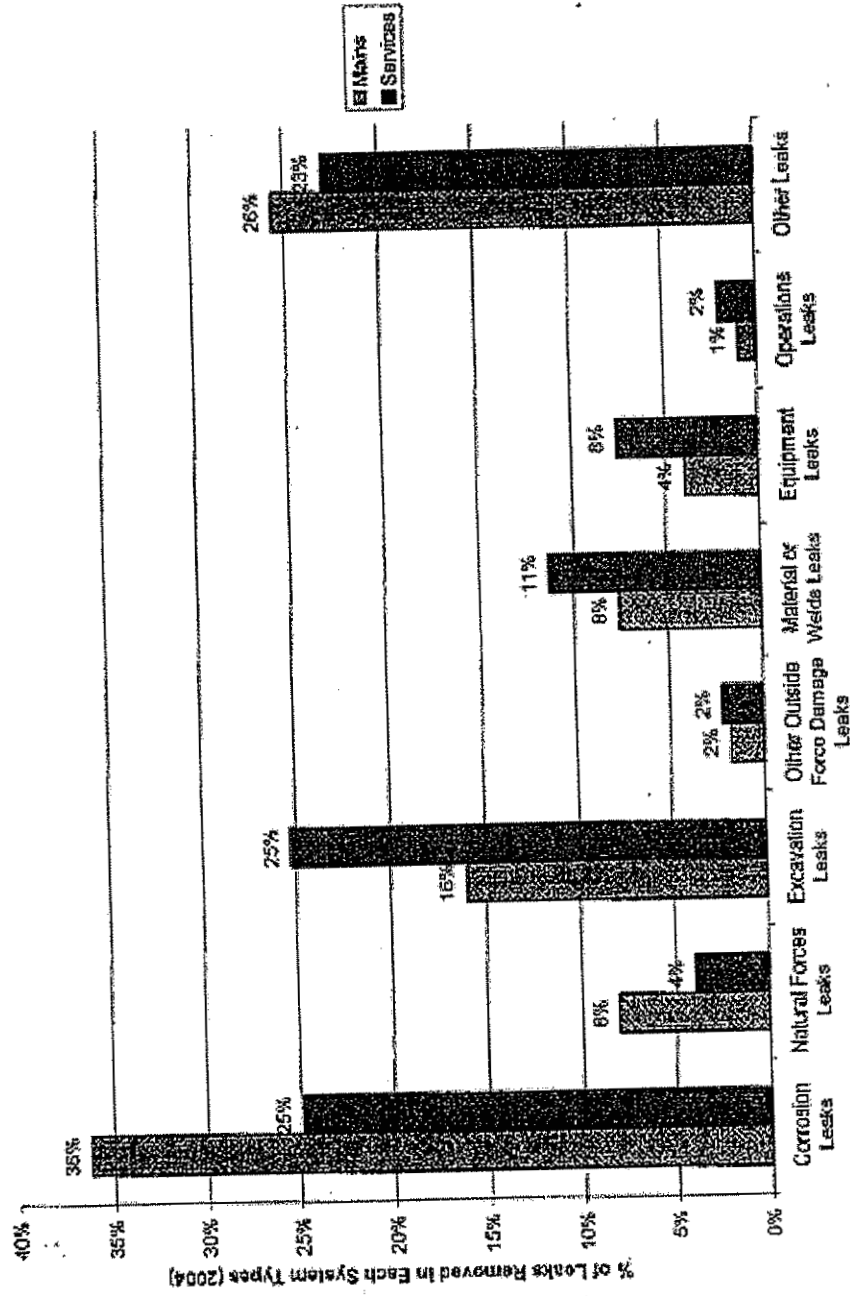


Figure 6 – 2004 Leaks Removed by Causes and System Types



2004 Annual data reported as of 09/15/2005.

Figure 7 -- Gas Main Leaks by Service Territories

Columbia

Location	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Grand Total	
Corrosion Leaks																			
2621 LEXINGTON	123	116	135	159	143	108	189	154	112	131	161	152	158	180	170	115	126	2,432	
2623 FRANKFORT	53	63	54	41	35	44	61	74	43	26	76	91	104	75	51	47	48	986	
2629 WINCHESTER	64	49	63	43	75	63	50	56	60	69	68	59	63	62	42	31	25	942	
2631 ASHLAND	51	59	83	98	94	104	110	118	101	83	80	73	50	85	53	36	67	1,345	
2632 MAYSVILLE	8	5	13	3	3	4	10	12	10	6	5	3	6	3	4	1	3	99	
2633 LANCER	11	11	12	13	26	17	14	5	5	13	7	21	14	11	10	11	13	214	
Total Corrosion Leaks	310	303	360	357	376	340	434	419	331	328	397	399	395	416	330	241	282	6,018	
All Leaks																			
2621 LEXINGTON	207	171	242	241	186	174	249	206	182	189	221	198	233	250	227	165	207	3,548	
2623 FRANKFORT	72	82	73	53	57	74	79	95	67	51	126	130	153	113	78	73	75	1,452	
2629 WINCHESTER	127	74	92	77	127	108	82	89	95	103	109	86	99	89	58	52	48	1,515	
2631 ASHLAND	82	98	119	129	127	160	161	175	146	140	116	129	80	133	92	70	130	2,087	
2632 MAYSVILLE	13	16	26	8	8	18	21	19	17	8	20	5	10	5	11	4	11	220	
2633 LANCER	12	13	13	14	29	21	15	8	8	24	14	26	21	19	22	22	23	304	
Total All Leaks	513	454	565	522	534	555	607	592	515	515	606	574	596	609	488	386	494	9,126	
Corrosion Leaks																			
2621 LEXINGTON	59%	68%	56%	66%	77%	62%	76%	75%	62%	69%	73%	77%	68%	72%	75%	70%	61%	69%	
2623 FRANKFORT	74%	77%	74%	77%	61%	59%	77%	78%	64%	51%	60%	70%	68%	66%	65%	64%	64%	68%	
2629 WINCHESTER	50%	66%	68%	56%	59%	58%	61%	63%	63%	67%	62%	69%	64%	70%	72%	60%	52%	62%	
2631 ASHLAND	62%	60%	70%	76%	74%	65%	68%	67%	69%	59%	69%	57%	63%	64%	58%	51%	52%	64%	
2632 MAYSVILLE	62%	31%	50%	38%	38%	22%	48%	63%	59%	75%	25%	60%	60%	60%	36%	25%	27%	45%	
2633 LANCER	92%	85%	92%	93%	90%	81%	93%	63%	63%	54%	50%	81%	67%	58%	45%	50%	57%	70%	
Total Corrosion Leaks	60%	67%	64%	68%	70%	61%	71%	71%	64%	64%	66%	70%	68%	68%	68%	62%	57%	66%	

**Columbia Gas of Kentucky
A NISource Company**

Prepared Direct Testimony of Edwin Humphries

Location	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Grand Total	
Corrosion Leaks/Mile																			
2621 LEXINGTON											0.71	0.67	0.71	0.72	0.67	0.46	0.50		0.63
2623 FRANKFORT						1.31	1.60	1.77	1.23	0.83	0.78	0.79	1.19	1.23	0.83	0.78	0.79		1.19
2629 WINCHESTER						0.87	0.77	0.86	0.88	0.58	0.66	0.53	0.73	0.88	0.58	0.66	0.53		0.73
2631 ASHLAND						0.64	0.60	0.42	0.66	0.44	0.30	0.55	0.52	0.66	0.44	0.30	0.55		0.52
2632 MAYSVILLE						0.59	0.35	0.70	0.18	0.25	0.06	0.18	0.33	0.18	0.25	0.06	0.18		0.33
2633 LANCER						0.43	1.35	0.97	0.78	0.72	0.82	0.97	0.86	0.78	0.72	0.82	0.97		0.86
Total						0.77	0.79	0.79	0.77	0.61	0.47	0.55	0.68	0.77	0.61	0.47	0.55		0.68

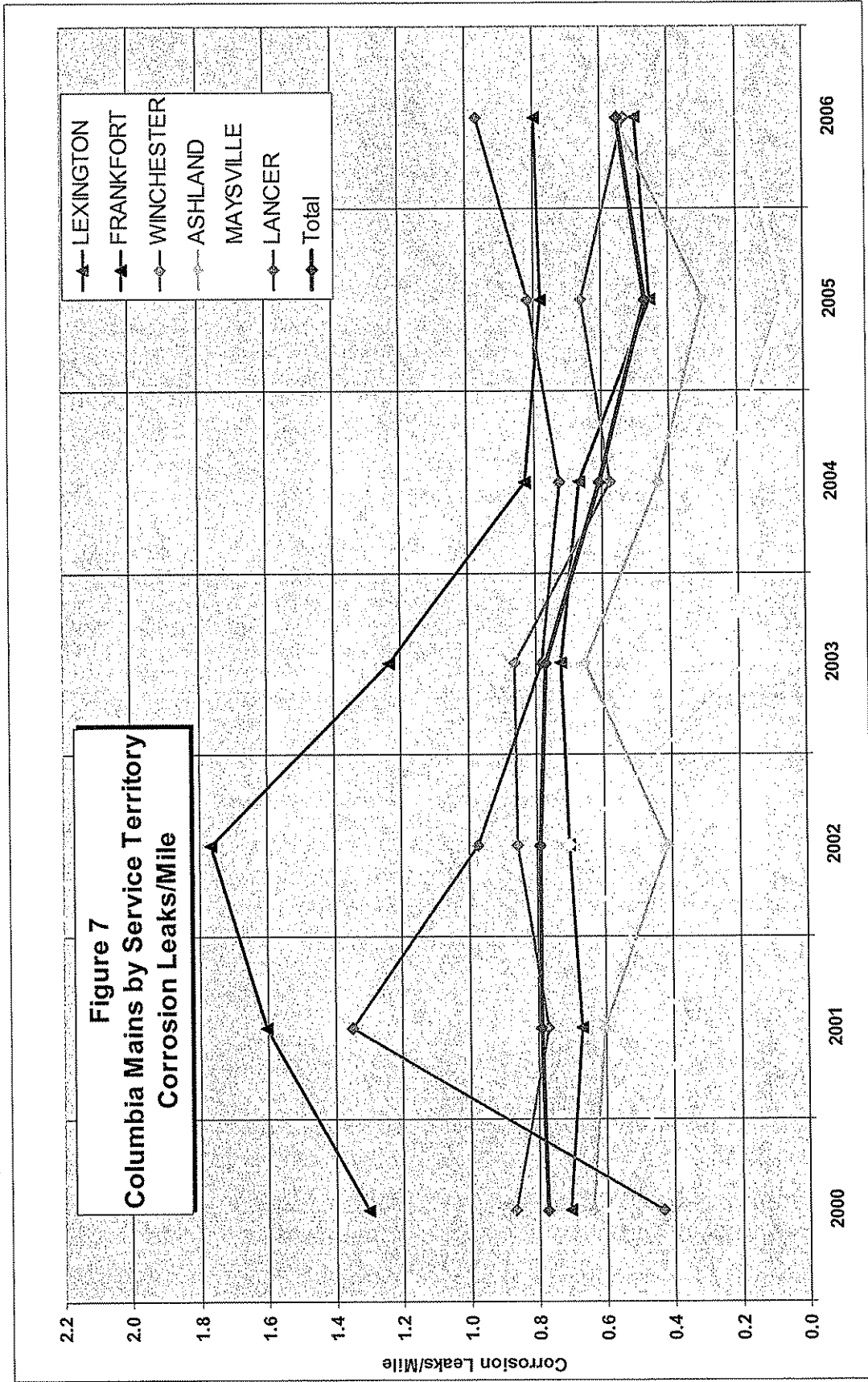


Figure 8 – Gas Main Leaks/Unprotected Mile Comparison to Other Utilities
Columbia

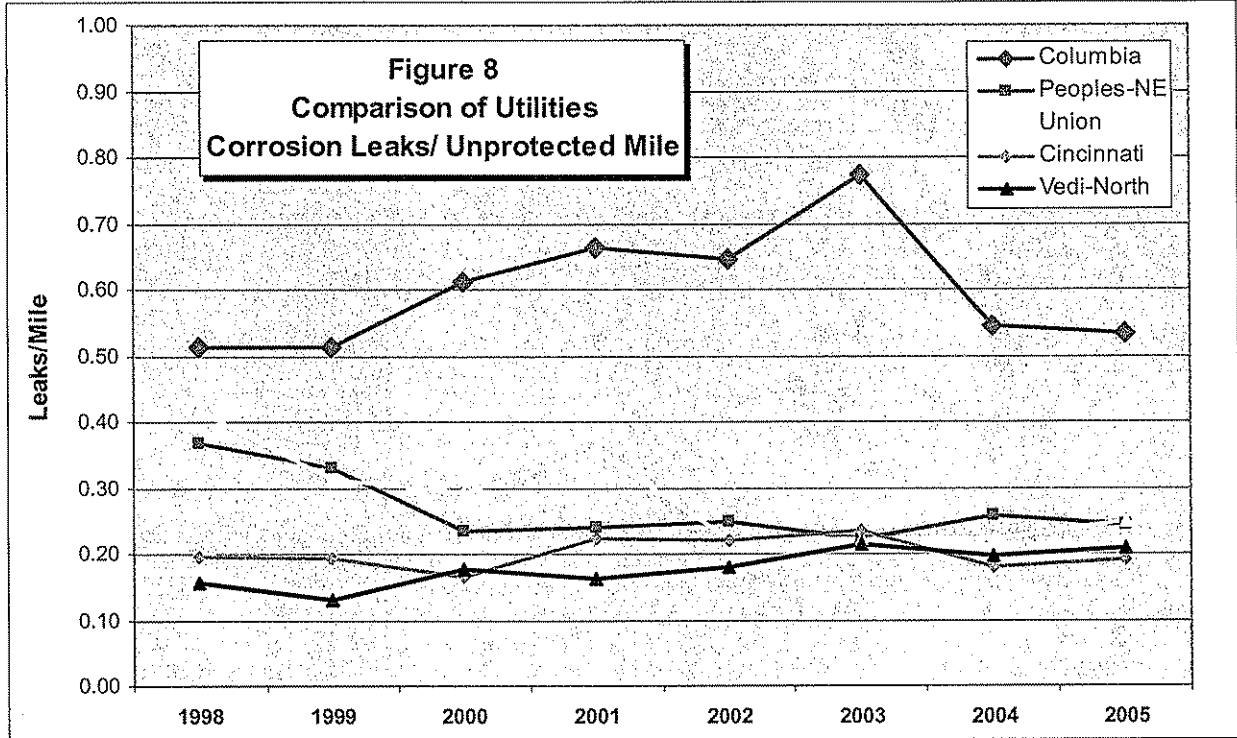
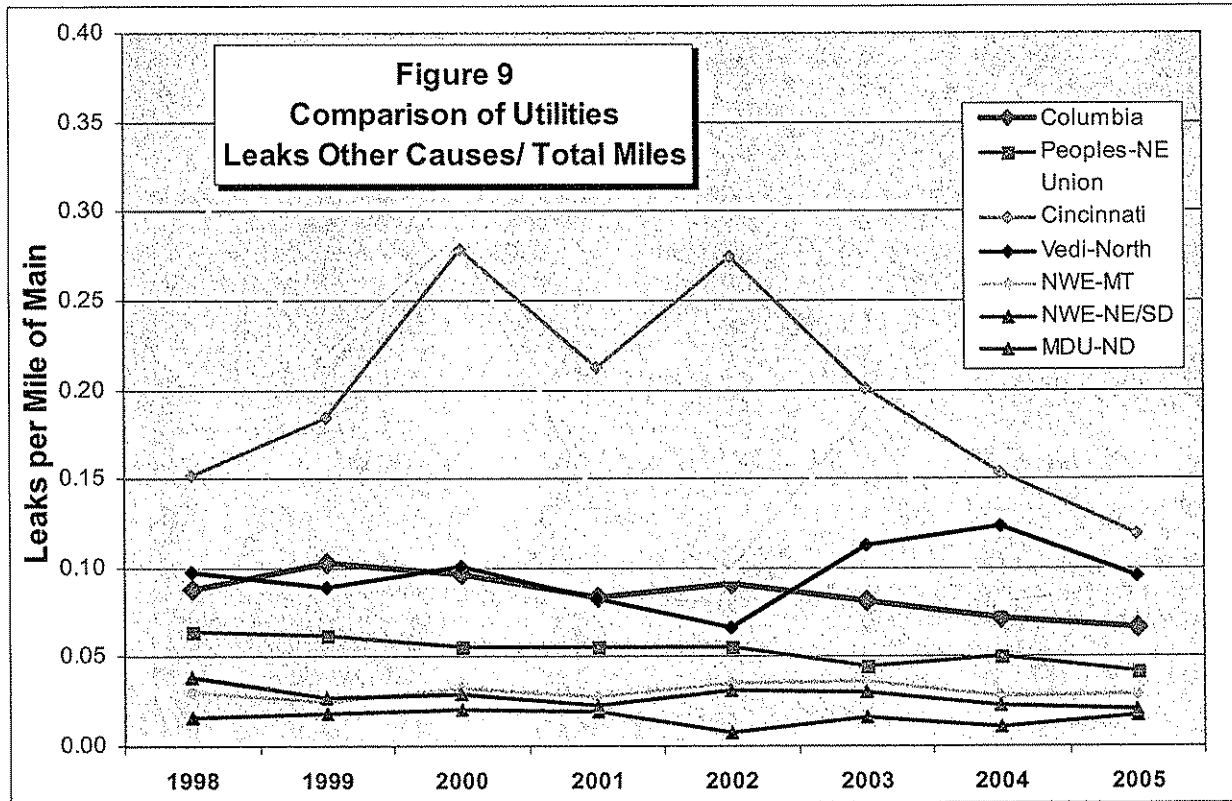
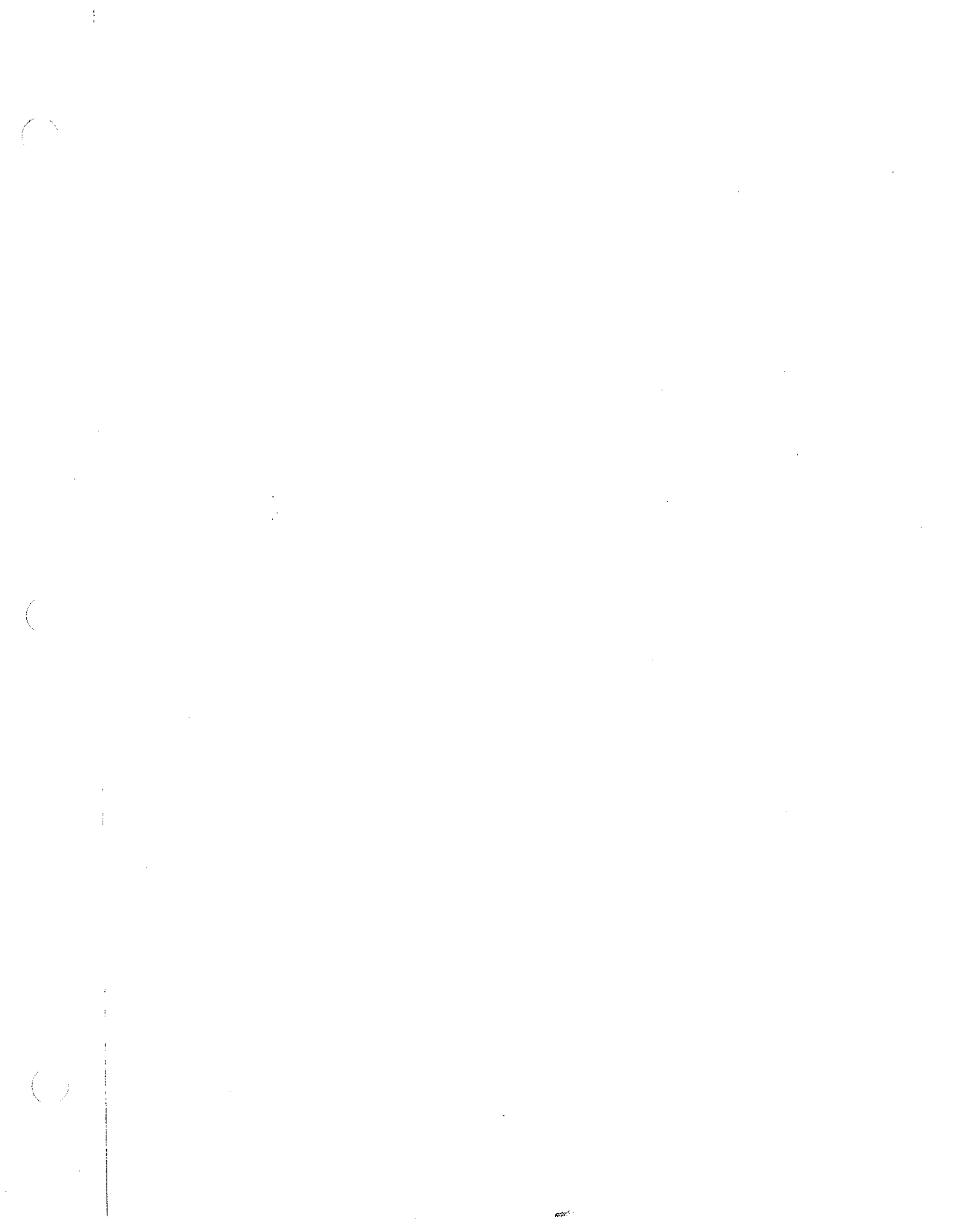


Figure 9 – Gas Mains Leaks/Mile Comparison to Other Utilities
Columbia



Leaks Other Causes / Total Miles

Year	NWE-MT	NWE-NE/SD	MDU-ND	Peoples-NE	Union	Columbia	Cincinnati	Vedi-North
1998	0.030	0.016	0.039	0.064	0.313	0.088	0.152	0.098
1999	0.025	0.018	0.027	0.062	0.218	0.103	0.184	0.089
2000	0.033	0.020	0.029	0.056	0.285	0.096	0.279	0.100
2001	0.028	0.019	0.022	0.056	0.138	0.084	0.212	0.082
2002	0.036	0.008	0.031	0.056	0.096	0.091	0.274	0.066
2003	0.036	0.016	0.030	0.045	0.186	0.081	0.201	0.112
2004	0.028	0.011	0.022	0.050	0.079	0.072	0.153	0.123
2005	0.029	0.017	0.020	0.042	0.088	0.066	0.119	0.096



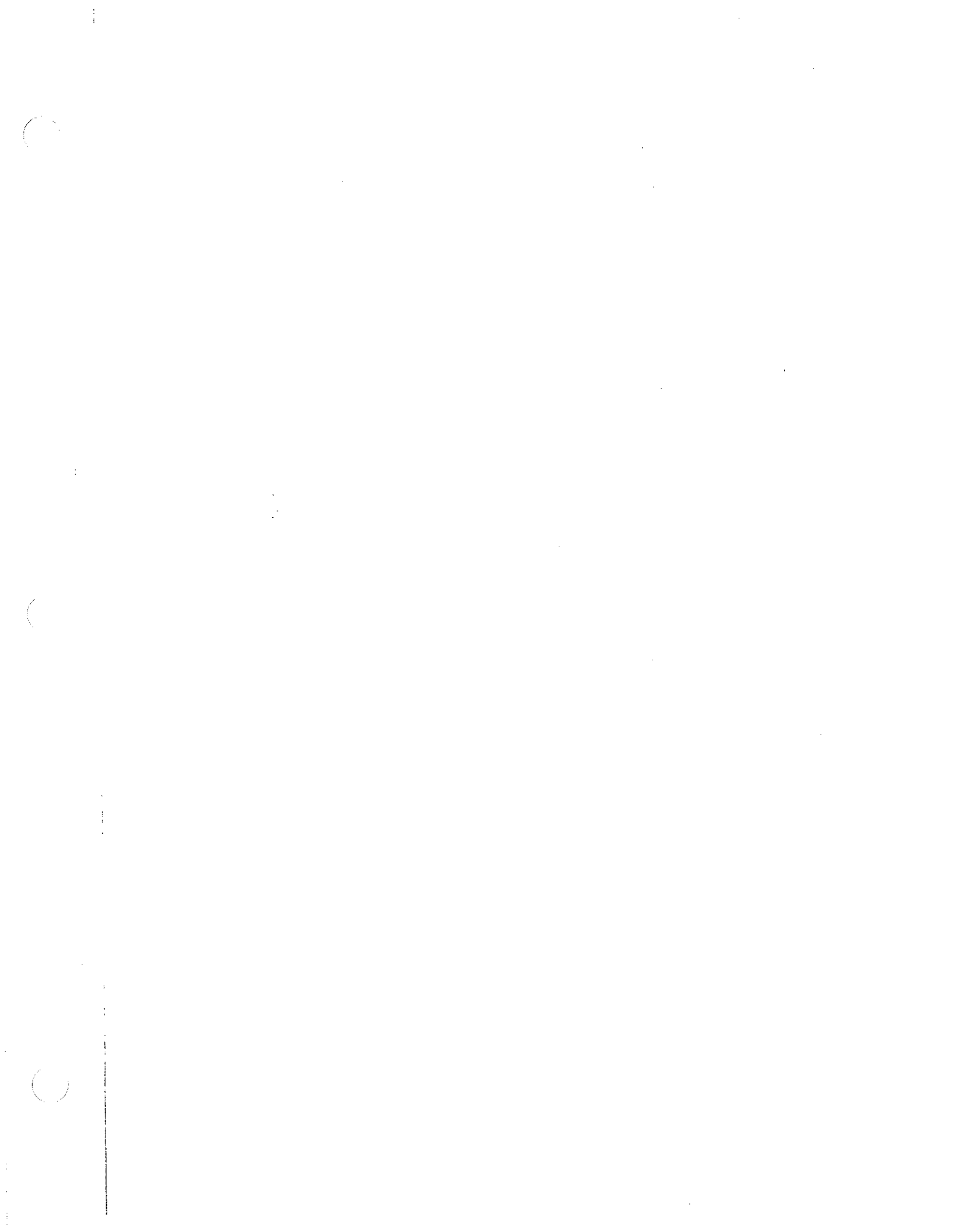
**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 28

Provide maps showing the locations of BS and CI pipes, if available. If maps are not available, when could Columbia provide the maps?

Response of Columbia Gas of Kentucky:

Columbia maintains a set of 1,527 inventory maps. These maps indicate the location of Columbia's facilities relative to road centerlines, taxing districts, geographic boundaries, size of pipe, type of pipe, and year of installation. Columbia considers unlimited public access to these maps to be a potential threat to the security of its infrastructure. Columbia offers to make these maps available for review by commission staff during regular business hours at its Lexington office located at 2001 Mercer Road.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 29

Refer to the Direct Testimony of Judy M. Cooper ("Cooper Testimony"), page 6 and Attachment JMC-1.

- a. For clarification, is one hour the average time it takes an employee to reconnect a customer?
- b. Provide, in detail, what is included in "overheads" in both the reconnect fee and the returned check fee calculation.
- c. Explain why Columbia decided to round down to the nearest \$5 increment rather than rounding up.
- d. Columbia states that it applied a "behavioral factor" of 75 percent to its calculation of the increase in revenue that it expects to receive from the reconnect fee and the returned check fee. Explain how Columbia developed the behavioral factor.
- e. Has Columbia previously proposed a behavioral factor? If yes, provide the case number.
- f. Provide the charge that Columbia incurs when a deposited check is returned.

Response of Columbia Gas of Kentucky:

- a. Yes, the average amount of time to work a reconnect order is one hour. The average is determined from the time charged by service employees for reconnect work orders as tracked by Columbia's customer information system. This includes all of the testing procedures necessary before re-establishing gas service.
- b. Overheads in both the reconnect fee and returned check fee calculations include: Vacation time, non-productive time, labor benefits (injuries & damage insurance, group insurance plan, thrift plan, and retirement income plan), and payroll taxes (federal insurance contribution, federal unemployment insurance, and state unemployment insurance).

Public Service Commission Data Request Set 2
Question No. 29 (Cont'd)
Columbia Gas of Kentucky Respondent: **Judy Cooper**

- c. The amount was rounded down to the nearest \$5 amount rather than rounding up so that the amount was no more than Columbia's cost
- d. Please see Columbia's response to the Attorney General's data request Set 1-021.
- e. No.
- f. The charge that Columbia incurs when a bad check is passed is related to clerical processing time. When a bad check is presented to Columbia, Columbia's Revenue Recovery department is notified, and various clerical steps are completed to correct the situation. In most cases, the customer is contacted, and if a bad check presented to Columbia to avoid termination, a new shut-off order is scheduled. The Cash department also has a clerical step. They have to post a debit to the account and execute a keyword with the appropriate return check reason code. All told, it is over .5 of an hour to handle a returned check.



Public Service Commission Data Request Set 2
Question No. 30
Columbia Gas of Kentucky Respondent: **Judy Cooper**

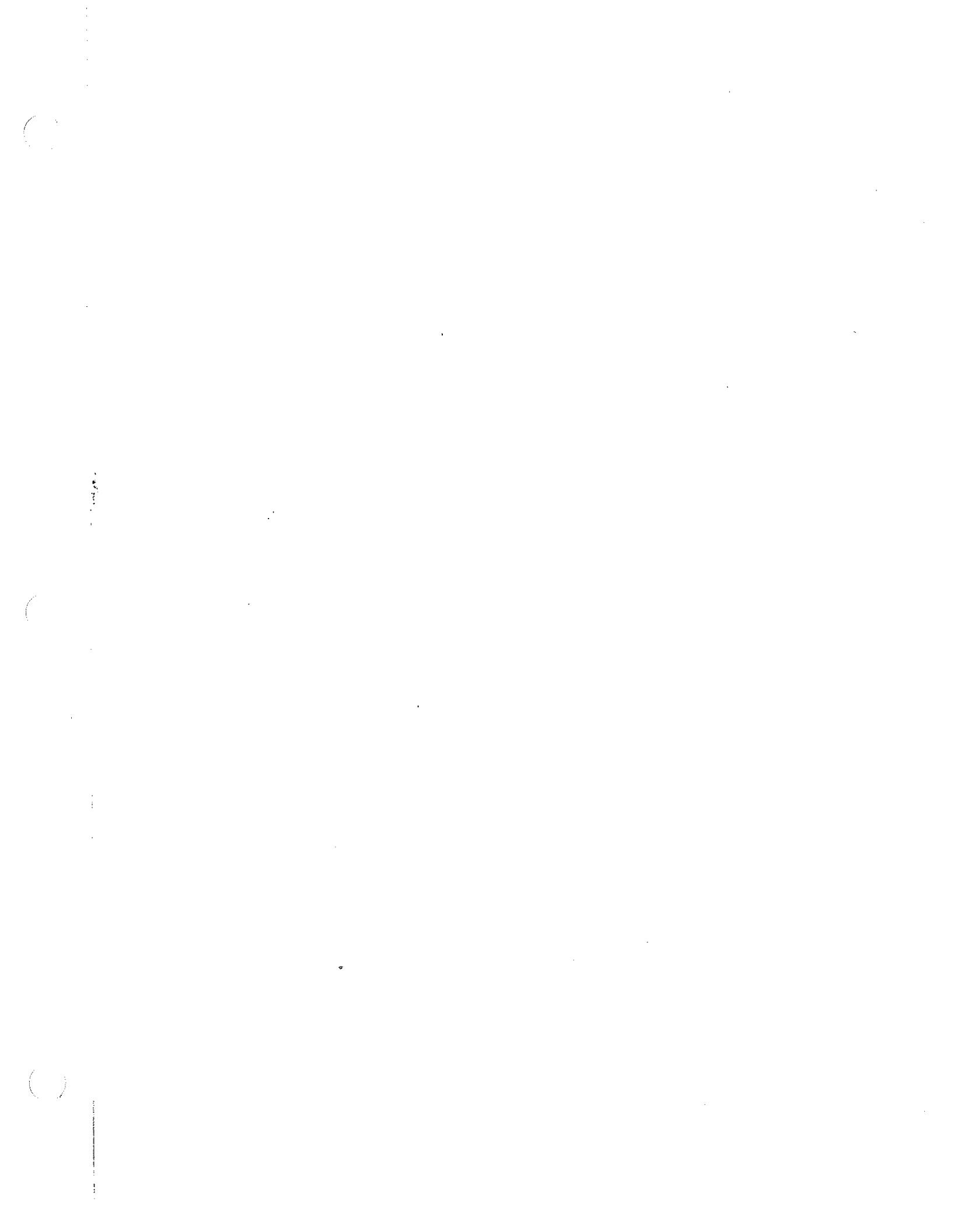
**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 30

Refer to the Cooper Testimony, page 7. Provide the number of customers that subscribe to the Banking and Balancing service.

Response of Columbia Gas of Kentucky:

As of September 30, 2006, there were 115 customers taking banking and balancing service.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

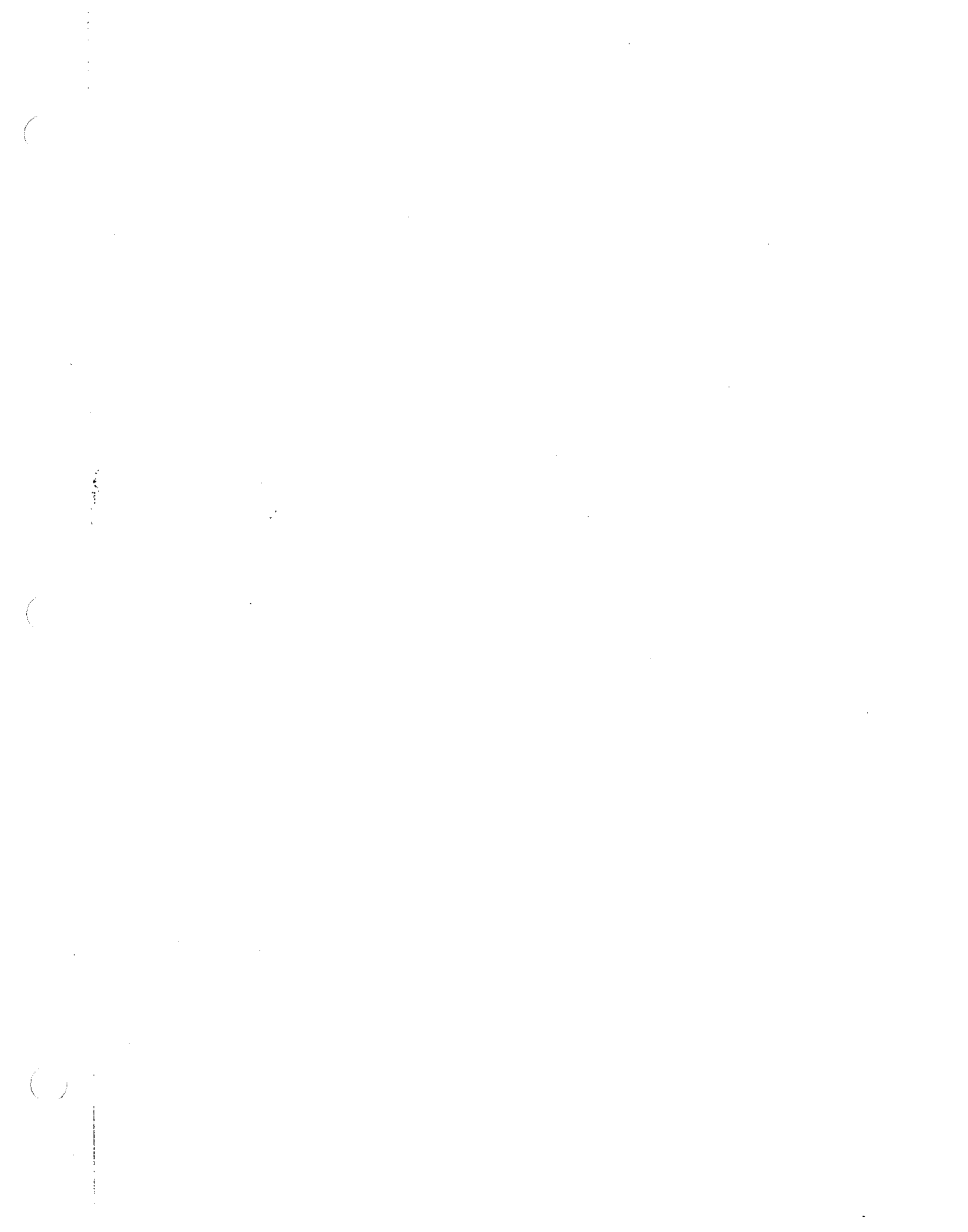
Question No. 31

Refer to the Cooper Testimony, page 8. Columbia is proposing to change the cash-out provision in order to tie the cash-out price to an index. Explain why any sales by Columbia to the customer under this tariff are charged at 120 percent of the index, while any purchases by Columbia from the customer are only paid at 80 percent of the index.

Response of Columbia Gas of Kentucky:

It is important to note that the intent of Columbia's Delivery Service is for those transportation customers and /or their agents to delivery enough gas to our system to meet their usage needs. Columbia does not plan to purchase gas for Delivery Service customers, nor does it plan on transportation customers' delivering more gas than their allowable banking and balancing service election provides.

Columbia's current Delivery Service tariffs have been in place since 1993. Since then, the natural gas industry has seen an enormous amount of change, including price volatility. The cash-out provisions that exist in Columbia's tariffs today provide an opportunity for arbitrage by the Delivery Service customers and/or agents. This creates operational challenges for Columbia, and it creates an impediment for sales supply (customers). The purpose of the 80/120% proposed tariff change is to remove this arbitrage opportunity, and to provide an incentive to Delivery Service customers and/or their agents to deliver enough gas to our city gates to meet their usage needs or not exceed their banking and balancing tolerance provisions. This practice is used widely in the natural gas industry today, and serves as a means to ensure transportation customers are not creating operational concerns, or disadvantaging sales customers.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 32

Refer to the Cooper Testimony, page 10. Will the customers participating in the Choice Program benefit from the AMRP? If yes, will they share the costs of the program and how?

Response of Columbia Gas of Kentucky:

The benefits of the AMRP are not dependent upon the customer's supplier of natural gas. *Participants in Columbia's Customer Choice program will benefit as will all other Columbia customers and will share the costs of the AMRP in the same manner as all other customers.*



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 33

Refer to the Cooper Testimony, pages 11 through 16.

- a. Columbia proposes to submit its annual AMRP Rider filing on or about March 1 to be effective with bills rendered in its June billing cycle. Was Columbia aware that in the Duke Kentucky AMRP, the Commission reserved the option of extending the review period, and generally has not approved the change in the Duke Kentucky AMRP Rider until the end of August?
- b. Provide examples of the AMRP filing formats Columbia would propose utilizing for its annual AMRP Rider filing.
- c. Was Columbia aware that in Duke Kentucky's AMRP Rider the Commission approved the mechanism for an initial 3-year period and required that, if Duke Kentucky wished to continue the AMRP Rider, it needed to file a general rate case application to "roll-in" the Rider and to justify the continuation of the AMRP Rider?
- d. Would Columbia be opposed to a similar process of having approval for an initial period of years, with a roll-in of the Rider, and a justification of continuing the AMRP Rider as part of a future general rate case? Explain the response.
- e. Explain why the monthly charge resulting from the AMRP Rider should be a per-customer charge rather than a volumetric-based charge.

Response of Columbia Gas of Kentucky:

- a. Columbia was aware of the Duke Kentucky filing dates and the Commission's option for extending the review. Columbia is not opposed to a similar process for the review of its filings.
- b. Please see attached.
- c. Yes.
- d. As these were requirements of the Commission in the Duke Kentucky cases, Columbia recognizes that a similar process of having approval for an initial

Public Service Commission Data Request Set 2
Question No. 33 (Cont'd)
Columbia Gas of Kentucky Respondent: **Judy M. Cooper**

period of years, with roll-in of the Rider, and justification of continuing the AMRP Rider as part of future general rate cases could be an outcome of its request. Columbia is willing to consider a definitive period of time, which considers the differences between Duke's program and Columbia's program, within which Columbia would apply for a general rate adjustment.

- e. The monthly charge resulting from the AMRP Rider should be a per-customer charge rather than a volumetric based charge because the costs that the charge is designed to recover is fixed charges, not variable charges. Having the distribution system in place to provide natural gas to each customer is a fixed cost regardless of whether, or how much, natural gas the customer uses each month.

COLUMBIA GAS OF KENTUCKY
Annual AMRP Rider Filing
For the 12 Months Ending 12/31/20XX
Determination of Annual Revenue Requirement

	CUMULATIVE AMRP as of <u>12/31/prior year</u>	AMRP for 12-Months Ending <u>12/31/20XX</u>	TOTAL AMRP <u>To 12/31/20XX</u>
<u>Return on Investment:</u>			
Original Cost of Plant in Service -			
Mains - Cast Iron / Copper			
Mains - Steel			
Mains - Plastic			
Services - Cast Iron / Copper			
Services - Steel			
Services - Plastic			
Meter Relocations			
Customer Service Lines			
A. Total Original Cost of Plant in Service	<u>0</u>	<u>0</u>	<u>0</u>
Accumulated Depreciation -			
Mains - Cast Iron / Copper			
Mains - Steel			
Mains - Plastic			
Services - Cast Iron / Copper			
Services - Steel			
Services - Plastic			
Meter Relocations			
Customer Service Lines			
B. Total Accumulated Depreciation	<u>0</u>	<u>0</u>	<u>0</u>
C. Deferred Income Taxes Associated with Referenced Plant in Service			
Investment Tax Credit			
Liberalized Depreciation			
Net Rate Base for AMRP Purposes (A - B - C)	<u>0</u>	<u>0</u>	<u>0</u>
Authorized Rate of Return, adjusted for Income Taxes	<u>12.522%</u>	<u>12.522%</u>	<u>12.522%</u>
D. Return on AMRP Related Investment	<u>0</u>	<u>0</u>	<u>0</u>
<u>Operating Expenses:</u>			
Depreciation Expense -			
Mains - Cast Iron / Copper			
Mains - Steel			
Mains - Plastic			
Services - Cast Iron / Copper			
Services - Steel			
Services - Plastic			
Meter Relocations			
Customer Service Lines			
Maintenance Expense - Account 887			
E. Total Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Total Annual Revenue Requirements (D + E)	<u>0</u>	<u>0</u>	<u>0</u>
Increase (Decrease) in Annual Revenue Requirements - Amount for AMRP Rider rate calculation			<u>0</u>

**Columbia Gas of Kentucky
Annual AMRP Rider Filing
For the 12 Months Ending 12/31/20XX
Rate of Return and Overall Project Summary**

Calculation of Authorized Rate of Return :

	% of Total Capital	Cost Rate Allowed	Weighted Aver. Cost of Capital	Gross - up Factor	Authorized Rate of Return
Long-Term Debt	42.617%	5.690%	2.425%		2.425%
Short-Term Debt	5.296%	5.600%	0.297%		0.297%
Common Equity	<u>52.087%</u>	11.500%	<u>5.990%</u>		<u>9.800%</u>
Totals	<u>100.000%</u>		<u>8.712%</u>		<u>12.522%</u>

Supporting Schedules:

Overall Project Recap & Summary -

	Miles Replaced under AMRP	Total Cost of Replacement under AMRP	Percentage Total AMRP Completed to Date
Original from Information submitted in Case No. 2007-00008	540	\$ 198,000,000	N/A
Status of Total AMRP as of this Filing			

Columbia Gas of Kentucky
Annual AMRP Rider Filing
For the 12 Months Ending 12/31/20XX
Plant in Service Added Through AMRP

Project Identifier	Date Project Started	Percentage Complete	Costs for Current 12 Months	Cumulative Total Project Costs
Mains - Plastic			<u>0.00</u>	<u>0.00</u>
Mains - Steel				
Services -Plastic Services - Steel			<u>0.00</u>	<u>0.00</u>
Meter Relocations			<u>0.00</u>	<u>0.00</u>
Customer Service Lines - Plastic Customer Service Lines - Steel			<u>0.00</u>	<u>0.00</u>
Totals			<u>0.00</u>	<u>0.00</u>

Columbia Gas of Kentucky
Annual AMRP Rider Filing
For the 12 Months Ending 12/31/20XX
Plant in Service Retired or Removed Through AMRP

Project Identifier	Date Project Started	Percentage Complete	Total Investment Retired or Removed	Cost of Removal on Investment Retired	Adjustments Due to Retirement or Replacement
Mains - Plastic			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Mains - Steel			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Mains - Cast Iron			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Mains - Wrought Iron/Other			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Services - Plastic			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Services - Steel			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Services - Cast Iron			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Meter Relocations			0.00	0.00	0.00
Customer Service Lines - Plastic			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Totals			<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>0.00</u></u>

Columbia Gas of Kentucky
Annual AMRP Rider Filing
For the 12 Months Ending 12/31/20XX
Accumulated Depreciation and Depreciation Expense Through AMRP

Calculation of Accumulated Depreciation

Depreciable Plant in Service	Beginning AMRP Accumulated Depreciation Balance	Net Depreciation Expense for Current 12 Months	Adjustments Due to Retirement or Replacement	Ending AMRP Accumulated Depreciation Balance
Mains - Plastic	0	0	0	0
Mains - Steel	0	0	0	0
Mains - Cast Iron / Copper	0	0	0	0
Services -Plastic	0	0	0	0
Services -Steel	0	0	0	0
Services - Cast Iron / Copper	0	0	0	0
Meter Relocations	0	0	0	0
Customer Service Lines - Plastic	0	0	0	0
Customer Service Lines - Steel	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Columbia Gas of Kentucky
Annual AMRP Rider Filing
For the 12 Months Ending 12/31/20XX
Accumulated Depreciation and Depreciation Expense Through AMRP

Calculation of Net Depreciation Expense for Current 12 Months

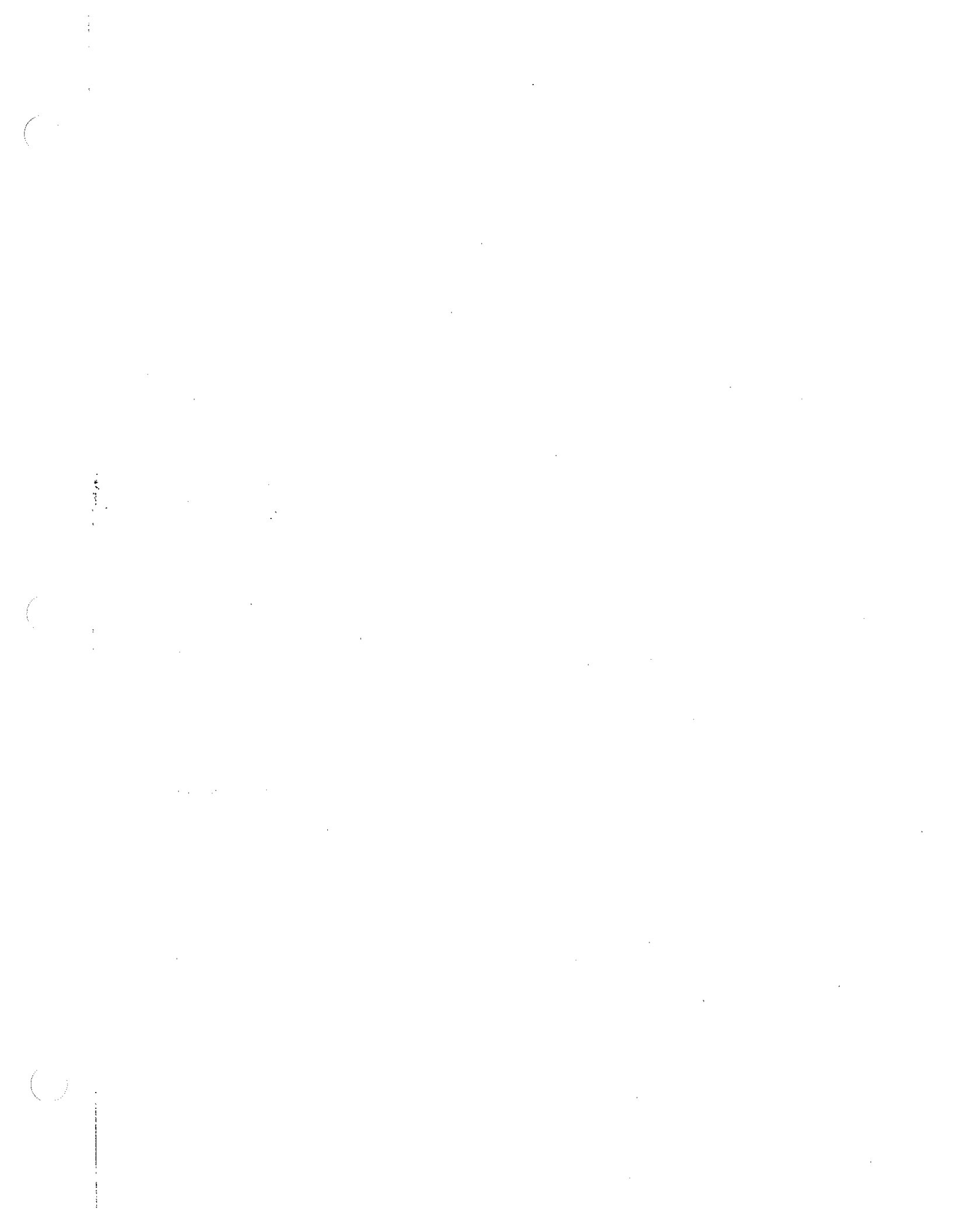
Depreciable Plant in Service	Depreciable Balance	Authorized in 2007-00008 Depreciation Rate	Depreciation Expense for Current 12 Months	Adjustments to Depreciation Expense Due to Retirement or Replacement	Net Depreciation Expense for Current 12 Months
Mains - Plastic	0	0.00%	0	0	0
Mains - Steel	0	0.00%	0	0	0
Mains - Cast Iron / Copper	0	0.00%	0	0	0
Services -Plastic	0	0.00%	0	0	0
Services -Steel	0	0.00%	0	0	0
Services - Cast Iron / Copper	0	0.00%	0	0	0
Meter Relocations		NA	0	0	0
Customer Service Lines - Plastic	0	0.00%	0	0	0
Customer Service Lines - Steel	0	0.00%	0	0	0
Totals	<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>

**Columbia Gas of Kentucky
Annual AMRP Rider Filing
For the 12 Months Ending 12/31/20XX
Customer Service Lines and Maintenance Expense - Account 887**

Customer Service Lines:

Project Identifier	Date Project Started	Cost of Lines Added Due to AMRP	Cost of Lines Added Due to Normal Operations
		<u>0.00</u>	<u>0.00</u>

Maintenance Expense - Account 887:



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 34

Refer to the Cooper Testimony, pages 17 through 19.

a. Explain further how capitalizing interest after plant is placed in service and deferring depreciation expense and property taxes related to that plant will convince customers to attach to Columbia's system.

b. As envisioned in Columbia's proposed Post In-Service Carrying Charges ("PISCC"), define what constitutes a new business project.

c. Provide a detailed description of Columbia Ohio's PISCC. Include when the PISCC was approved, the goals of the program, and why Columbia Ohio believed the program was necessary. If one of the goals of the Columbia Ohio PISCC was to have an improved growth in the number of customers, provide an analysis of the success of the Columbia Ohio PISCC in achieving that goal.

d. As described in the testimony, the proposed PISCC appears to be an attempt to reduce the regulatory lag experienced when a utility places plant in service between general rate cases.

(1) Does Columbia agree with this view? Explain the response.

(2) If this view is correct, explain how this program results in improved growth in the number of customers.

Response of Columbia Gas of Kentucky:

- a. Columbia believes it is a sound regulatory policy to encourage utilities to expand their systems to provide greater access to utility service and to spread costs associated with providing service over a larger customer base. PISCC better positions Columbia to invest additional capital in facilities needed to serve new customers through the reduction of the negative impact major construction projects have on net income in between rate cases.

Public Service Commission Data Request Set 2
Question No. 34 (Cont'd)
Columbia Gas of Kentucky Respondent: **Judy Cooper (a, b and d)**
June Konold (c)

- b. A new business project is a request for service from company's facilities for residential, commercial or industrial use.
- c. The Public Utility Commission of Ohio on May 5, 2004 issued an Entry on Rehearing approving, as part of a settlement in its Case No. 03-1459-GA-ATA, Columbia Gas of Ohio's ("Columbia Ohio") PISCC mechanism. The PISCC mechanism for Columbia Ohio is virtually the same as Columbia Kentucky except it is broader in scope. The mechanism is not limited to new business investment, but includes most Production, Storage and Distribution plant investment including replacement plant expenditures. Certain general plant and EDP equipment investments are excluded.

The application and calculation of the PISCC and deferral of property taxes and depreciation are identical. The illustrations/examples included in Ms. Konold's testimony at Attachment JMK-1 are the same that were included in Columbia Ohio settlement document noted above.

Again, similar to Columbia Kentucky the objective was to encourage necessary investment in new plant additions. Columbia Kentucky PISCC is limited to new business since the AMRP mechanism will provide recovery of plant investment incurred by Columbia Kentucky under its Accelerated Main Replacement Program.

No specific analysis has been prepared on the success of the program.

- d. Yes, please see response to part a., above.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 35

Refer to the Direct Testimony of Kelly Humrichouse ("Humrichouse Testimony"), page 11.

- a. Did the anticipated wage rate increase of 3.5 percent become effective on March 1, 2007? Explain the response.
- b. Describe Columbia's incentive compensation program. Include copies of program descriptions provided to employees and a detailed description of the goals and performance criteria utilized.

Response of Columbia Gas of Kentucky:

- a. No. The company's merit increase for exempt was 3.0%. This became effective on March 1.
- b. The primary incentive program throughout Columbia Gas of Kentucky (CKY), as well as throughout all of NiSource, is the Corporate Incentive Plan (CIP). All CKY employees participate in this plan. The CIP is offered annually and goals are set at the individual level as well as company level. Each job is assigned a job scope level that is based on the specific requirements of the job. Each job scope level is linked to an incentive range that also provides additional earning potential as a percentage of base salary (percentage of total salary for non-exempt employees) if certain corporate, business unit and individual goals are met, as set each year by the NiSource Board of Directors and through agreement between each employee and his or her supervisor. The corporate goal varies, but is often based on earnings. Individual goals are set through the performance management process utilizing performance management worksheets. Each year employees and their supervisors agree to goals for that year. For exempt employees, these goals and the employees overall performance are key input into the incentive payout. Goals typically include measures of customer service, cost containment, productivity, safety and reliability.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 36

Refer to the Humrichouse Testimony, page 13. Describe what is meant by references to the "IBM contract" and explain the impact this contract will have on the operations at Columbia.

Response of Columbia Gas of Kentucky:

The reference to the IBM contract is a generic reference to the outsourcing arrangement that NiSource entered into with IBM and announced in June, 2005. The IBM outsourcing arrangement is intended to allow NiSource to operate its businesses, including Columbia Gas of Kentucky, in a more efficient and cost effective manner, thereby ultimately redounding to the benefit of customers in the form of reduced costs and enhanced service, including the implementation of new technology and management reporting systems.

Under the arrangement, IBM is to operate a broad range of business support functions for the NiSource family of companies, including processes within human resources, supply chain, customer contact, meter-to-cash, and information technology. The initial term of the arrangement is for 10 years.

For Columbia Gas of Kentucky, the impact of the IBM contract includes the closing of Columbia's Lexington customer contact center at the end of March 2006, which operations were integrated with IBM-managed customer contact operations in Smithfield, Pennsylvania. The impact also includes Columbia's meter to cash function, such as billing exceptions, revenue recovery, cash processing and bill printing/inserting. The implementation of the IBM contract has allowed Columbia to consolidate, standardize, and redesign support processes to improve services & reduce costs. In addition, the contract implements new strategies, such as customer segmentation, which will increase Columbia's ability to target the correct customers for collections treatment resulting in O & M savings. Another area that was impacted by the IBM contract is Columbia's supply chain function. Through the introduction of standardized processes and enhanced technology, Columbia's procurement practices drive best cost and value attainment for all of the NiSource companies. Finally, the area of information technology was impacted by the IBM contract. Again, through the introduction of standardized processes and systems, the consolidation of resources and use of lower cost resources, and the introduction of new technologies, Columbia is able to maximize its resources and derive value as a result of the IBM contract.



Public Service Commission Data Request Set 2
Question No. 37
Columbia Gas of Kentucky Respondent: **P.R. Moul**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 37

Refer to the Direct Testimony of Paul R. Moul ("Moul Testimony"), page 13.

- a. Provide copies of the pages from *The Value Line Investment Survey* from which the Gas Group was chosen.
- b. For each of the gas companies followed by *Value Line*, list the reason for rejection for each of the gas companies not selected as part of the Gas Group.

Response of Columbia Gas of Kentucky:

- a. The Value Line pages that were used in Mr. Moul's testimony were taken from the September 15, 2006 edition. A copy of those pages is attached.
- b. As indicated below, the process of elimination that resulted in the companies selected for Mr. Moul's Gas Group is revealed by screening process that was applied to the gas distribution companies that are included in Value Line. It should be noted that once a company was eliminated, no further consideration was given to that company.

Gas Group Selection Process

<u>Ticker</u>	<u>Company</u>	<u>(i) are engaged in the natural gas distribution business</u>	<u>(ii) have publicly-traded common stock</u>	<u>(iii) are contained in The Value Line Investment Survey</u>	<u>(iv) they have a history of increased dividends over the period</u>	<u>(v) they are not currently the target of a merger or acquisition</u>	<u>(vi) they have at least 70% of their assets subject to utility regulation.</u>
ATG	AGL Resources	Yes	Yes	Yes	Yes	Yes	Yes
ATO	Atmos Energy	Yes	Yes	Yes	Yes	Yes	Yes
CGC	Cascade Natural Gas	Yes	Yes	Yes	No		
KSE	KeySpan Corp.	Yes	Yes	Yes	Yes	No	
LG	Laclede Group	Yes	Yes	Yes	Yes	Yes	Yes
NJR	New Jersey Resources	Yes	Yes	Yes	Yes	Yes	Yes
GAS	NICOR Inc.	Yes	Yes	Yes	Yes	Yes	Yes
NWN	Northwest Nat. Gas	Yes	Yes	Yes	Yes	Yes	Yes
PGL	Peoples Energy	Yes	Yes	Yes	Yes	No	
PNY	Piedmont Natural Gas	Yes	Yes	Yes	Yes	Yes	Yes
SEN	SEMCO Energy	Yes	Yes	Yes	No		
SJI	South Jersey Inds.	Yes	Yes	Yes	Yes	Yes	Yes
SUG	Southern Union	Yes	Yes	Yes	No		
SWX	Southwest Gas	Yes	Yes	Yes	No		
UGI	UGI Corp.	Yes	Yes	Yes	Yes	Yes	No
WGL	WGL Holdings Inc.	Yes	Yes	Yes	Yes	Yes	Yes

Source of Information: Value Line Investment Survey

AGL RESOURCES NYSE-ATG

RECENT PRICE **35.97** P/E RATIO **14.2** (Trailing: 13.3 Median: 14.0) RELATIVE P/E RATIO **0.84** DIV'D YLD **4.2%** VALUE LINE

TIMELINESS 4 Lowered 8/11/06	High: 20.0	22.0	21.6	23.4	23.4	23.2	24.5	25.0	29.3	33.7	39.3	40.0	Target Price	Range
SAFETY 2 New 7/27/99	Low: 14.9	17.1	17.8	17.7	15.6	15.5	19.0	17.3	21.9	26.5	32.0	34.4	2009	2010
TECHNICAL 3 Lowered 9/11/06	LEGENDS 1.15 x Dividends p sh divided by Interest Rate Relative Price Strength 2-for-1 split 12/95 Options: Yes Shaded area indicates recession													
BETA .95 (1.00 = Market)	2009-11 PROJECTIONS Price Gain Ann'l Total High 50 (+40%) 12% Low 40 (+10%) 7%													
Insider Decisions O N D J F M A M J to Buy 0 0 0 0 0 0 0 0 0 0 Options 1 2 1 0 1 0 0 0 0 to Sell 1 1 0 0 1 0 0 0 0														
Institutional Decisions 4Q2005 1Q2006 2Q2006 to Buy 109 110 95 to Sell 88 83 102 Hld's(000) 49186 45106 49525														
Percent shares traded: 12, 8, 4														
% TOT. RETURN 8/06 THIS STOCK VS. ARITH. INDEX 1 yr. 1.6 7.1 3 yr. 47.1 49.4 5 yr. 111.0 70.4														

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC.	09-11
22.58	20.26	20.43	22.73	23.59	19.32	21.91	22.75	23.36	18.71	11.25	19.04	15.32	15.25	23.89	34.98	35.55	36.10	Revenues per sh ^A	38.45
2.04	2.07	2.31	2.25	2.24	2.33	2.49	2.42	2.65	2.29	2.86	3.31	3.39	3.47	3.29	4.20	4.40	4.50	"Cash Flow" per sh	4.85
1.01	1.04	1.13	1.08	1.17	1.33	1.37	1.37	1.41	.91	1.29	1.50	1.82	2.08	2.28	2.48	2.65	2.70	Earnings per sh ^{A,B}	2.95
.98	1.02	1.03	1.04	1.04	1.04	1.06	1.08	1.08	1.08	1.08	1.08	1.08	1.11	1.15	1.30	1.50	1.58	Div'ds Decl'd per sh ^C	1.75
2.73	2.95	2.74	2.49	2.37	2.17	2.37	2.59	2.05	2.51	2.92	2.83	3.30	2.46	3.44	3.44	2.80	3.10	Cap'l Spending per sh	2.25
8.97	9.42	9.70	9.90	10.19	10.12	10.56	10.99	11.42	11.59	11.50	12.19	12.52	14.66	18.08	19.29	20.40	21.50	Book Value per sh ^D	24.90
44.32	47.57	48.69	49.72	50.86	55.02	55.70	56.60	57.30	57.10	54.00	55.10	56.70	64.50	76.70	77.70	77.90	78.00	Common Shs Outst'g ^E	78.30
14.2	15.3	15.5	17.9	15.1	12.6	13.8	14.7	13.9	21.4	13.6	14.6	12.5	12.5	13.1	14.3	14.3	14.3	Avg Ann'l P/E Ratio	15.0
1.05	.98	.94	1.06	.99	.84	.86	.85	.72	1.22	.88	.75	.68	.71	.89	.76	.76	.76	Relative P/E Ratio	1.00
6.8%	6.4%	5.9%	5.4%	5.9%	6.2%	5.6%	5.4%	5.5%	5.5%	6.2%	4.9%	4.7%	4.3%	3.9%	3.7%	3.7%	3.7%	Avg Ann'l Div'd Yield	4.0%

CAPITAL STRUCTURE as of 6/30/06		2004	2005	6/30/06	BUSINESS:		AGL Resources utility business performed well despite warmer-than-normal temperatures and conservation by customers.	
Total Debt	2087.0 mill.	75.6	76.6	80.6	1220.2	1287.6	1338.6	1068.6
LT Debt	\$1632.0 mill.	38.6%	37.9%	32.5%	607.4	1049.3	868.9	983.7
(Total interest coverage: 4.4x)		6.2%	5.9%	6.0%	1832.0	2718.0	2770	2815
Leases, Uncapitalized Annual rentals	\$27.0 mill.	46.2%	48.7%	47.5%	153.0	193.0	205	210
		48.9%	45.9%	47.1%	37.0%	37.7%	38.0%	38.0%
Pension Assets-12/05	\$371.0 mill.	1201.3	1356.4	1388.4	37.7%	37.7%	38.0%	38.0%
Oblig.	\$464.0 mill.	1415.4	1496.8	1534.0	37.7%	37.7%	38.0%	38.0%
Pfd Stock None		1415.4	1496.8	1534.0	37.7%	37.7%	38.0%	38.0%
Common Stock	77,878,889 shs.	8.0%	7.3%	7.6%	37.7%	37.7%	38.0%	38.0%
as of 7/31/06		11.7%	11.0%	11.1%	37.7%	37.7%	38.0%	38.0%
MARKET CAP: \$2.8 billion (Mid Cap)		12.1%	11.3%	12.3%	37.7%	37.7%	38.0%	38.0%
		3.8%	3.2%	4.4%	37.7%	37.7%	38.0%	38.0%
CURRENT POSITION (\$MILL.)		71%	74%	64%	37.7%	37.7%	38.0%	38.0%
Cash Assets	49.0	37.0	37.0	37.0	37.0	37.0	37.0	
Other	1408.0	2002.0	1471.0	1471.0	1471.0	1471.0	1471.0	
Current Assets	1457.0	2032.0	1508.0	1508.0	1508.0	1508.0	1508.0	
Accts Payable	207.0	264.0	566.0	566.0	566.0	566.0	566.0	
Debt Due	334.0	522.0	455.0	455.0	455.0	455.0	455.0	
Other	936.0	1153.0	329.0	329.0	329.0	329.0	329.0	
Current Liab.	1477.0	1939.0	1350.0	1350.0	1350.0	1350.0	1350.0	
Fix. Chg. Cov.	510%	442%	470%	470%	470%	470%	470%	

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '03-'05 of change (per sh)	'09-'11
Revenues	1.0%	7.0%	7.5%	7.5%
"Cash Flow"	5.0%	7.0%	5.0%	5.0%
Earnings	6.5%	13.5%	4.5%	4.5%
Dividends	1.5%	2.0%	6.5%	6.5%
Book Value	5.5%	8.5%	6.0%	6.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2003	352.5	186.6	166.3	278.3	983.7
2004	651.0	294.0	262.0	625.0	1832.0
2005	908.0	430.0	387.0	993.0	2718.0
2006	1047.0	436.0	405	882	2770
2007	970	480	465	900	2815

Cal-endar	EARNINGS PER SHARE ^{A,B}				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2003	.98	.29	.27	.54	2.08
2004	1.00	.33	.31	.64	2.28
2005	1.14	.30	.19	.85	2.48
2006	1.41	.25	.27	.72	2.65
2007	1.30	.37	.29	.74	2.70

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	.27	.27	.27	.27	1.08
2003	.27	.28	.28	.28	1.11
2004	.28	.29	.29	.29	1.15
2005	.31	.31	.31	.37	1.30
2006	.37	.37	.37		

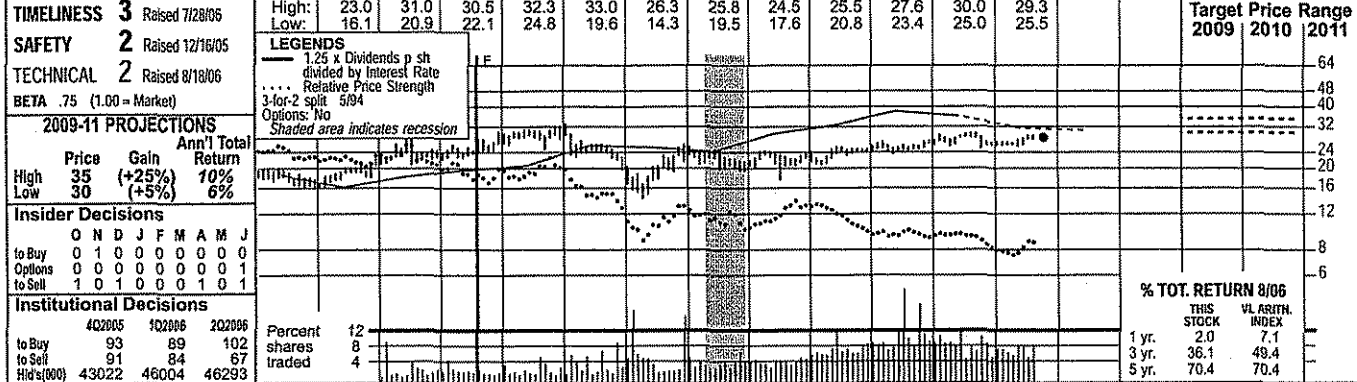
AGL Resources utility business performed well despite warmer-than-normal temperatures and conservation by customers. Earnings before interest and taxes increased \$7 million versus the year-ago period, driven by a \$6 million decrease in operating expenses. This can be attributed to last year's workforce and facilities restructuring programs. Also, operation and maintenance expenses per customer throughout AGL's distribution segment decreased 9% over the first six months of 2006. However, these results were offset by a lackluster performance at SouthStar, which markets natural gas and related services to retail customers on an unregulated basis, where results were also impacted by lower customer usage and higher bad debt expense. **Virginia Natural Gas (VNG) has accepted a modified performance-based rate plan.** As part of the deal, VNG will freeze its base rates for five years; construct a pipeline to connect its northern and southern systems, which is expected to cost about \$48 million to \$60 million; and will be allowed to file for a permanent weather normalization plan. Also, Chattanooga Gas filed for a \$5.8 million rate increase with the Tennessee Regulatory Authority to cover rising costs of financing its operations and lower consumption of natural gas. The proposal includes a plan to better align its interest with customers, by adjusting rates annually based on actual consumption versus an assumed level. We think Chattanooga will receive some, if not all, of the rate increase, which should provide a boost to earnings. **AGL's expansion of its Jefferson Island storage facility has hit a road block.** In early August, the Louisiana Department of Natural Resources terminated the company's mineral lease due to the timing of leasehold payments and a lack of mining activity on the site for six months. Even so, the company remains committed to resolving these issues and getting the project completed, which will increase working gas capacity, along with revenues. **This neutrally ranked stock has worthwhile total return potential,** thanks partly to dividend growth prospects. The good-quality shares are safe and steady, but not overly enticing. *Evan I. Blatter* September 15, 2006

(A) Fiscal year ends December 31st. Ended September 30th prior to 2002.
 (B) Diluted earnings per share. Excl. nonrecurring gains (losses): '95, d\$0.83; '99, \$0.39; '00, \$0.13; '01, \$0.13; '03, d\$0.07. Next earnings report due late Oct.
 (C) Dividends historically paid early March, June, Sept, and Dec. = Div'd reinvest. plan available.
 (D) Includes intangibles. In 2006: \$422 million, \$5.43/share.
 (E) In millions, adjusted for stock split.

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Company's Financial Strength **B++**
 Stock's Price Stability **95**
 Price Growth Persistence **70**
 Earnings Predictability **75**
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ATMOS ENERGY CORP. NYSE-ATO



ATMOS ENERGY'S HISTORY DATES BACK TO 1906 IN THE TEXAS PANHANDLE. OVER THE YEARS, THROUGH VARIOUS MERGERS, IT BECAME PART OF PIONEER CORPORATION, AND, IN 1981, PIONEER NAMED ITS GAS DISTRIBUTION DIVISION ENERGAS. IN 1983, PIONEER ORGANIZED ENERGAS AS A SEPARATE SUBSIDIARY AND DISTRIBUTED THE OUTSTANDING SHARES OF ENERGAS TO PIONEER SHAREHOLDERS. ENERGAS CHANGED ITS NAME TO ATMOS IN 1988. ATMOS ACQUIRED TRANS LOUISIANA GAS IN 1986, WESTERN KENTUCKY GAS UTILITY IN 1987, GREELEY GAS IN 1993, UNITED CITIES GAS IN 1997, AND OTHERS.	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC. 09-11
30.19	30.59	27.90	22.09	26.61	35.36	22.82	54.39	46.50	61.75	76.60	79.75	Revenues per sh ^A	105.00
2.80	2.85	3.38	2.62	3.01	3.03	3.39	3.23	2.91	3.90	4.05	4.30	"Cash Flow" per sh	5.30
1.51	1.34	1.84	.81	1.03	1.47	1.45	1.71	1.58	1.72	1.80	1.95	Earnings per sh ^{A B}	2.50
.96	1.01	1.06	1.10	1.14	1.16	1.18	1.20	1.22	1.24	1.26	1.28	Div'ds Decl'd per sh ^C	1.35
4.84	4.13	4.44	3.53	2.36	2.77	3.17	3.10	3.03	4.14	5.00	5.90	Cap'l Spending per sh	7.30
10.75	11.04	12.21	12.09	12.28	14.31	13.75	16.66	18.05	19.90	20.45	21.50	Book Value per sh	24.10
16.02	29.64	30.40	31.25	31.95	40.79	41.68	51.48	62.80	80.54	82.00	84.00	Common Shs Outst'g ^D	100.00
15.1	17.9	15.4	33.0	18.9	15.6	15.2	13.4	15.9	16.1	Bolt Figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
.95	1.03	.80	1.88	1.23	.80	.83	.76	.84	.84			Relative P/E Ratio	.85
4.2%	4.2%	3.7%	4.1%	5.9%	5.1%	5.4%	5.2%	4.9%	4.5%			Avg Ann'l Div'd Yield	4.2%
483.7	906.8	848.2	690.2	850.2	1442.3	950.8	2799.9	2920.0	4973.3	6280	6700	Revenues (\$mill) ^A	10500
23.9	39.2	55.3	25.0	32.2	56.1	59.7	79.5	86.2	135.8	150	165	Net Profit (\$mill)	250
35.7%	37.5%	36.5%	35.0%	36.1%	37.3%	37.1%	37.1%	37.4%	37.7%	37.3%	37.5%	Income Tax Rate	38.0%
5.0%	4.3%	6.5%	3.6%	3.8%	3.9%	6.3%	2.8%	3.0%	2.7%	2.4%	2.5%	Net Profit Margin	2.3%
41.5%	48.1%	51.8%	50.0%	48.1%	54.3%	53.9%	50.2%	43.2%	57.7%	57.0%	57.0%	Long-Term Debt Ratio	55.0%
58.5%	51.9%	48.2%	50.0%	51.9%	45.7%	46.1%	49.8%	56.8%	42.3%	43.0%	43.0%	Common Equity Ratio	45.0%
294.6	630.2	769.7	755.1	755.7	1276.3	1243.7	1721.4	1994.8	3785.5	3900	4200	Total Capital (\$mill)	5350
413.6	849.1	917.9	965.8	982.3	1335.4	1300.3	1516.0	1722.5	3374.4	3975	3675	Net Plant (\$mill)	5000
10.6%	8.3%	9.0%	5.1%	6.5%	5.9%	6.8%	6.2%	5.8%	5.3%	5.5%	5.5%	Return on Total Cap'l	6.5%
13.9%	12.0%	14.9%	6.8%	8.2%	9.6%	10.4%	9.3%	7.6%	8.5%	9.0%	9.0%	Return on Shr. Equity	10.5%
13.9%	12.0%	14.9%	6.8%	8.2%	9.6%	10.4%	9.3%	7.6%	8.5%	9.0%	9.0%	Return on Com Equity	10.5%
5.1%	3.9%	6.3%	NMF	NMF	2.1%	1.9%	2.8%	1.7%	2.3%	3.0%	3.0%	Retained to Com Eq	5.0%
64%	67%	68%	NMF	112%	79%	82%	70%	77%	73%	69%	65%	All Div'ds to Net Prof	54%

CAPITAL STRUCTURE as of 6/30/06
 Total Debt \$2481.2 mill. Due in 5 Yrs \$860.0 mill.
 LT Debt \$2180.8 mill. LT Interest \$135.0 mill.
 (LT interest earned: 2.7x; total interest coverage: 2.6x)
 Leases, Uncapitalized Annual rentals \$15.3 mill.
 Pfd Stock None
 Pension Assets-9/05 \$355.9 mill. Oblig. \$359.9 mill.
 Common Stock 81,595,723 shs. as of 7/31/06
MARKET CAP: \$2.3 billion (Mid Cap)

CURRENT POSITION	2004	2005	6/30/06
Cash Assets (\$MILL.)	201.9	40.1	26.8
Other	475.2	1224.3	1023.4
Current Assets	677.1	1264.4	1050.2
Accts Payable	185.3	461.3	306.8
Debt Due	5.9	148.1	300.4
Other	223.3	503.4	407.6
Current Liab.	414.5	1112.8	1014.8
Fix. Chg. Cov.	384%	395%	400%

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '03-'05 of change (per sh) to '99-'11

Revenues	6.0%	16.5%	11.5%
"Cash Flow"	3.5%	2.0%	8.0%
Earnings	4.0%	6.5%	7.0%
Dividends	3.0%	2.0%	2.0%
Book Value	6.5%	8.5%	5.0%

QUARTERLY REVENUES (\$mill.)^A

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2003	680.4	1194.1	488.5	436.9	2799.9
2004	763.6	1117.5	546.1	492.8	2920.0
2005	1371.0	1687.8	909.9	1004.6	4973.3
2006	2283.8	2033.8	863.2	1099.2	6280
2007	1675	1675	1675	1675	6700

EARNINGS PER SHARE^{A B E}

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2003	.60	1.24	--	d.05	1.71
2004	.57	1.12	.09	d.11	1.58
2005	.79	1.11	.06	d.21	1.72
2006	.88	1.10	d.22	.04	1.80
2007	.85	1.15	.08	d.13	1.95

QUARTERLY DIVIDENDS PAID^C

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2002	.295	.295	.295	.30	1.19
2003	.30	.30	.30	.305	1.21
2004	.305	.305	.305	.31	1.23
2005	.31	.31	.31	.315	1.25
2006	.315	.315	.315		

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to 3.2 million customers via seven regulated natural gas utility operations: Louisiana Division, Mid-States Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky Division. Combined 2005 gas volumes: 296 MMcf. Breakdown: 55%, residential; 31%, commercial; 10%, industrial; and 4% other. 2005 depreciation rate 3.7%. Has around 4,330 employees. Officers and directors own approximately 2.6% of common stock (12/05 Proxy). Chairman and Chief Executive Officer: Robert W. Best, Incorporated: Texas. Address: P.O. Box 650205, Dallas, Texas 75265. Telephone: 972-934-9227. Internet: www.atmosenergy.com.

It appears that Atmos Energy's earnings per share increased around 5%, to \$1.80, in fiscal 2006 (ends September 30th). Within the non-utility division, the marketing segment benefited greatly from strategies to capture favorable arbitrage spreads created by natural gas volatility. But the performance of the utility operation was hampered by warmer temperatures, which especially affected the Mid-Tex and Louisiana units because they did not have a weather-normalized rate structure during that time. (Combined, these units account for over 60% of the customer base.) Also, we estimate that the after-effects of Hurricane Katrina reduced share net by about \$0.10.

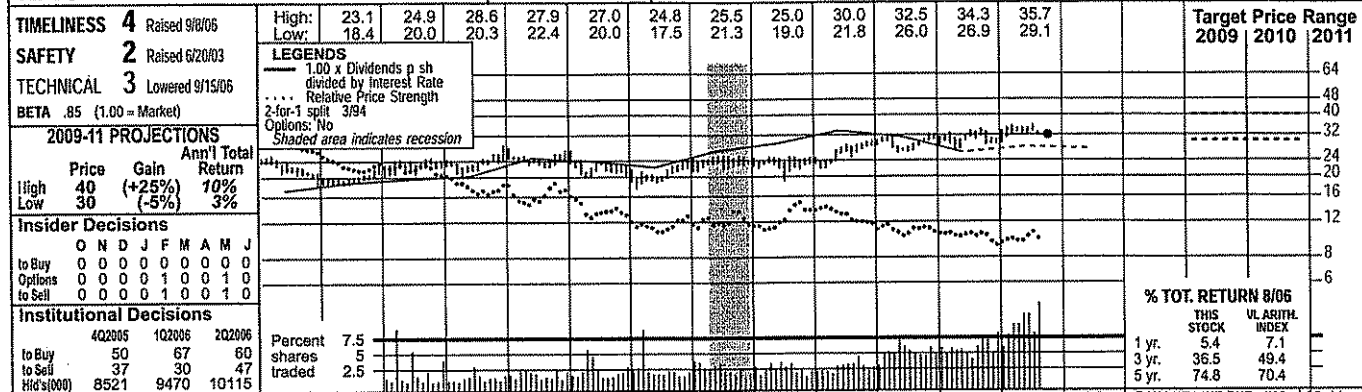
We believe that the bottom line will advance about 8%, to \$1.95 a share, in fiscal 2007, assuming further expansion in operating margins. And it is important to note that weather-normalized rates will be effective for the Mid-Tex operation beginning October 1st. Moreover, a rate design calling for a partial decoupling from the impact of unfavorable temperatures will take effect for the Louisiana unit on December 1st. With these moves, some

90% of the utility's margins are protected by weather-normalization adjustments (versus about 33% previously). **Atmos looks poised to register steady, if measured, bottom-line increases over the 2009-2011 period.** With the utility division now serving 3.2 million customers across 12 states, the company is not dependent on the economic climate in any one region of the country. Furthermore, the non-utility segments, particularly pipelines, have decent expansion prospects. In the present corporate configuration, share net ought to grow around 8% annually over the 3- to 5-year horizon. **These good-quality shares offer a healthy dose of dividend income.** Prospects for additional increases in the distribution seem reasonable, too, as supported by our favorable 2009-2011 projections for Atmos Energy. **But long-term total return potential is not spectacular,** as capital appreciation possibilities are limited at the current quotation. Also, the equity is ranked to perform only in line with the market in the year ahead. *Frederick L. Harris, III September 15, 2006*

(A) Fiscal year ends Sept. 30th. (B) Diluted shs. Excl. nonrec. items: '97, d53q; '99, d23q; '00, 12q; '03, d17q. Next egs. rpt. due early Nov. (C) Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. Direct stock purchase plan avail. (D) In millions, adjusted for stock splits. (E) Qtrs may not add due to change in shrs outstanding. (F) ATO completed United Cities merger 7/97. Company's Financial Strength B+ Stock's Price Stability 100 Price Growth Persistence 30 Earnings Predictability 65

LACLEDE GROUP NYSE:LG

RECENT PRICE **32.13** P/E RATIO **15.5** (Trailing: 14.8 Median: 15.0) RELATIVE P/E RATIO **0.91** DIV'D YLD **4.5%** VALUE LINE



1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB. INC.	09-11
30.21	28.10	26.83	32.33	33.43	24.79	31.03	34.33	31.04	26.04	29.99	53.08	39.84	54.95	59.59	75.43	93.50	98.60	Revenues per sh	116.65
2.13	2.37	2.32	2.81	2.65	2.55	3.29	3.32	3.02	2.56	2.68	3.00	2.56	3.15	2.79	2.98	3.70	3.85	"Cash Flow" per sh	4.70
1.08	1.28	1.17	1.61	1.42	1.27	1.87	1.84	1.58	1.47	1.37	1.61	1.18	1.82	1.82	1.90	2.15	2.15	Earnings per sh ^{A B}	2.50
1.18	1.20	1.20	1.22	1.22	1.24	1.26	1.30	1.32	1.34	1.34	1.34	1.34	1.34	1.35	1.37	1.40	1.43	Div'ds Decl'd per sh ^C	1.50
1.87	2.46	2.87	2.62	2.50	2.63	2.35	2.44	2.68	2.58	2.77	2.51	2.80	2.67	2.45	2.84	3.15	3.40	Cap'l Spending per sh	4.40
11.75	11.83	11.79	12.19	12.44	13.05	13.72	14.26	14.57	14.96	14.99	15.26	15.07	15.65	16.96	17.31	19.70	20.65	Book Value per sh ^D	26.00
15.59	15.59	15.59	15.59	15.67	17.42	17.56	17.56	17.63	18.88	18.88	18.88	18.96	19.11	20.98	21.17	21.50	21.50	Common Shs Outst'g ^E	24.00
14.6	12.5	15.8	13.5	16.4	15.5	11.9	12.5	15.5	15.8	14.9	14.5	20.0	13.6	15.7	16.2	<i>Bold figures are ValueLine estimates</i>		Avg Ann'l P/E Ratio	14.0
1.08	.80	.96	.80	1.08	1.04	.75	.72	.81	.90	.97	.74	1.09	.78	.83	.86			Relative P/E Ratio	.95
7.5%	7.5%	6.5%	5.6%	5.3%	6.3%	5.6%	5.6%	5.4%	5.8%	6.6%	5.7%	5.7%	5.4%	4.7%	4.4%			Avg Ann'l Div'd Yield	4.3%

CAPITAL STRUCTURE as of 6/30/06		2004	2005	6/30/06	Leases, Uncapitalized Annual rentals \$1.7 mill.		Pension Assets-9/05 \$272.8 mill.		Pfd Stock \$.8 mill.		Pfd Div'd \$.05 mill.		Common Stock 21,357,009 shs.		as of 7/28/06		MARKET CAP: \$675 million (Small Cap)		CURRENT POSITION (\$MILL.)		2004		2005		6/30/06			
Total Debt \$518.8 mill. Due in 5 Yrs \$175.0 mill.		32.8	32.5	27.9	Oblig. \$327.2 mill.														Cash Assets		13.9	6.0	31.9	Other		323.7	418.1	319.1
LT Debt \$395.4 mill. LT Interest \$25.0 mill.		35.9%	36.1%	35.6%	Pension Assets-9/05 \$272.8 mill.														Current Assets		337.6	424.1	351.0	Accts Payable		68.4	138.4	118.2
(Total interest coverage: 3.0x)		6.0%	5.4%	5.1%	Pfd Stock \$.8 mill.														Debt Due		96.5	110.7	123.4	Other		97.7	116.5	181.1
		42.5%	38.0%	40.9%	Pfd Div'd \$.05 mill.														Current Liab.		262.6	365.6	304.5	Fix. Chg. Cov.		279%	293%	290%
		57.1%	61.6%	58.6%	Common Stock 21,357,009 shs.														ANNUAL RATES of change (per sh)		10 Yrs.	Past 5 Yrs.	Past Est'd '03-'05 to '09-'11	Revenues		7.5%	17.0%	10.5%
		42.2%	40.6%	43.0%	MARKET CAP: \$675 million (Small Cap)														"Cash Flow"		1.0%	1.5%	8.0%	Earnings		2.5%	4.5%	5.0%
		45.2%	46.7%	49.0%	CURRENT POSITION (\$MILL.)														Dividends		1.0%	5%	2.0%	Book Value		3.0%	2.5%	7.5%
		9.4%	9.7%	8.1%	CASH ASSETS														Earnings		1.0%	5%	2.0%	Book Value		3.0%	2.5%	7.5%
		13.5%	12.9%	10.8%	OTHER														Dividends		1.0%	5%	2.0%	Book Value		3.0%	2.5%	7.5%
		13.6%	12.9%	10.8%	CURRENT ASSETS														Dividends		1.0%	5%	2.0%	Book Value		3.0%	2.5%	7.5%
		4.5%	3.9%	1.8%	CURRENT LIAB.														Dividends		1.0%	5%	2.0%	Book Value		3.0%	2.5%	7.5%
		67%	70%	83%	FIX. CHG. COV.														Dividends		1.0%	5%	2.0%	Book Value		3.0%	2.5%	7.5%

BUSINESS: Laclede Group, Inc., is a holding company for Laclede Gas, which distributes natural gas in eastern Missouri, including the city of St. Louis, St. Louis County, and parts of 8 other counties. Has more than 630,000 customers. Purchased SM&P for \$43 million (1/02). Therms sold and transported in fiscal 2005: 1.12 mill. Revenue mix for regulated operations: residential, 60%; commercial and industrial, 23%; transportation, 2%; other, 15%. Has around 3,815 employees. Officers and directors own approximately 6.0% of common shares (1/06 Proxy). Chairman, Chief Executive Officer, and President: Douglas H. Yaeger. Incorporated: Missouri. Address: 720 Olive Street, St. Louis, Missouri 63101. Telephone: 314-342-0500. Internet: www.lacledegas.com.

Laclede Group is on track to register healthy results in fiscal 2006 (ends September 30th). Laclede Energy Resources, the non-utility gas marketing segment, is still benefiting from supply/demand imbalances resulting from last year's Gulf Coast hurricanes, plus a surge in volumes (reflecting higher interstate pipeline wholesale transactions). Furthermore, SM&P Utility Resources, the unregulated unit specializing in locating and marking services for underground facilities, is being aided by new business signups in existing markets. And we note that this subsidiary recently bought Reliant Services, which provides similar services. Given that both businesses have customers in the same geographic areas, synergies ought to generate decent cost savings going forward.		But the core natural gas unit has underperformed of late. This can be attributed partly to higher operation and maintenance expenses, as well as an increased provision for uncollectible accounts. A decline in volumes within the service territory has further eroded earnings. On the bright side, there have been		benefits from a general rate hike effective since last October, and income from entities located outside the system has been rising.	
On a consolidated basis, share net ought to grow about 13%, to \$2.15, in fiscal 2006. Laclede's bottom line may flatten out next year because of the difficult comparison.		We believe that unexciting results are in store for the company over the 2009-2011 timeframe. The market in which the natural gas division operates has sluggish customer growth because it is in a mature stage. Moreover, it appears that major acquisitions are not likely to take place anytime soon. Consequently, annual share-net gains may only be in the mid-single-digit range, with some volatility, over the 3- to 5-year horizon.		The stock's good yield aside, total-return potential is not appealing. That is because these shares are already trading within our 2009-2011 Target Price Range, and we are assuming that future dividend increases will be moderate. Also, the Timeliness rank is 4 (Below Average).	
Frederick L. Harris, III September 15, 2006					

Company's Financial Strength		B+
Stock's Price Stability		96
Price Growth Persistence		55
Earnings Predictability		65

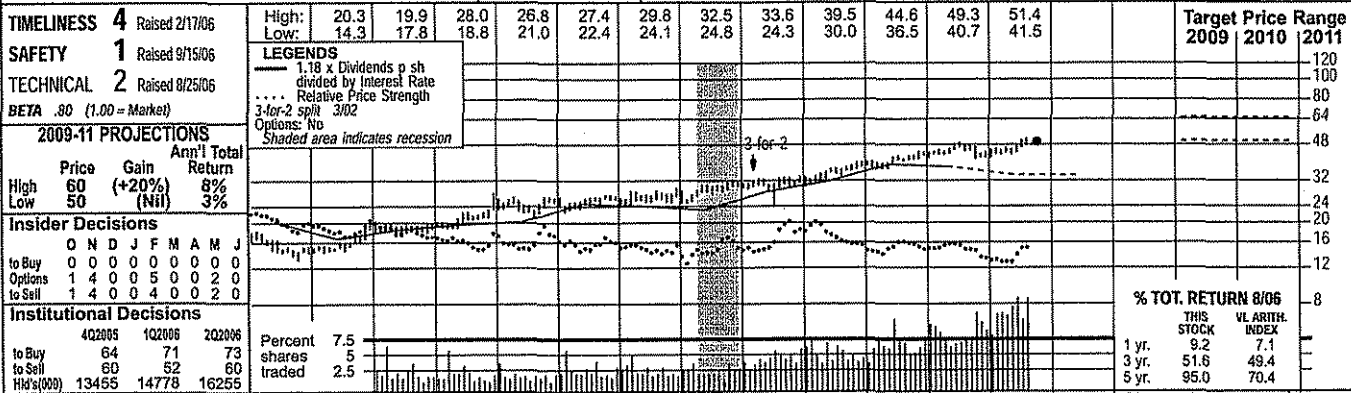
(A) Fiscal year ends Sept. 30th. (B) Based on average shares outstanding thru '97, then diluted. Excludes nonrecurring loss: Q2 '06, 7¢. Next earnings report due late Oct. (C) Dividends historically paid in early January, April, July, and October. (D) Dividend reinvestment plan available. (E) In millions. Adjusted for stock split. (F) Qty. eqs. may not sum due to change in shares outstanding. (D) Incl. deferred charges. In '05: \$203.8 mill., \$9.63/sh.

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NEW JERSEY RES. NYSE-NJR

RECENT PRICE **49.55** P/E RATIO **20.6** (Trailing: 16.2 Median: 15.0) RELATIVE P/E RATIO **1.21** DIV'D YLD **2.9%** VALUE LINE



Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC. 09-11
Revenues per sh ^A	16.01	15.99	16.88	18.02	19.22	17.03	20.22	25.97	26.59	33.98	44.13	76.82	66.17	93.43	91.33	114.29	117.45	120.60	129.80
"Cash Flow" per sh ^B	1.54	1.58	1.95	2.14	2.31	2.13	2.22	2.45	2.60	2.79	2.99	3.18	3.21	3.58	3.75	3.92	4.00	4.20	4.70
Earnings per sh ^C	.65	.55	1.09	1.15	1.26	1.29	1.37	1.48	1.55	1.66	1.79	1.95	2.09	2.38	2.55	2.65	2.80	2.90	3.30
Div'ds Decl'd per sh ^{Cm}	.96	1.00	1.01	1.01	1.01	1.01	1.03	1.07	1.09	1.12	1.15	1.17	1.20	1.24	1.30	1.36	1.45	1.50	1.70
Cap'l Spending per sh	4.37	2.91	1.99	2.31	2.10	1.77	1.78	1.72	1.60	1.81	1.85	1.86	1.53	1.71	2.17	1.92	1.80	1.95	2.10
Book Value per sh	8.85	8.57	9.44	9.81	9.64	9.70	10.10	10.38	10.88	11.35	12.43	13.20	13.06	15.38	16.87	15.90	17.45	18.80	23.15
Common Shs Outst'g ^D	20.28	20.95	24.43	25.23	25.95	26.69	27.13	26.82	26.72	26.61	26.39	26.66	27.67	27.23	27.74	27.55	28.10	28.20	28.50
Avg Ann'l P/E Ratio	24.0	22.3	12.4	15.1	13.0	11.7	13.6	13.5	15.3	15.2	14.7	14.2	14.7	14.0	15.3	16.8	16.8	16.8	17.0
Relative P/E Ratio	1.78	1.42	.75	.89	.85	.78	.85	.78	.80	.87	.96	.73	.80	.80	.81	.90	.90	.90	1.15
Avg Ann'l Div'ld Yield	6.2%	8.1%	7.5%	5.8%	6.2%	6.7%	5.6%	5.3%	4.6%	4.5%	4.4%	4.2%	3.9%	3.7%	3.3%	3.1%	3.1%	3.1%	3.0%

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC. 09-11
Revenues (\$mill) ^A	548.5	696.5	710.3	904.3	1164.5	2048.4	1830.8	2544.4	2533.6	3148.3	3300	3400	3700	3700	3700	3700	3700	3700	3700
Net Profit (\$mill)	38.7	41.5	43.3	44.9	47.9	52.3	56.8	65.4	71.6	74.4	80.0	82.0	82.0	82.0	82.0	82.0	82.0	82.0	95.0
Income Tax Rate	32.6%	33.3%	30.4%	36.2%	37.8%	38.0%	38.7%	39.4%	39.1%	39.1%	39.1%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%	40.0%
Net Profit Margin	7.1%	6.0%	6.1%	5.0%	4.1%	2.6%	3.1%	2.6%	2.8%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.5%
Long-Term Debt Ratio	50.7%	49.3%	51.2%	48.7%	47.0%	50.1%	50.6%	38.1%	40.3%	42.0%	42.0%	41.0%	41.0%	41.0%	41.0%	41.0%	41.0%	41.0%	37.0%
Common Equity Ratio	45.8%	47.1%	45.6%	51.2%	52.9%	49.9%	49.4%	61.9%	59.7%	58.0%	58.0%	59.0%	59.0%	59.0%	59.0%	59.0%	59.0%	59.0%	63.0%
Total Capital (\$mill)	598.2	590.6	638.2	590.4	620.1	706.2	732.4	676.8	783.8	755.3	845	890	890	890	890	890	890	890	1055
Net Plant (\$mill)	655.2	659.4	680.0	705.4	730.6	743.9	756.4	852.6	880.4	905.1	935	970	970	970	970	970	970	970	1120
Return on Total Cap'l	8.1%	8.6%	8.1%	9.0%	9.0%	8.5%	8.7%	10.7%	10.1%	11.2%	10.5%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.5%
Return on Shr. Equity	13.1%	13.9%	13.9%	14.8%	14.6%	14.8%	14.8%	15.6%	15.3%	17.0%	16.0%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	14.5%
Return on Com Equity	13.5%	14.3%	14.4%	14.8%	14.6%	14.9%	15.7%	15.6%	15.3%	17.0%	16.0%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	15.5%	14.5%
Retained to Com Eq	3.4%	4.0%	4.4%	5.0%	5.4%	6.1%	6.9%	7.7%	7.8%	8.5%	8.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.0%
All Div'ds to Net Prof	76%	73%	71%	67%	63%	59%	56%	51%	49%	50%	52%	52%	52%	52%	52%	52%	52%	52%	52%

CAPITAL STRUCTURE as of 6/30/06
 Total Debt \$490.8 mill. Due in 5 Yrs \$250.0 mill.
 LT Debt \$333.8 mill. LT Interest \$22.0 mill.
 Incl. \$6.9 mill. capitalized leases.
 (LT interest earned: 5.5x; total interest coverage: 4.8x)
 Pension Assets-9/05 \$82.6 mill. Oblig. \$99.9 mill.

Pfd Stock None

Common Stock 28,080,314 shs. as of 8/8/06
MARKET CAP: \$1.4 billion (Mid Cap)

CURRENT POSITION 2004 2005 6/30/06
 (SMILL.)
 Cash Assets 5.0 25.0 4.7
 Other 681.0 927.8 808.7
 Current Assets 686.0 952.8 813.4
 Accts Payable 42.9 54.7 38.0
 Debt Due 287.4 177.4 157.0
 Other 357.4 744.2 510.4
 Current Liab. 687.7 976.3 705.4
 Fix. Chg. Cov. 826% 660% 700%

BUSINESS: New Jersey Resources Corp. is the holding company for New Jersey Natural Gas Co., a natural gas utility (about 463,000 customers at 9/30/05) in Monmouth, Ocean, and parts of other N.J. counties. Fiscal 2005 volume: 124.7 bil. cu. ft. (50% firm, 8% interruptible industrial and electric utility, 42% off-system and capacity release). New Jersey Natural Energy subsid. provides unregulated retail and wholesale natural gas and related energy services to customers in 17 states. 2005 deprec. rate: 2.8%. Est'd plant age: 8 years. Has 551 utility employees, 16,300 stockhldrs. Off. & dir. own about 3% of common stock (12/05 Proxy). Chairman and CEO: Laurence M. Downes, Inc.: N.J. Address: 1415 Wyckoff Road, Wall, NJ 07719. Tel.: 732-938-1000. Internet: www.njliving.com.

New Jersey Resources results over the first nine months of fiscal 2006 (year ends September 30th) have been solid. Earnings over this timeframe increased about 14.5%, to \$3.23 a share, with most of the gains being driven by an improved performance at the company's energy services subsidiary. In fact, the segment posted an earnings advance of about 90% this year due to growth in its portfolio of storage and transportation contracts. Since the unit covers many markets in the eastern half of the United States and Canada, it is able to capture additional value when prices fluctuate between regions. All told, the business now represents over 20% of corporate earnings. **The third quarter was a weak one at the company's main subsidiary, New Jersey Natural Gas (NJNG).** It posted earnings of \$1.7 million, well below the \$3.9 million in the year-earlier period. The decrease was primarily the result of conservation by customers. The utility currently has a weather normalization plan in place to protect against temperatures that are warmer than normal, though, it is unable to protect against lower usage. Therefore, in December, NJNG proposed a plan with the New Jersey Board of Public utilities to implement a conservation usage adjustment (CUA) plan to replace the normalization policy, which would provide protection against both temperature and usage changes. Management remains optimistic that the program will be approved and be in place by next winter's heating season. However, should regulatory approval not be granted, the company is exploring alternatives that includes filing for a rate increase. Meanwhile, the utility added about 7,870 new customers through the third quarter, and will likely grow at a rate above the industry average for the next few years thanks to the strong demographics of the region NJNG serves. About a third of new customers are conversions from other fuel sources. **Though untimely, this stock offers decent total return potential.** This is largely due to expanding profits from its nonutility operations. Other pluses include the likelihood of a more consistent earnings stream through the CUA proposal, and steady dividend increases.

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2003	668.9	1152.7	369.7	353.1	2544.4
2004	643.0	1037.7	438.5	414.4	2533.6
2005	854.0	1065.1	544.3	684.9	3148.3
2006	1164.6	1064.4	536.1	534.9	3300
2007	1085	1150	610	555	3400

Fiscal Year Ends	EARNINGS PER SHARE ^{A B}				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2003	.85	1.50	.16	d.13	2.38
2004	.87	1.82	.06	d.20	2.55
2005	.91	1.84	.07	d.17	2.65
2006	1.23	2.14	d.14	d.43	2.80
2007	1.13	1.84	.10	d.17	2.90

Calendar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	.30	.30	.30	.30	1.20
2003	.31	.31	.31	.31	1.24
2004	.325	.325	.325	.325	1.30
2005	.34	.34	.34	.34	1.36
2006	.36	.36	.36	.36	1.44

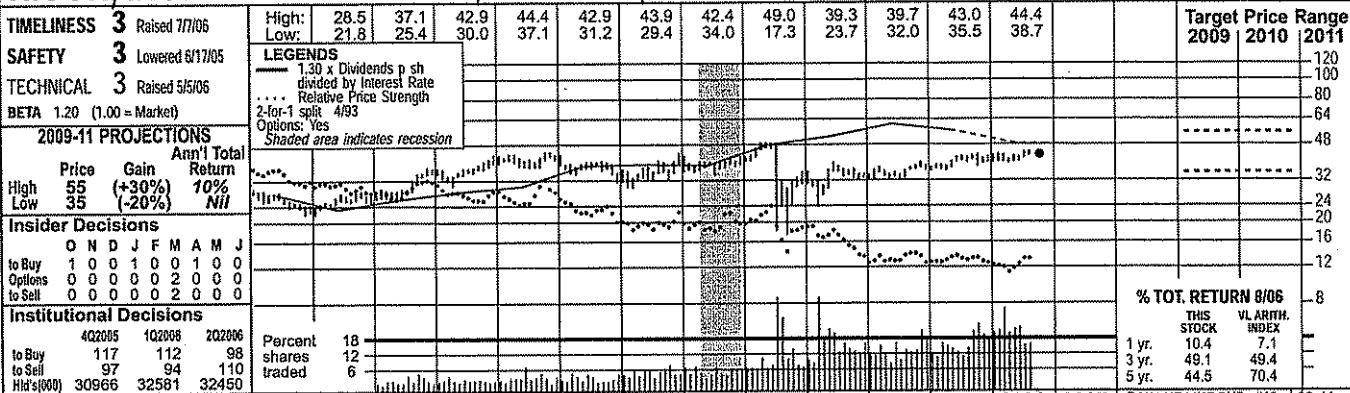
(A) Fiscal year ends Sept. 30th. (B) Diluted earnings. Next earnings report due late Oct. (C) Dividends historically paid in early January. (D) In millions, adjusted for split.

April, July, and October. ■ Dividend reinvestment plan available.

Company's Financial Strength **A**
 Stock's Price Stability **100**
 Price Growth Persistence **85**
 Earnings Predictability **100**

NICOR, INC. NYSE-GAS

RECENT PRICE **43.05** P/E RATIO **17.2** (Trailing: 18.6 Median: 14.0) RELATIVE P/E RATIO **1.01** DIV'D YLD **4.3%** VALUE LINE



1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC.	09-11
26.52	26.46	28.90	31.02	31.23	29.42	37.39	41.33	30.84	34.45	50.52	57.30	43.11	60.46	62.12	76.00	73.35	72.30	Revenues per sh	71.25
3.86	3.92	4.14	3.80	4.11	4.19	4.97	5.29	5.21	5.59	6.16	6.41	6.03	5.37	6.00	6.19	6.45	6.50	"Cash Flow" per sh	6.80
1.93	1.86	1.92	1.97	2.07	1.96	2.42	2.55	2.31	2.57	2.94	3.01	2.88	2.11	2.22	2.27	2.45	2.50	Earnings per sh ^A	2.80
1.06	1.12	1.18	1.22	1.25	1.28	1.32	1.40	1.48	1.54	1.66	1.76	1.84	1.88	1.86	1.86	1.86	1.92	Div'ds Decl'd per sh ^B	2.02
3.00	3.65	3.12	2.62	3.34	3.12	2.42	2.34	2.87	3.28	3.48	4.18	4.37	4.12	4.32	4.57	4.50	4.50	Cap'l Spending per sh	4.50
11.67	12.28	12.76	13.05	13.26	13.67	14.74	15.43	15.97	16.80	15.56	16.39	16.55	17.13	16.99	18.36	18.90	19.40	Book Value per sh	21.60
57.93	57.30	55.77	53.96	51.54	50.30	49.49	48.22	47.51	46.89	45.49	44.40	44.01	44.04	44.10	44.18	44.50	44.60	Common Shs Outstg ^C	44.90
10.7	11.5	11.6	14.1	12.5	13.1	12.5	14.2	17.6	14.6	11.9	12.8	13.1	15.8	15.9	17.3	17.3	17.3	Avg Ann'l P/E Ratio	16.0
.79	.73	.70	.83	.82	.86	.78	.82	.92	.83	.77	.66	.72	.90	.84	.91	.91	.91	Relative P/E Ratio	1.05
5.1%	5.2%	5.3%	4.4%	4.8%	5.0%	4.4%	3.9%	3.6%	4.1%	4.7%	4.6%	4.9%	5.6%	5.3%	4.7%	4.7%	4.7%	Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 6/30/06		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Revenues (\$mill)	3200
Total Debt \$520.2 mill. Due in 5 Yrs \$215.0 mill.		1850.7	1992.6	1465.1	1615.2	2298.1	2544.1	1897.4	2662.7	2739.7	3357.8	3265	3225	Revenues (\$mill)	3200						
LT Debt \$470.2 mill. LT Interest \$20.0 mill.		121.2	124.3	111.1	121.9	136.4	136.3	128.0	93.1	98.1	101.1	110	110	Net Profit (\$mill)	125						
(Total interest coverage: 4.0x)		35.8%	35.0%	34.4%	34.7%	34.8%	33.5%	31.0%	35.2%	31.8%	28.3%	27.0%	30.0%	Income Tax Rate	32.0%						
Pension Assets-12/05 \$424.0 mill. Obligt. \$284.4 mill.		6.5%	6.2%	7.6%	7.5%	5.9%	5.4%	6.7%	3.5%	3.6%	3.0%	3.4%	3.4%	Net Profit Margin	3.9%						
Pfd Stock \$6 mill. Pfd Div'd \$0.3 mill.		41.3%	42.3%	42.1%	35.5%	32.7%	37.8%	35.1%	39.6%	39.8%	37.4%	36.0%	35.0%	Long-Term Debt Ratio	32.0%						
(11,681 shares of 4.48% mandatorily redeemable preferred stock)		58.1%	57.2%	57.4%	64.0%	66.7%	61.7%	64.5%	60.3%	60.1%	62.5%	64.0%	65.0%	Common Equity Ratio	68.0%						
Common Stock 44,536,603 shares as of 4/28/06		1255.1	1300.6	1322.8	1230.1	1061.2	1180.1	1128.9	1251.5	1246.0	1297.7	1310	1335	Total Capital (\$mill)	1430						
MARKET CAP: \$1.9 billion (Mid Cap)		1771.9	1735.8	1731.8	1735.2	1729.6	1768.6	1796.8	2484.2	2549.8	2659.1	2750	2850	Net Plant (\$mill)	3150						
CURRENT POSITION (SMILL.)		11.1%	11.1%	9.9%	10.9%	13.7%	12.3%	12.2%	8.3%	8.8%	9.4%	10.0%	9.5%	Return on Total Cap'l	10.0%						
Cash Assets 83.2		16.4%	16.6%	14.5%	15.4%	19.1%	18.6%	17.5%	12.3%	13.1%	12.5%	13.0%	12.5%	Return on Shr. Equity	13.0%						
Other 937.7		16.6%	16.7%	14.6%	15.4%	19.2%	18.7%	17.5%	12.3%	13.1%	12.5%	13.0%	12.5%	Return on Com Equity	13.0%						
Current Assets 1020.9		7.6%	7.6%	5.4%	6.2%	8.5%	7.9%	6.5%	1.5%	2.1%	2.3%	3.0%	3.0%	Retained to Com Eq	3.5%						
Accts Payable 502.9		54%	55%	63%	60%	58%	58%	63%	88%	84%	81%	75%	77%	All Div'ds to Net Prof	73%						
Debt Due 490.2		<p>BUSINESS: Nicor Inc. is a holding company with gas distribution as its primary business. Serves over 2.1 million customers in northern and western Illinois. 2005 gas delivered: 470.6 Bcf, incl. 219.4 Bcf from transportation. 2005 gas sales (251.2 bcf): residential, 80%; commercial, 18%; industrial, 3%. Principal supplying pipelines: Natural Gas Pipeline, Horizon Pipeline, and TGPC. Current operations include Tropical Shipping subsidiary and several energy related ventures. Divested inland barging, 7/86; contract drilling, 9/86; oil and gas E&P, 6/93. Has about 3,700 employee. Off./dir. own about 2.8% of common stock. (3/06 proxy). Chairman and CEO: Russ Strobel, Inc.: IL. Address: 1844 Ferry Road, Naperville, IL 60563. Telephone: 630-305-9500. Internet: www.nicor.com.</p>																			
Other 178.3		<p>Nicor's core gas distribution segment has posted mixed results. In the first six months of the year, this unit posted a modest decline in operating profits from a year ago. Excluding the cost recovery of \$3.8 million related to a mercury repair and inspection program, operating earnings declined by 1%, to \$70.8 million, in the period. An increase in base rates, approved by the Illinois Commerce Commission last fall, helped to boost revenues, but was partially offset by unseasonably warm weather, which reduced the demand for gas deliveries. This decrease in demand lowered net profits by roughly \$7.5 million compared to management's forecast. In light of the weather-related losses, the gas distribution segment will probably weigh on the bottom line in the full year. Even so, this is considered a temporary issue, and an eventual return to normal weather conditions should benefit earnings. Too, operating and maintenance expenses have been running below management's expectations, with room for further cost reductions, barring an unforeseen spike in natural gas prices.</p>																			
Current Liab. 1171.4		<p>ments should bolster the bottom line. Nicor's Tropical Shipping unit is generating higher revenues, due to an increase in rates. But some of those gains are likely to be mitigated, in part, by incremental payroll and transportation costs. Separately, the energy ventures segment should post better results in the second half of this year, as deferred revenue, related to its utility bill management products, are recognized.</p>																			
Fix. Chg. Cov. 428%		<p>Nicor may be able to raise its dividend following a recent legal settlement. In July, the company reached a settlement with the SEC regarding the investigation over its accounting for natural gas costs between 2000 and 2002. Under the terms of the settlement, Nicor will be subject to a \$10 million fine, without admitting or denying any wrongdoing. With the legal issues in the rearview mirror, there ought to be a greater amount of cash available to shareholders. As of June 30th, there was nearly \$227 million in cash on the balance sheet.</p>																			

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '03-'05 to '09-'11	03-'05
of change (per sh)	8.0%	11.5%	1.0%	1.0%
Revenues	4.0%	0.5%	2.5%	2.5%
"Cash Flow"	1.0%	-3.5%	4.0%	4.0%
Earnings	4.0%	3.5%	1.5%	1.5%
Dividends	3.0%	1.5%	3.0%	3.0%
Book Value				

Cal-endar	QUARTERLY REVENUES (\$mill.)	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2003	1171.3	452.8	294.8	743.8	2662.7
2004	1115.7	429.5	299.9	894.6	2739.7
2005	1179.9	484.4	336.0	1357.5	3357.8
2006	1319.4	451.3	320	1174.3	3265
2007	1250	500	350	1125	3225

Cal-endar	EARNINGS PER SHARE ^A	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2003	1.11	.21	.01	.78	2.11
2004	.96	.44	d.26	1.08	2.22
2005	.98	.35	d.06	1.02	2.27
2006	.94	.41	d.05	1.15	2.45
2007	1.00	.40	d.05	1.15	2.50

Cal-endar	QUARTERLY DIVIDENDS PAID ^B	Full Year			
Mar.31	Jun.30	Sep.30	Dec.31	Year	
2002	.46	.46	.46	.46	1.84
2003	.46	.465	.465	.465	1.86
2004	.465	.465	.465	.465	1.86
2005	.465	.465	.465	.465	1.86
2006	.465	.465	.465	.465	1.86

(A) Based on primary earnings thru '96, then diluted. Excl. nonrecurring gains/(loss): '89, 7¢; '97, 6¢; '98, 11¢; '99, 5¢; '00, (\$1.96); '01, 16¢; '03, (27¢); '04, (52¢); '05, 80¢; '06, (17¢). Excl. items from discontinued ops.: '93, 4¢; '96, 30¢. Quarterly earnings may not sum to total due to rounding. Next earnings report due early Nov. (B) Dividends historically paid early February, May, August, November. (C) Dividend reinvestment plan available. (C) In millions, adjusted for stock split.

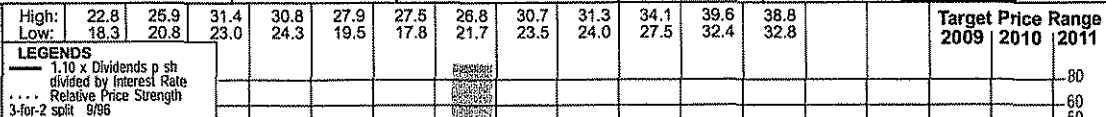
Company's Financial Strength A
Stock's Price Stability 55
Price Growth Persistence 35
Earnings Predictability 80

Charles W. Noh September 15, 2006

N.W. NAT'L GAS NYSE: NWN

RECENT PRICE **38.19** P/E RATIO **16.7** (Trailing: 17.6 Median: 15.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **3.6%** VALUE LINE

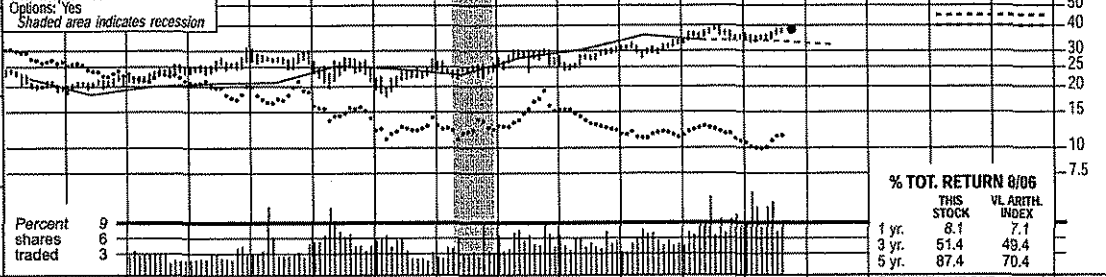
TIMELINESS 3 Raised 8/25/06
SAFETY 1 Raised 3/18/05
TECHNICAL 2 Raised 9/15/06
 BETA .75 (1.00 = Market)



2009-11 PROJECTIONS
 Ann'l Total
 Price Gain Return
 High 45 (+20%) 8%
 Low 40 (+5%) 5%

Insider Decisions
 O N D J F M A M J
 to Buy 0 0 0 0 1 1 0 0 0 0
 Options 0 0 1 0 0 0 0 0 0 0
 to Sell 0 0 1 0 0 0 0 0 0 0

Institutional Decisions
 4Q2005 4Q2006 2Q2006
 to Buy 59 62 77
 to Sell 54 59 59
 Hld's(%) 12922 13095 14328



1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC. 09-11	
17.02	16.74	14.10	18.15	18.30	16.02	16.86	15.82	16.77	18.17	21.09	25.78	25.07	23.57	25.69	33.01	39.65	42.25	Revenues per sh	51.80
3.22	2.57	3.25	3.74	3.50	3.41	3.86	3.72	3.24	3.72	3.68	3.86	3.65	3.85	3.92	4.34	4.60	4.75	"Cash Flow" per sh	5.10
1.62	.67	.74	1.74	1.63	1.61	1.97	1.76	1.02	1.70	1.79	1.88	1.62	1.76	1.86	2.11	2.22	2.40	Earnings per sh ^A	2.85
1.10	1.13	1.15	1.17	1.17	1.18	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.30	1.32	1.38	1.42	Div'ds Decl'd per sh ^B	1.70
3.85	3.58	3.73	3.61	4.23	3.02	3.70	5.07	4.02	4.78	3.46	3.23	3.11	4.90	5.52	3.48	3.70	3.60	Cap'l Spending per sh	3.60
12.61	12.23	12.41	13.08	13.63	14.55	15.37	16.02	16.59	17.12	17.93	18.56	18.88	19.52	20.64	21.28	22.10	22.95	Book Value per sh	25.55
17.41	17.68	19.46	19.77	20.13	22.24	22.56	22.86	24.85	25.09	25.23	25.23	25.59	25.94	27.55	27.58	27.75	27.80	Common Shs Outst'g ^C	28.00
10.2	28.1	27.0	12.9	13.0	12.9	11.7	14.4	26.7	14.5	12.4	12.9	17.2	15.8	16.7	17.0	17.0	17.0	Avg Ann'l P/E Ratio	15.0
.76	1.79	1.64	.76	.85	.86	.73	.83	1.39	.83	.81	.66	.94	.90	.88	.91	.88	.91	Relative P/E Ratio	.95
6.7%	5.9%	5.7%	5.2%	5.6%	5.7%	5.2%	4.8%	4.5%	5.0%	5.6%	5.1%	4.5%	4.6%	4.2%	3.7%	3.7%	3.7%	Avg Ann'l Div'd Yield	4.3%

CAPITAL STRUCTURE as of 6/30/06
 Total Debt \$577.3 mil. Due in 5 Yrs \$204.2 mil.
 LT Debt \$492.0 mil. LT Interest \$31.0 mil.
 (Total interest coverage: 3.4x)
 Pension Assets-12/05 \$218.6 mil.
 Oblig. \$267.9 mil.
 Pfd Stock None
 Common Stock 27,548,346 shs.
 as of 7/31/06
 MARKET CAP \$1.1 billion (Mid Cap)

380.3	361.8	416.7	455.8	532.1	650.3	641.4	611.3	707.6	910.5	1025	1050	Revenues (\$mill)	1450
46.8	43.1	27.3	44.9	47.8	50.2	43.8	46.0	50.8	58.1	62.0	66.5	Net Profit (\$mill)	80.0
36.9%	32.9%	31.0%	35.4%	35.9%	35.4%	34.9%	33.7%	34.4%	36.0%	36.0%	36.0%	Income Tax Rate	36.0%
12.3%	11.9%	6.6%	9.9%	9.0%	7.7%	6.8%	7.5%	7.1%	6.4%	5.7%	5.7%	Net Profit Margin	5.5%
41.4%	46.0%	45.0%	46.0%	45.1%	43.0%	47.6%	49.7%	46.0%	47.0%	47.0%	47.0%	Long-Term Debt Ratio	47%
52.8%	49.0%	50.6%	49.9%	50.9%	53.2%	51.5%	50.3%	54.0%	53.0%	53.0%	53.0%	Common Equity Ratio	53%
657.4	748.0	815.6	861.5	887.8	880.5	937.3	1006.6	1052.5	1108.4	1150	1200	Total Capital (\$mill)	1350
745.3	827.5	894.7	894.7	934.0	965.0	995.6	1205.9	1318.4	1373.4	1375	1400	Net Plant (\$mill)	1500
8.9%	7.4%	5.0%	6.8%	6.7%	6.9%	5.9%	5.7%	5.9%	6.5%	7.0%	7.0%	Return on Total Cap'l	7.0%
12.1%	10.7%	6.1%	9.7%	9.8%	10.0%	8.9%	9.1%	8.9%	9.9%	10.0%	10.5%	Return on Shr. Equity	10.5%
12.7%	11.0%	6.0%	9.9%	10.0%	10.2%	8.5%	9.0%	8.9%	9.9%	10.0%	10.5%	Return on Com Equity	10.5%
5.0%	3.6%	NMF	2.8%	3.1%	3.5%	1.9%	2.6%	2.7%	3.7%	3.7%	3.7%	Retained to Com Eq	3.8%
63%	70%	118%	74%	70%	67%	79%	72%	69%	63%	62%	59%	All Div'ds to Net Prof	60%

CURRENT POSITION

	2004	2005	6/30/06
Cash Assets	5.2	7.1	6.6
Other	231.9	315.6	191.5
Current Assets	237.1	323.7	198.1
Accts Payable	102.5	135.3	76.8
Debt Due	117.5	134.7	85.3
Other	47.3	56.6	53.0
Current Liab.	267.3	326.6	215.1
Fx. Chg. Cov.	316%	340%	NMF

BUSINESS: Northwest Natural Gas Co. distributes natural gas at retail to 90 communities, 624,000 customers, in Oregon (90% of custs.) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 2.4 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline system to bring gas to market. Owns local underground storage. Rev. breakdown: residential, 53%; commercial, 27%; industrial, gas transportation, and other, 20%. Employs 1,305. Barclays owns 6.2% of shares; insiders, 1% (4/06 proxy). CEO: Mark S. Dodson, Inc. OR. Address: 220 NW 2nd Ave., Portland, OR 97209. Tel.: 503-228-4211. Internet: www.nwnatural.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '03-'05
of change (per sh)			
Revenues	4.5%	8.0%	11.0%
"Cash Flow"	1.5%	2.5%	4.5%
Earnings	1.5%	5.0%	7.0%
Dividends	1.0%	1.0%	4.0%
Book Value	4.0%	3.5%	3.5%

Northwest Natural's second-quarter earnings turned out a bit better than expected, despite weather that was 16% warmer than average and 12% warmer than last year's. The company's share of commodity cost savings added about \$0.03 a share in the June period, and profits from interstate gas storage contributed an additional \$0.02. Operations and maintenance expenses were up 3% but would have risen 2% without increased bad debt costs, due to higher gas prices. We anticipate roughly normal earnings growth over the balance of the year. Northwest Natural increased its customer count by 3.3% in the 12 months ended in June, and the new accounts should boost earnings through 2006 and 2007. While the national economy is definitely slowing, Portland seems to be doing better than the nation as a whole, with little decline in new home construction. (Northwest's share of new home heating fuel is over 90%) But the company plans to lay off 50 to 100 employees in the second half of the year, and severance costs will probably add up to around \$0.04 a share in the fourth quarter.

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2003	206.5	117.5	69.5	217.8	611.3
2004	254.5	109.7	81.4	262.0	707.6
2005	308.7	153.7	106.7	341.4	910.5
2006	390.4	171.0	130	333.6	1025
2007	375	185	140	350	1050

Earnings in 2007 will likely benefit from new efficiency and cost-cutting efforts. Northwest has begun to implement a companywide plan to reduce costs by consolidating some operations, standardizing functions, and outsourcing some operations, such as new construction. The plan will take a few years to implement completely and will probably result in a workforce reduction of 200 to 250 employees, some by normal attrition. Northwest's earnings will probably grow faster than its industry's, thanks to above-average customer growth. The area to the southeast of Portland will soon be zoned for higher density, permitting profitable installation of gas mains and significant customer growth. And the company serves less than 60% of its market at present, allowing it to pick up new customers as old oil tanks need replacing. These neutrally ranked shares have below-average total return potential at their recent quotation. Although we like Northwest's prospects, we think investors will have an opportunity to invest at a better price.

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2003	1.01	.17	d.25	.83	1.76
2004	1.24	d.03	d.30	.95	1.86
2005	1.44	.04	d.31	.94	2.11
2006	1.48	.07	d.30	.97	2.22
2007	1.55	.05	d.30	1.10	2.40

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2002	.315	.315	.315	.315	1.26
2003	.315	.315	.315	.325	1.27
2004	.325	.325	.325	.325	1.30
2005	.325	.325	.325	.345	1.32
2006	.345	.345	.345		

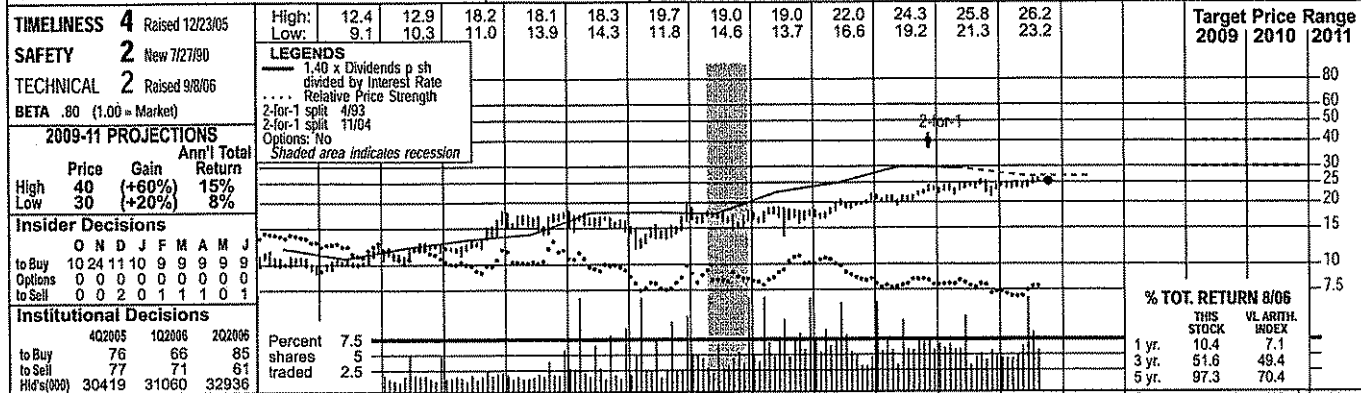
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(A) Diluted earnings per share. Excludes non-recurring gain: '98, \$0.15; '00, \$0.11. Next earnings report due early November.
 (B) Dividends historically paid in mid-February, mid-May, mid-August, and mid-November.
 (C) In millions, adjusted for stock split.

Company's Financial Strength

Stock's Price Stability	A
Price Growth Persistence	100
Earnings Predictability	75

PIEDMONT NAT'L NYSE-PNY RECENT PRICE **25.29** P/E RATIO **18.9** (Trailing: 18.2 Median: 17.0) RELATIVE P/E RATIO **1.11** DIV'D YLD **3.9%** VALUE LINE



1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB. INC.	09-11
9.42	8.32	8.91	10.57	10.82	8.76	11.59	12.84	12.45	10.97	13.01	17.06	12.57	18.14	19.95	22.96	26.00	28.20	Revenues per sh ^A	33.10
.97	.78	1.07	1.14	1.13	1.25	1.49	1.62	1.72	1.70	1.77	1.81	1.81	2.04	2.31	2.43	2.50	2.65	"Cash Flow" per sh	3.20
.61	.44	.70	.73	.88	.73	.84	.93	.98	.93	1.01	1.01	.95	1.11	1.27	1.32	1.30	1.40	Earnings per sh ^B	1.75
.42	.44	.46	.48	.51	.54	.57	.61	.64	.68	.72	.76	.80	.82	.85	.91	.96	1.00	Div'ds Decl'd per sh ^C	1.17
1.62	1.37	1.41	1.58	1.95	1.72	1.84	1.52	1.48	1.58	1.65	1.29	1.21	1.16	1.85	2.50	2.65	2.40	Cap'l Spending per sh	2.20
4.58	4.83	5.13	5.45	5.68	6.16	6.53	6.95	7.45	7.86	8.26	8.63	8.91	9.36	11.15	11.53	10.85	11.35	Book Value per sh ^D	12.75
42.87	49.46	51.59	52.30	53.15	57.57	59.10	60.39	61.48	62.59	63.83	64.93	66.18	67.31	76.67	76.70	75.00	74.50	Common Shs Outs'tg ^E	72.50
11.3	16.3	12.3	15.4	15.7	13.8	13.9	13.6	16.3	17.7	14.3	16.7	18.4	16.7	16.6	17.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	19.0
.84	1.04	.75	.91	1.03	.92	.87	.78	.85	1.01	.93	.86	1.01	.95	.88	.95			Relative P/E Ratio	1.25
6.0%	6.0%	5.3%	4.3%	4.8%	5.4%	4.9%	4.8%	4.0%	4.1%	5.0%	4.5%	4.8%	4.4%	4.1%	3.8%			Avg Ann'l Div'd Yield	3.5%

CAPITAL STRUCTURE as of 4/30/06		2004	2005	4/30/06	Pension Assets-10/05 \$199.2 mill.		Obliq. \$236.6 mill.		Pfd Stock None		Common Stock 75,277,520 shs. as of 6/2/06		MARKET CAP: \$1.9 billion (Mid Cap)	
Total Debt \$912.0 mill.	Due in 5 Yrs \$325.0 mill.	48.6	55.2	60.3	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1	77.1
LT Debt \$625.0 mill.	LT Interest \$40.0 mill.	36.9%	39.1%	39.2%	39.7%	34.7%	34.6%	33.1%	34.8%	35.1%	33.7%	35.0%	36.0%	36.0%
(LT interest earned: 4.5x; total interest coverage: 4.5x)		7.1%	7.1%	7.9%	8.5%	7.7%	5.9%	7.5%	6.1%	6.2%	5.8%	5.1%	5.1%	5.3%
		50.3%	47.6%	44.7%	46.2%	46.1%	47.6%	43.9%	42.2%	43.6%	41.4%	43.5%	42.5%	42.0%
		49.7%	52.4%	55.3%	53.8%	53.9%	52.4%	56.1%	57.8%	56.4%	58.6%	56.5%	57.5%	58.0%
		77.1	800.8	829.3	914.7	978.4	1069.4	1051.6	1090.2	1514.9	1509.2	1440	1470	1600
		862.0	941.7	990.6	1047.0	1072.0	1114.7	1158.5	1812.3	1849.8	1939.1	2040	2170	2400
		8.2%	8.9%	9.2%	8.1%	8.3%	7.9%	7.8%	8.6%	7.8%	8.2%	8.5%	8.5%	9.0%
		12.6%	13.1%	13.2%	11.8%	12.1%	11.7%	10.6%	11.8%	11.1%	11.5%	12.0%	12.5%	13.0%
		12.6%	13.1%	13.2%	11.8%	12.1%	11.7%	10.6%	11.8%	11.1%	11.5%	12.0%	12.5%	13.0%
		3.9%	4.6%	4.7%	3.3%	3.5%	3.0%	1.7%	3.1%	3.7%	3.6%	3.5%	4.0%	4.5%
		69%	65%	65%	72%	71%	75%	83%	74%	66%	68%	72%	70%	67%

BUSINESS: Piedmont Natural Gas Company is primarily a regulated natural gas distributor, serving over 990,000 customers in North Carolina, South Carolina, and Tennessee. 2005 revenue mix: residential (39%), commercial (24%), industrial (13%), other (24%). Principal suppliers: Transco and Tennessee Pipeline. Gas costs: 71.6% of revenues. '05 deprec. rate: 3.3%. Estimated plant age: 8.7 years. Non-regulated operations: sale of gas-powered heating equipment; natural gas brokering; propane sales. Has about 2,125 employees. Officers & directors own less than 1% of common stock (1/06 proxy). CEO & President: Thomas E. Skains, Inc.: NC. Addr.: 1915 Rexford Road, P.O. Box 33068 Charlotte, NC 28233. Telephone: 704-364-3120. Internet: www.piedmontng.com.

Piedmont Natural Gas posted a larger share loss than we had anticipated. The fiscal third quarter (ended July 31st) was impacted by reduced margins due to rate design changes, and costs associated with the company's corporate restructuring program. In July, Piedmont and North Carolina's Attorney General office reached a settlement on its customer utilization tracker rate mechanism, which decouples the collection of utility margin from customer volume. This plan is favorable for both customers, who will benefit by the more efficient use of natural gas, and Piedmont shareholders, who will not suffer the negative consequences of conservation by customers. As part of the agreement, the company will fund up to \$1.5 million annually over the next few years toward customer conservation programs, in addition to the \$500,000 it had already committed to spend. Furthermore, Piedmont's initial restructuring involved offering early retirement to management-level employees and will eventually include other positions as part of an effort to streamline business processes and improve corporate efficiencies. The company should realize

Fiscal Year Ends	Jan.31	Apr.30	Jul.31	Oct.31	Full Fiscal Year
2003	493.5	407.8	140.1	179.4	1220.8
2004	618.8	482.4	214.7	213.8	1529.7
2005	680.6	508.0	232.9	339.6	1761.1
2006	921.4	483.2	237.9	307.5	1950
2007	875	565	315	345	2100

Fiscal Year Ends	Jan.31	Apr.30	Jul.31	Oct.31	Full Fiscal Year
2003	.87	.47	d.15	d.08	1.11
2004	1.03	.54	d.11	d.21	1.27
2005	.93	.52	d.06	d.07	1.32
2006	.94	.57	d.16	d.05	1.30
2007	.98	.57	d.06	d.09	1.40

Cal-end	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2002	.193	.20	.20	.20	.79
2003	.20	.208	.208	.208	.82
2004	.208	.215	.215	.215	.85
2005	.215	.23	.23	.23	.91
2006	.23	.24	.24		

(A) Fiscal year ends October 31st. (B) Diluted earnings. Excl. extraordinary item: '00, 8¢. Excl. nonrecurring charge: '97, 2¢. Next earnings report due mid-Dec. (C) Dividends historically paid mid-January, April, July, October. (D) Includes deferred charges. At 10/31/05: \$4.0 million, 5¢/share. (E) In millions, adjusted for stock splits. (F) Quarters may not add to total due to change in shares outstanding.

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about \$5 million to \$6 million in annual cost savings beginning in 2007. **The company's nonutility operations will likely represent a greater percentage of future profits.** Over the first six months of 2006, these activities contributed earnings of \$25.5 million, which is nearly 20% above the year-ago period. Even though regulated operations make up most of Piedmont's total income, unregulated operations such as Cardinal Pipeline, Pine Needle, and SouthStar Energy provide an added boost to the company's bottom line. We expect Piedmont to continue to pursue strategic investments to diversify its earnings stream over the next few years. **Though untimely, this stock is suitable for conservative income-oriented investors.** Piedmont offers a respectable dividend yield at 3.9% and has an Above Average Safety rank (2). Moreover, the company should benefit as it diversifies its supply portfolio away from the Gulf Coast region through agreements with Midwestern Gas Transmission Company and Hardy Storage Company. *Evan I. Blatter* September 15, 2006

To subscribe call 1-800-833-0046.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	75
Earnings Predictability	80

SOUTH JERSEY INDS. NYSE-SJI

TIMELINESS 5 Lowered 4/7/06	RECENT PRICE 28.80	PIE RATIO 15.2 (Trailing: 17.2 Median: 14.0)	RELATIVE PIE RATIO 0.89	DIV'D YLD 3.2%	VALUE LINE																																								
SAFETY 2 Lowered 1/4/91	High: 11.8, 12.3, 15.3, 15.4, 15.4, 15.1, 17.0, 18.3, 20.3, 26.5, 32.4, 30.2	Low: 8.9, 10.1, 10.5, 11.0, 10.8, 12.3, 13.8, 14.1, 15.3, 19.7, 24.9, 25.6			Target Price Range 2009 2010 2011																																								
TECHNICAL 3 Raised 7/21/06	LEGENDS - - - - 1.03 x Dividends p sh divided by Interest Rate Relative Price Strength 2-for-1 split 7/05 Options: No Shaded area indicates recession																																												
BETA .70 (1.00 = Market)	2009-11 PROJECTIONS																																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th rowspan="2"></th> <th colspan="3">Ann'l Total</th> </tr> <tr> <th>Price</th> <th>Gain</th> <th>Return</th> </tr> <tr> <td>High</td> <td>40</td> <td>(+40%)</td> <td>11%</td> </tr> <tr> <td>Low</td> <td>30</td> <td>(+5%)</td> <td>4%</td> </tr> </table>							Ann'l Total			Price	Gain	Return	High	40	(+40%)	11%	Low	30	(+5%)	4%																									
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Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	09-11
Revenues per sh	14.40	15.10	16.67	17.03	17.45	16.50	16.52	16.18	20.89	17.60	22.43	35.30	20.69	26.34	29.51	31.78	32.90	34.10	38.25
"Cash Flow" per sh	1.34	1.37	1.56	1.54	1.35	1.65	1.54	1.60	1.44	1.84	1.95	1.90	2.12	2.24	2.44	2.51	2.80	3.00	3.50
Earnings per sh ^A	.67	.64	.81	.78	.81	.83	.85	.86	.64	1.01	1.08	1.15	1.22	1.37	1.58	1.71	1.85	1.95	2.35
Div'ds Decl'd per sh ^B	.70	.71	.71	.72	.72	.72	.72	.72	.72	.72	.73	.74	.75	.78	.82	.86	.92	.96	1.15
Cap'l Spending per sh	2.11	2.17	1.69	1.87	1.93	2.08	2.01	2.30	3.06	2.19	2.21	2.82	3.47	2.36	2.67	3.21	3.60	3.70	4.05
Book Value per sh ^C	6.79	6.77	6.95	7.17	7.23	7.34	8.03	6.43	6.23	6.74	7.25	7.81	9.67	11.26	12.41	13.50	14.30	15.10	17.55
Common Shs Outst'g ^D	18.06	18.48	19.00	19.61	21.43	21.44	21.51	21.54	21.56	22.30	23.00	23.72	24.41	26.46	27.76	28.98	29.20	29.60	31.00
Avg Ann'l P/E Ratio	13.6	14.5	13.2	15.8	16.1	12.2	13.3	13.8	21.2	13.3	13.0	13.6	13.5	13.3	14.1	16.6	16.6	16.6	14.0
Relative P/E Ratio	1.01	.93	.80	.93	1.06	.82	.83	.80	1.10	.76	.85	.70	.74	.76	.74	.88	.88	.88	.95
Avg Ann'l Div'd Yield	7.7%	7.6%	6.6%	5.9%	7.4%	7.2%	6.4%	6.1%	5.3%	5.4%	5.2%	4.7%	4.6%	4.3%	3.7%	3.0%	3.0%	3.0%	3.5%

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	09-11
Revenues (\$mill)	355.5	348.6	450.2	392.5	515.9	837.3	505.1	696.8	819.1	921.0	960	1010	1185						
Net Profit (\$mill)	18.5	18.4	13.8	22.0	24.7	28.8	29.4	34.6	43.0	48.6	55.0	60.0	70.0						
Income Tax Rate	35.5%	36.8%	46.2%	42.8%	43.1%	42.2%	41.4%	40.6%	40.9%	41.5%	40.5%	40.5%	40.5%						
Net Profit Margin	5.2%	5.3%	3.1%	5.6%	4.8%	3.2%	5.8%	5.0%	5.2%	5.3%	5.6%	5.6%	6.0%						
Long-Term Debt Ratio	46.1%	54.6%	57.3%	53.8%	54.1%	57.0%	53.6%	50.8%	48.7%	44.9%	43.0%	43.0%	40.0%						
Common Equity Ratio	53.2%	35.8%	33.5%	37.0%	37.6%	35.9%	46.1%	49.0%	51.0%	55.1%	57.0%	57.0%	60.0%						
Total Capital (\$mill)	324.8	387.1	401.1	405.9	443.5	516.2	512.5	608.4	675.0	710.3	735	780	895						
Net Plant (\$mill)	423.9	456.5	504.3	533.3	562.2	607.0	666.6	748.3	799.9	877.3	940	1010	1200						
Return on Total Cap'l	7.9%	6.7%	5.3%	7.4%	7.4%	6.9%	7.6%	7.3%	7.9%	8.3%	8.5%	8.5%	9.0%						
Return on Shr. Equity	10.5%	10.5%	8.1%	11.7%	12.1%	12.1%	12.4%	11.5%	12.4%	12.4%	13.0%	13.0%	13.0%						
Return on Com Equity	10.6%	13.3%	10.3%	14.6%	14.8%	12.8%	12.5%	11.6%	12.5%	12.4%	13.0%	13.0%	13.0%						
Retained to Com Eq	1.6%	2.1%	NMF	4.2%	4.8%	3.5%	4.7%	5.0%	5.9%	6.2%	6.5%	6.5%	6.5%						
All Div'ds to Net Prof	85%	84%	112%	72%	67%	76%	62%	57%	52%	50%	50%	50%	52%						

CAPITAL STRUCTURE as of 6/30/06
 Total Debt \$505.1 mill. Due in 5 Yrs \$175.0 mill.
 LT Debt \$358.1 mill. LT Interest \$20.0 mill.
 (Total interest coverage: 4.8x)

Pension Assets-12/05 \$108.5 mill.
 Oblig. \$126.7 mill.

Pfd Stock none

Common Stock 29,232,801 common shs.
 as of 8/1/06

MARKET CAP: \$850 million (Small Cap)

CURRENT POSITION

	2004	2005	6/30/06
Cash Assets	10.6	4.9	6.9
Other	273.3	352.6	288.9
Current Assets	283.9	357.5	295.8
Accts Payable	118.8	179.0	74.8
Debt Due	97.6	149.7	147.0
Other	68.9	74.4	105.2
Current Liab.	285.3	403.1	327.0
Fix. Chg. Cov.	426%	486%	445%

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '03-'05 to '09-'11
Revenues	5.5%	7.5%	4.5%
"Cash Flow"	4.5%	6.5%	6.5%
Earnings	8.0%	11.5%	7.0%
Dividends	1.5%	2.5%	6.0%
Book Value	6.5%	13.0%	6.0%

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2003	279.9	106.2	90.1	220.6	696.8
2004	307.6	136.5	129.5	245.5	819.1
2005	328.6	154.0	157.0	281.4	921.0
2006	365.0	155.5	162	277.5	960
2007	375	175	172	288	1010

EARNINGS PER SHARE^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2003	.92	.08	.07	.44	1.37
2004	.91	.15	.02	.50	1.58
2005	.96	.27	.09	.39	1.71
2006	.93	.25	.14	.53	1.85
2007	.98	.30	.12	.55	1.95

QUARTERLY DIVIDENDS PAID^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2002	.185	.188	.188	.38	.94
2003	--	.193	.193	.395	.78
2004	--	.202	.202	.415	.82
2005	--	.213	.213	.438	.86
2006	--	.225	.225		

BUSINESS: South Jersey Industries, Inc. is a holding company. Its subsidiary, South Jersey Gas Co., distributes natural gas to 322,424 customers in New Jersey's southern counties, which covers 2,500 square miles and includes Atlantic City. Gas revenue mix '05: residential, 45%; commercial, 23%; cogeneration and electric generation 4%; Industrial, 23%. Non-utility operations include:

South Jersey Industries' earnings comparisons have been weak over the first six months of 2006. This is largely due to warmer than normal temperatures and conservation by customers as a result of high natural gas prices. On the positive side, there is continued optimism that the company's conservation and usage adjustment proposal will be approved by the New Jersey Board of Public Utilities and be in place by next winter's heating season. Moreover, the utility added 8,740 customers during the past 12 months, which represents nearly a 3% increase over the prior year. Due to the strength of the local economy and demand for housing in the region, the company should add customers at a rate exceeding the industry average over the next few years. For 2006, we look for earnings to advance about 8%, to \$1.85, due to a pickup in nonregulated activities, followed by a more sustainable 6%-7% rate out to late decade.

Marina Energy still has room for growth. It recently completed the expansion of its Atlantic City thermal plant to support the 500,000-square-foot expansion to the gaming area at the Borgata Hotel

and South Jersey Energy Service Group, Marina Energy, and South Jersey Energy Services Plus. Has 636 employees. Off/dir. cntrl. 1.5% of com. shares; Dimensional Fund Advisors, 7.9%; Barclays, 5.3% (3/06 proxy). Chmn. & CEO: Edward Graham, Incorp.: NJ. Address: 1 South Jersey Plaza, Rte. 54, Folsom, NJ 08037. Tel.: 609-561-9000. Internet: www.sjindustries.com.

Casino & Spa. Results should be further enhanced toward the end of next year when an 800-room tower is completed at the Borgata. Also, Marina is in the process of completing a 3.8 megawatt methane-to-electric generation project at the Warren County district landfill, which should provide additional opportunities for growth. Looking ahead, the subsidiary may be able to benefit should a casino/hotel be built on a 50-acre property owned by MGM that is located next to the Borgata.

After a slow start to the year, the Residential & Commercial Service business may exceed its 2005 performance going forward. This is primarily due to recent additions to its portfolio of services that include propane heaters and appliances, and small commercial heating, ventilating, and air conditioning systems.

This untimely stock is best suited for investors seeking moderate yield and good dividend growth potential. Over the 2009-2011 period, we look for steady dividend increases, which should push the yield to around 3.5%, along with a slight reduction in the debt-to-equity ratio.

Evan I. Blatter September 15, 2006

(A) Based on avg. shs. Excl. nonrecur. gain: '03, (\$0.09); '05, (\$0.02). Excl. gains due to acct'g change: '93, \$0.04; '01, \$0.14. Next eggs. report due late Oct. (B) Dividends paid early Apr., Jul., Oct, and late Dec. ■ Div. reinvest. plan avail. (2% disc.). (C) Incl. regulatory assets (\$121.5 mill.); at 12/31/05, \$4.19 per shr. (D) In millions, adjusted for split.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	95
Earnings Predictability	90

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**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 38

Refer to the Moul Testimony, pages 18 through 22 and Attachment PRM-5.

- a. Was Mr. Moul aware that when utilizing a historic test year, the Commission has normally used the test-year-end balances for the components of capitalization, including short-term debt? Explain the response.
- b. Recalculate Attachment PRM-5 reflecting the test-year-end balance for Columbia's short-term debt.
- c. Mr. Moul has reflected a post-test-year adjustment to long-term debt to recognize a November 2006 debt issuance. Did Mr. Moul review previous Commission decisions to determine if his pro forma treatment was consistent with the approach normally followed by the Commission for such adjustments? Explain the response.
- d. Was the capital structure proposed for Columbia in its last general rate case, Case No. 2002-00145,¹ based on the capital structure of Columbia Energy Group ("CEG")? Explain the response.

Response of Columbia Gas of Kentucky:

- a. Mr. Moul is unaware of the Commission's general policy in this regard. Mr. Moul has reviewed the Commission's Order in Case No. 2005-00042. While short-term debt was included in the capitalization of Union Light, Heat and Power Company, the method used to determine the balance of short-term debt is not stated.
- b. A modified Attachment PRM-5 is attached that includes the test year end September 30, 2006 balance of short-term debt.
- c. Mr. Moul has not reviewed previous Commission decisions to determine if the pro-forma adjustment to include the November 2006 debt issue is consistent with those decisions.

¹ Case No. 2002-00145, Adjustment of Gas Rates of Columbia Gas of Kentucky, Inc

Public Service Commission Data Request Set 2
Question No. 38 (Cont'd)
Columbia Gas of Kentucky Respondent: **P.R. Moul**

- d. Yes. At that time Columbia Energy Group had debt outstanding that was held by outside investors.

Columbia Gas of Kentucky, Inc.
Investor-provided Capitalization
Actual and Pro Forma at September 30, 2006

	Actual		Pro Forma Adjustments	Pro Forma		Hypothetical	
	Amount Outstanding	Ratios		Amount Outstanding (\$000's)	Ratios	Amount Outstanding (\$000's)	Ratios
Long Term Debt	\$ 42,055,000	32.214%	\$ 16,000,000 ⁽²⁾	58,055,000	39.614%	\$ 64,791,243 ⁽³⁾	44.211%
Common Stock Equity							
Common Stock	23,806,202			23,806,202			
Additional Paid in Capital	4,749,592			4,749,592			
Retained Earnings	57,369,745			57,369,745			
Total Common Equity	85,925,539	65.818%	-	85,925,539	58.632%	79,189,296 ⁽³⁾	54.036%
Total Permanent Capital	\$ 127,980,539	98.032%	\$ 16,000,000	\$ 143,980,539	98.246%	\$ 143,980,539	98.247%
Short Term Debt ⁽¹⁾	\$ 2,569,581	1.968%	-	\$ 2,569,581	1.753%	\$ 2,569,581	1.753%
Total Capital Employed	\$ 130,550,120	100.000%	\$ 16,000,000	\$ 146,550,120	99.999%	\$ 146,550,120	100.000%

Notes:

⁽¹⁾ September 30, 2006 balance

⁽²⁾ Reflects debt issued in November 2006

⁽³⁾ Reflects hypothetical capitalization using 45% long-term debt and 55% common equity

Source of information: Company provided data



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 39

Refer to the Moul Testimony, page 22, and Attachment PRM-6.

- a. Explain in detail why it was reasonable to price the hypothetical amount of debt at the rate paid for the November 2006 new debt issue.
- b. Explain why this additional block of debt was not priced at the overall weighted average cost of all long-term debt.
- c. Explain in detail why the *pro forma* weighted average cost of long-term debt could not have been applied to debt balance rather than including a hypothetical amount of long-term debt.

Response of Columbia Gas of Kentucky:

- a. The hypothetical debt was priced at the same rate as the November 2006 debt issue because it was a rate that reflected recent market conditions, and it was in close proximity to the test year end.
- b. Because the hypothetical debt was incremental to the other existing debt outstanding.
- c. Because the dollar amount of debt used to calculate the cost of debt would not be related to the dollar amount of debt used to derive the hypothetical capital structure ratios. That is to say, the procedure that has been proposed is necessary to synchronize the cost of debt with the debt contained in the hypothetical capital structure.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 40

Refer to the Moul Testimony, page 33 and Attachment PRM-9. Provide the underlying data by company for each bar in the graph.

Response of Columbia Gas of Kentucky:

Please refer to the Excel spreadsheet that is attached.

Analysts' Five-Year Projected Growth Rates
Earnings Per Share, Dividends Per Share,
Book Value Per Share, and Cash Flow Per Share

Gas Group	I/B/E/S First Call	Zacks	Reuters Market Guide	Value Line				
				Earnings Per Share	Dividends Per Share	Book Value Per Share	Cash Flow Per Share	Percent Retained to Common Equity
AGL Resources, Inc.	4.21%	4.50%	4.66%	4.50%	6.50%	6.00%	5.00%	5.00%
Atmos Energy Corp.	5.17%	5.50%	4.96%	7.00%	2.00%	5.00%	8.00%	5.00%
Laclede Group	-	-	-	5.00%	2.00%	7.50%	8.00%	4.00%
New Jersey Resources Corp.	5.25%	6.00%	5.72%	4.50%	4.50%	6.50%	4.00%	7.00%
NICOR, Inc.	2.67%	2.50%	3.25%	4.00%	1.50%	3.00%	2.50%	3.50%
Northwest Natural Gas	4.88%	4.90%	5.33%	7.00%	4.00%	3.50%	4.50%	3.80%
Piedmont Natural Gas Co.	4.00%	5.60%	4.86%	6.00%	5.50%	3.00%	6.00%	4.50%
South Jersey Industries, Inc.	6.00%	6.00%	6.33%	7.00%	6.00%	6.00%	6.50%	6.50%
WGL Holdings, Inc.	3.50%	3.30%	3.40%	1.50%	2.00%	3.50%	2.00%	4.00%
Average	4.46%	4.79%	4.81%	5.17%	3.78%	4.89%	5.17%	4.81%

Source of Information :
 Thomson Financial, September 16, 2006
 Zacks, September 16, 2006
 Reuters, September 16, 2006
 Value Line Investment Survey, September 15, 2006

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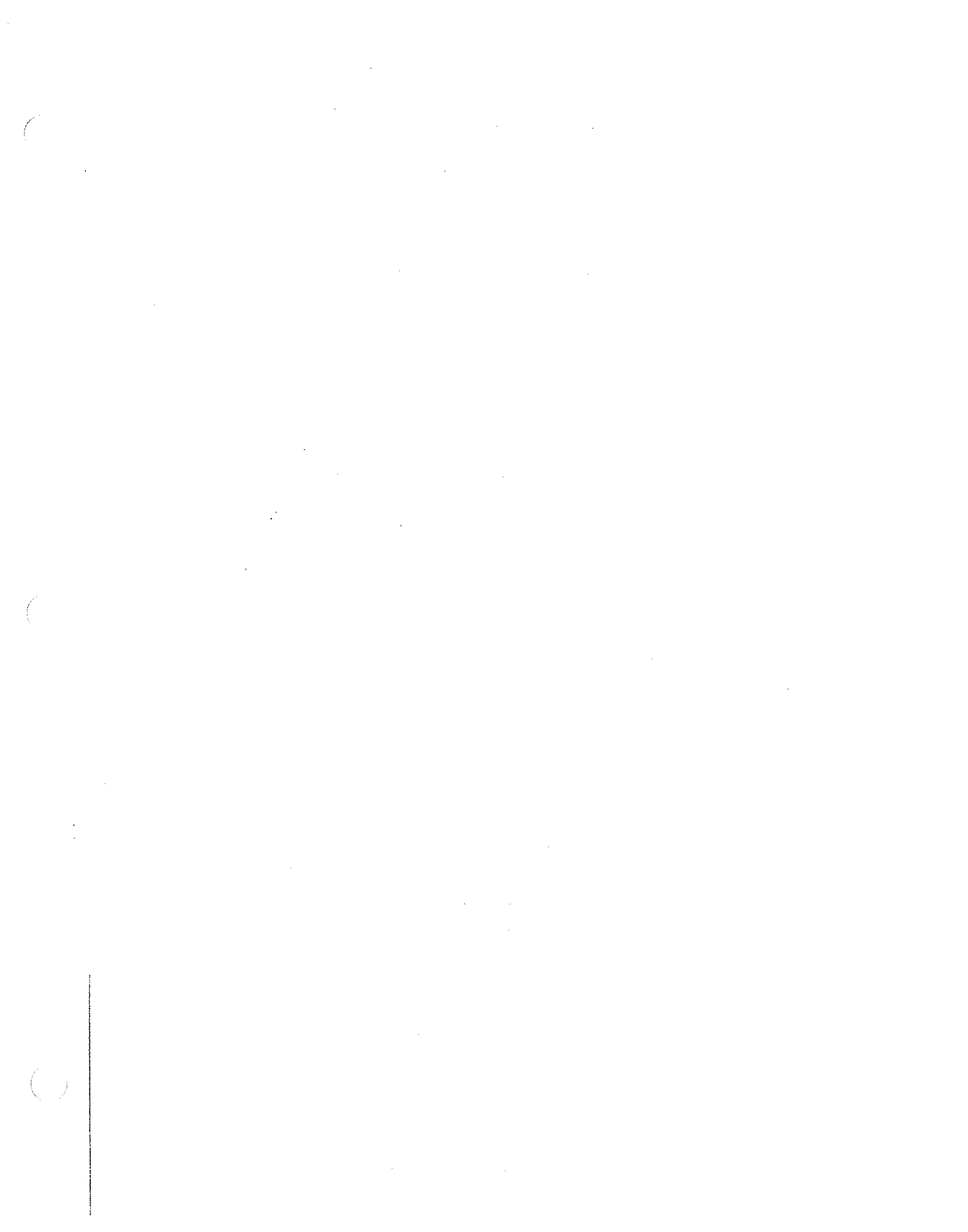
**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 41

Refer to the Moul Testimony, pages 43-46. Provide an explanation of why a 20 basis point adjustment was made to the risk premium to account for differences between the Gas Group and Standard & Poor's Public Utilities (RP = 5.00%), but a similar adjustment is not warranted for the return ($i = 6.25\%$).

Response of Columbia Gas of Kentucky:

The difference of 0.20% between the Risk Premium of the S&P Public Utilities and the Gas Group was a reflection of the difference in the risk traits noted on lines 2 through 5 of page 46. No similar adjustment was required for the yield on A-rated public utility bonds because the average credit quality rating of the Gas Group was A as noted on lines 5 through 7 of page 14.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 42

Refer to the Moul Testimony, pages 48.

- a. Provide copies of industry literature commonly available to investors, such as Ibbotsons, which prescribes how and why Betas need to be unleveraged and then re-leveraged for use in the Capital Asset Pricing Model ("CAPM") analyses.
- b. Provide the source data with references and calculations supporting a leveraged Beta equal to one.

Response of Columbia Gas of Kentucky:

- a. The adjustment procedure used to unleverage and relever the betas was based upon research published by Robert S. Hamada, "The Effects of the Firm's Capital Structure on the Systematic Risk of Common Stocks" *The Journal of Finance* Vol. 27, No. 2, Papers and Proceedings of the Thirtieth Annual Meeting of the American Finance Association, New Orleans, Louisiana, December 27-29, 1971. (May 1972), pp. 435-452. A copy is attached. The requirement for that adjustment is revealed by the empirical data related to the market capitalization and book value capitalization:

<u>Market Values</u>		<u>Book Values</u>	
<u>Beta</u>	<u>Common Equity Ratio</u>	<u>Beta</u>	<u>Common Equity Ratio</u>
0.84	67.52%	1.00	53.98%

- b. Please refer to the Excel spreadsheet that is attached.

**The Effect of the Firm's Capital Structure on the Systematic Risk of
Common Stocks**



Robert S. Hamada

The Journal of Finance, Vol. 27, No. 2, Papers and Proceedings of the Thirtieth Annual Meeting of the American Finance Association, New Orleans, Louisiana, December 27-29, 1971. (May, 1972), pp. 435-452.

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THE EFFECT OF THE FIRM'S CAPITAL STRUCTURE ON THE SYSTEMATIC RISK OF COMMON STOCKS

ROBERT S. HAMADA*

I. INTRODUCTION

ONLY RECENTLY has there been an interest in relating the issues historically associated with corporation finance to those historically associated with investment and portfolio analyses. In fact, rigorous theoretical attempts in this direction were made only since the capital asset pricing model of Sharpe [13], Lintner [6], and Mossin [11], itself an extension of the Markowitz [7] portfolio theory. This study is one of the first empirical works consciously attempting to show and test the relationships between the two fields. In addition, differences in the observed systematic or nondiversifiable risk of common stocks, β , have never really been analyzed before by investigating some of the underlying differences in the firms.

In the capital asset pricing model, it was demonstrated that the efficient set of portfolios to any individual investor will always be some combination of lending at the risk-free rate and the "market portfolio," or borrowing at the risk-free rate and the "market portfolio." At the same time, the Modigliani and Miller (MM) propositions [9, 10] on the effect of corporate leverage are well known to the students of corporation finance. In order for their propositions to hold, personal leverage is required to be a perfect substitute for corporate leverage. If this is true, then corporate borrowing could substitute for personal borrowing in the capital asset pricing model as well.

Both in the pricing model and the MM theory, borrowing, from whatever source, while maintaining a fixed amount of equity, increases the risk to the investor. Therefore, in the mean-standard deviation version of the capital asset pricing model, the covariance of the asset's rate of return with the market portfolio's rate of return (which measures the nondiversifiable risk of the asset—the proxy β will be used to measure this) should be greater for the stock of a firm with a higher debt-equity ratio than for the stock of another firm in the same risk-class with a lower debt-equity ratio.¹

This study, then, has a number of purposes. First, we shall attempt to link empirically corporation finance issues with portfolio and security analyses through the effect of a firm's leverage on the systematic risk of its common

* Graduate School of Business, University of Chicago, currently visiting at the Graduate School of Business Administration, University of Washington. The research assistance of Christine Thomas and Leon Tsao is gratefully acknowledged. This paper has benefited from the comments made at the Finance Workshop at the University of Chicago, and especially those made by Eugene Fama. Remaining errors are due solely to the author.

1. This very quick summary of the theoretical relationship between what is known as corporation finance and the modern investment and portfolio analyses centered around the capital asset pricing model is more thoroughly presented in [5], along with the necessary assumptions required for this relationship.

stock. Then, we shall attempt to test the MM theory, or at least provide another piece of evidence on this long-standing controversial issue. This test will not rely on an explicit valuation model, such as the MM study of the electric utility industry [8] and the Brown study of the railroad industry [2]. A procedure using systematic risk measures (β s) has been worked out in this paper for this purpose.

If the MM theory is validated by this procedure, then the final purpose of this study is to demonstrate a method for estimating the cost of capital of individual firms to be used by them for scale-changing or nondiversifying investment projects. The primary component of any firm's cost of capital is the capitalization rate for the firm if the firm had no debt and preferred stock in its capital structure. Since most firms do have fixed commitment obligations, this capitalization rate (we shall call it $E(R_A)$; MM denote it ρ^r) is unobservable. But if the MM theory and the capital asset pricing model are correct, then it is possible to estimate $E(R_A)$ from the systematic risk approach for individual firms, even if these firms are members of a one-firm risk-class.²

With this statement of the purposes for this study, we shall, in Section II, discuss the alternative general procedures that are possible for estimating the effect of leverage on systematic risk and select the most feasible ones. The results are presented in Section III. And finally, tests of the MM versus the traditional theories of corporation finance are presented in Section IV.

II. SOME POSSIBLE PROCEDURES AND THE SELECTED ESTIMATING RELATIONSHIPS

There are at least four general procedures that can be used to estimate the effect of the firm's capital structure on the systematic risk of common stocks. The first is the MM valuation model approach. By estimating ρ^r with an explicit valuation model as they have for the electric utility industry, it is possible to relate this ρ^r with the use of the capital asset pricing model to a nonleveraged systematic risk measure, ${}_A\beta$. Then the difference between the observed common stock's systematic risk (which we shall denote ${}_B\beta$) and ${}_A\beta$ would be due solely to leverage. But the difficulties of this approach for all firms are many.

The MM valuation model approach requires the specification, in advance, of risk-classes. All firms in a risk-class are then assumed to have the same ρ^r —the capitalization rate for an all-common equity firm. Unfortunately, there must be enough firms in a risk-class so that a cross-section analysis will yield statistically significant coefficients. There may not be many more risk-classes (with enough observations) now that the electric utility and railroad industries have been studied. In addition, the MM approach requires estimating expected asset earnings and estimating the capitalized growth potential implicit in stock prices. If it is possible to consider growth and expected earnings without having

2. It is, in fact, this last purpose of making applicable and practical some of the implications of the capital asset pricing model for corporation finance issues that provided the initial motivation for this paper. In this context, if one is familiar with the fair rate of return literature for regulated utilities, for example, an industry where debt is so prevalent, adjusting correctly for leverage is not frequently done and can be very critical.

to specify their exact magnitude at a specific point in time, considerable difficulty and possible measurement errors will be avoided.

The second approach is to run a regression between the observed systematic risk of a stock and a number of accounting and leverage variables in an attempt to explain this observed systematic risk. Unfortunately, without a theory, we do not know which variables to include and which variables to exclude and whether the relationship is linear, multiplicative, exponential, curvilinear, etc. Therefore, this method will also not be used.

A third approach is to measure the systematic risk before and after a new debt issue. The difference can then be attributed to the debt issue directly. An attractive feature of this procedure is that a good estimate of the market value of the incremental debt issue can be obtained. A number of disadvantages, unfortunately, are associated with this direct approach. The difference in the systematic risk may be due not only to the additional debt, but also to the reason the debt was issued. It may be used to finance a new investment project, in which case the project's characteristics will also be reflected in the new systematic risk measure. In addition, the new debt issue may have been anticipated by the market if the firm had some long-run target leverage ratio which this issue will help maintain; conversely, the market may not fully consider the new debt issue if it believes the increase in leverage is only temporary. For these reasons, this seemingly attractive procedure will not be employed.

The last approach, which will be used in this study, is to assume the validity of the MM theory from the outset. Then the observed rate of return of a stock can be adjusted to what *it would have been* over the same time period had the firm no debt and preferred stock in its capital structure. The difference between the observed systematic risk, ${}_B\beta$, and the systematic risk for this adjusted rate of return time series, ${}_A\beta$, can be attributed to leverage, if the MM theory is correct. The final step, then, is to test the MM theory.

To discuss this more specifically, consider the following relationship for the dollar return to the common shareholder from period $t - 1$ to t :

$$(X - I)_t(1 - \tau)_t - p_t + \Delta G_t = d_t + cg_t \quad (1)$$

where X_t represents earnings before taxes, interest, and preferred dividends and is assumed to be unaffected by fixed commitment obligations; I_t represents interest and other fixed charges paid during the period; τ is the corporation income tax rate; p_t is the preferred dividends paid; ΔG_t represents the change in capitalized growth over the period; and d_t and cg_t are common shareholder dividends and capital gains during the period, respectively.

Equation (1) relates the corporation finance types of variables with the market holding period return important to the investors. The first term on the left-hand-side of (1) is profits after taxes and after interest which is the earnings the common and preferred shareholders receive on their investment for the period. Subtracting out p_t leaves us with the earnings the common shareholder would receive from currently-held assets.

To this must be added any change in capitalized growth since we are trying to explain the common shareholder's market holding period dollar return. ΔG_t

must be added for growth firms to the current period's profits from existing assets since capitalized growth opportunities of the firm—future earnings from new assets over and above the firm's cost of capital which are already reflected in the stock price at $(t - 1)$ —should change over the period and would accrue to the common shareholder. Assuming shareholders at the start of the period estimated these growth opportunities on average correctly, the expected value of ΔG_t would not be zero, but should be positive. For example, consider growth opportunities five years from now which yield more than the going rate of return and are reflected in today's stock price. These growth opportunities will become one year closer to fruition at time t than at time $t - 1$ so that their present value would become larger. ΔG_t then represents this increase in the present value of these future opportunities simply because it is now four years away rather than five.³

Since the systematic risk of a common stock is:

$${}_B\beta = \frac{\text{cov}(R_{B_t}, R_{M_t})}{\sigma^2(R_{M_t})} \quad (2)$$

where R_{B_t} is the common shareholder's rate of return and R_{M_t} is the rate of return on the market portfolio, then substitution of (1) into (2) yields:

$${}_B\beta = \frac{\text{cov} \left[\frac{(X - I)(1 - \tau)_t - p_t + \Delta G_t}{S_{B_{t-1}}}, R_{M_t} \right]}{\sigma^2(R_{M_t})} \quad (2a)$$

where $S_{B_{t-1}}$ denotes the market value of the common stock at the beginning of the period.

The systematic risk for the same firm over the same period *if* there were no debt and preferred stock in its capital structure is:

$$\begin{aligned} {}_A\beta &= \frac{\text{cov}(R_{A_t}, R_{M_t})}{\sigma^2(R_{M_t})} \\ &= \frac{\text{cov} \left[\frac{X(1 - \tau)_t + \Delta G_t}{S_{A_{t-1}}}, R_{M_t} \right]}{\sigma^2(R_{M_t})} \end{aligned} \quad (3)$$

where R_{A_t} and $S_{A_{t-1}}$ represent the rate of return and the market value, respectively, to the common shareholder if the firm had no debt and preferred stock. From (3), we can obtain:

$${}_A\beta S_{A_{t-1}} = \frac{\text{cov}[X(1 - \tau)_t + \Delta G_t, R_{M_t}]}{\sigma^2(R_{M_t})} \quad (3a)$$

3. Continual awareness of the difficulties of estimating capitalized growth, or changes in growth, especially in conjunction with leverage considerations, for purposes such as valuation or cost of capital is a characteristic common to students of corporation finance. This is the reason for the emphasis on growth in this paper and for presenting a method to neutralize for differences in growth when comparing rates of return.

Next, by expanding and rearranging (2a), we have:

$${}_B\beta S_{B,t-1} = \frac{\text{cov}[X(1-\tau)_t + \Delta G_t, R_{M,t}]}{\sigma^2(R_{M,t})} \frac{\text{cov}[I(1-\tau)_t, R_{M,t}]}{\sigma^2(R_{M,t})} \frac{\text{cov}(p_t, R_{M,t})}{\sigma^2(R_{M,t})} \quad (2b)$$

If we assume as an empirical approximation that interest and preferred dividends have negligible covariance with the market, at least relative to the (pure equity) common stock's covariance, then substitution of the LHS of (3a) into the RHS of (2b) yields:⁴

$${}_B\beta S_{B,t-1} = {}_A\beta S_{A,t-1} \quad (4)$$

or

$${}_A\beta = \left(\frac{S_B}{S_A} \right)_{t-1} {}_B\beta \quad (4a)$$

Because $S_{A,t-1}$, the market value of common stock if the firm had no debt and preferred stock, is not observable since most firms do have debt and/or preferred stock, a theory is required in order to measure what this quantity *would have been* at $t-1$. The MM theory [10] will be employed for this purpose, that is:

$$S_{A,t-1} = (V - \tau D)_{t-1}. \quad (5)$$

Equation (5) indicates that if the Federal government tax subsidy for debt financing, τD , where D is the market value of debt, is subtracted from the observed market value of the firm, V_{t-1} (where V_{t-1} is the sum of S_B , D and the observed market value of preferred), then the market value of an unleveraged firm is obtained. Underlying (5) is the assumption that the firm is near its target leverage ratio so that no more or no less debt subsidy is capitalized already into the observed stock price. The conditions under which this MM relationship hold are discussed carefully in [4].

It is at this point that problems in obtaining satisfactory estimates of ${}_A\beta$ develop, since (4) theoretically holds only for the next period. As a practical matter, the accepted, and seemingly acceptable, method of obtaining estimates of a stock's systematic risk, ${}_B\beta$, is to run a least squares regression between a stock's and market portfolio's *historical* rates of return. Using past data for ${}_B\beta$, it is not clear which *period's* ratio of market values to apply in (4a) to estimate the firm's systematic risk, ${}_A\beta$. There would be no problem if the market value ratios of debt to equity and preferred stock to equity remained relatively stable over the past for each firm, but a cursory look at these data reveals that this is not true for the large majority of firms in our sample. Should we use the market value ratio required in (4a) that was observed at the start of our regression period, at the end of our regression period, or some kind of average over the period? In addition, since these different observed ratios will give us different estimates for ${}_A\beta$, it is not clear, without some criterion, how we should select from among the various estimates.

4. This general method of arriving at (4) was suggested by the comments of William Sharpe, one of the discussants of this paper at the annual meeting. A much more cumbersome and less general derivation of (4) was in the earlier version.

It is for this purpose—to obtain a standard—that a more cumbersome and more data demanding approach to obtain estimates of $\Delta\beta$ is suggested. Given the large fluctuations in market leverage ratios, intuitively it would appear that the firm's risk is more stable than the common stock's risk. In that event, a leverage-free rate of return time series for each firm should be derived and the market model applied to this time series directly. In this manner, the beta coefficient would give us a *direct* estimate of $\Delta\beta$ which can then be used as a criterion to determine if any of the market value ratios discussed above can be applied to (4a) successfully.

For this purpose, the "would-have-been" rate of return for the common stock if the firm had no debt and preferred is:

$$R_{A_t} = \frac{X_t(1 - \tau)_t + \Delta G_t}{S_{A_{t-1}}} \quad (6)$$

The numerator of (6) can be rearranged to be:

$$X_t(1 - \tau)_t + \Delta G_t \equiv [(X - I)_t(1 - \tau)_t - p_t + \Delta G_t] + p_t + I_t(1 - \tau)_t.$$

Substituting (1):

$$X_t(1 - \tau)_t + \Delta G_t = [d_t + cg_t] + p_t + I_t(1 - \tau)_t.$$

Therefore, (6) can be written as:

$$R_{A_t} = \frac{d_t + cg_t + p_t + I_t(1 - \tau)_t}{S_{A_{t-1}}} \quad (7)$$

Since $S_{A_{t-1}}$ is unobservable for the firms with leverage, the MM theory, equation (5), will be employed; then:

$$R_{A_t} = \frac{d_t + cg_t + p_t + I_t(1 - \tau)_t}{(V - \tau D)_{t-1}} \quad (8)$$

The observed rate of return on the common stock is, of course:

$$R_{B_t} = \frac{(X - I)_t(1 - \tau)_t - p_t + \Delta G_t}{S_{B_{t-1}}} = \frac{d_t + cg_t}{S_{B_{t-1}}} \quad (9)$$

Equation (8) is the rate of return to the common shareholder of the same firm and over the same period of time as (9). However, in (8) there are the underlying assumptions that the firm never had any debt and preferred stock and that the MM theory is correct; (9) incorporates the exact amount of debt and preferred stock that the firm actually did have over this time period and no leverage assumption is being made. Both (8) and (9) are now in forms where they can be measured with available data. One can note that it is unnecessary to estimate the change in growth, or earnings from current assets, since these should be captured in the market holding period return, $d_t + cg_t$.

Using CRSP data for (9) and both CRSP and Compustat data for the components of (8), a time series of yearly R_{A_t} and R_{B_t} for $t = 1948-1967$ were derived for 304 different firms. These 304 firms represent an exhaustive sample of the firms with complete data on both tapes for all the years.

A number of "market model" [1, 12] variants were then applied to these data. For each of the 304 firms, the following regressions were run:

$$R_{Ait} = {}_A\alpha_i + {}_A\beta_i R_{Mt} + {}_A\epsilon_{it} \quad (10a)$$

$$R_{Bit} = {}_B\alpha_i + {}_B\beta_i R_{Mt} + {}_B\epsilon_{it} \quad (10b)$$

$$\ln(1 + R_{Ait}) = {}_{AC}\alpha_i + {}_{AC}\beta_i \ln(1 + R_{Mt}) + {}_{AC}\epsilon_{it} \quad (10c)$$

$$\ln(1 + R_{Bit}) = {}_{BC}\alpha_i + {}_{BC}\beta_i \ln(1 + R_{Mt}) + {}_{BC}\epsilon_{it} \quad (10d)$$

$$i = 1, 2, \dots, 304$$

$$t = 1948-1967$$

where R_{Mt} is the observed NYSE arithmetic stock market rate of return with dividends reinvested, α_i and β_i are constants for each firm-regression, and the usual conditions are assumed for the properties of the disturbance terms, ϵ_{it} . Equations (10c) and (10d) are the continuously-compounded rate of return versions of (10a) and (10b), respectively.⁵

III. THE RESULTS

An abbreviated table of the regression results for each of the four variants, equations (10a)-(10d), summarized across the 304 firms is shown in Table 1.

The first column designated "mean" is the average of the statistic (indicated by the rows) over all 304 firms. Therefore, the mean ${}_A\hat{\alpha}$ of 0.0221 is the intercept term of equation (10a) averaged over 304 different firm-regressions. The second and third columns give the deviation measures indicated, of the 304 point estimates of, say, ${}_A\hat{\alpha}$. The mean standard error of estimate in the last column is the average over 304 firms of the individual standard errors of estimate.

The major conclusion drawn from Table 1 is the following mean β comparisons:

$${}_B\hat{\beta} > {}_A\hat{\beta}, \text{ i.e., } 0.9190 > 0.7030$$

$${}_{BC}\hat{\beta} > {}_{AC}\hat{\beta}, \text{ i.e., } 0.9183 > 0.7263.$$

The directional results of these betas, assuming the validity of the MM theory, are not imperceptible and clearly are not negligible differences from the investor's point of view. This is obtained in spite of all the measurement and data problems associated with estimating a time series of the RHS of (8) for

5. Because the R_{Mt} used in equations (10) is defined as the observed stock market return, and since adjusting for capital structure is the major purpose of this exercise, it was decided that the same four regressions should be replicated on a leverage-adjusted stock market rate of return. The major reason for this additional adjustment is the belief that the rates of return over time and their relationship with the market are more stable when we can abstract from all changes in leverage and get at the underlying risk of all firms.

For the 221 firms (out of the total 304) whose fiscal years coincide with the calendar year, average values for the components of the RHS of (8) were obtained for each year so that R_{Mt} could be adjusted in the same way as for the individual firms—a yearly time series of stock market rates of return, if all the firms on the NYSE had no debt and no preferred in their capital structure, was derived. The results, when using this adjusted market portfolio rate of return time series, were not very different from the results of equations (10), and so will not be reported here separately.

TABLE 1
SUMMARY RESULTS OVER 304 FIRMS OF EQUATIONS (10a)-(10d)

	Mean	Mean Absolute Deviation*	Standard Deviation	Mean Standard Error of Estimate
$A\hat{\alpha}$	0.0221	0.0431	0.0537	0.0558
$A\hat{\beta}$	0.7030	0.2660	0.3485	0.2130
$A\hat{R}^2$	0.3799	0.1577	0.1896	
$A\hat{\rho}$	0.0314			
$B\hat{\alpha}$	0.0187	0.0571	0.0714	0.0720
$B\hat{\beta}$	0.9190	0.3550	0.4478	0.2746
$B\hat{R}^2$	0.3864	0.1578	0.1905	
$B\hat{\rho}$	0.0281			
$AO\hat{\alpha}$	0.0058	0.0427	0.0535	0.0461
$AO\hat{\beta}$	0.7263	0.2700	0.3442	0.2081
$AO\hat{R}^2$	0.3933	0.1586	0.1909	
$AO\hat{\rho}$	0.0268			
$BO\hat{\alpha}$	-0.0052	0.0580	0.0729	0.0574
$BO\hat{\beta}$	0.9183	0.3426	0.4216	0.2591
$BO\hat{R}^2$	0.4012	0.1602	0.1922	
$BO\hat{\rho}$	0.0262			

* Defined as:
$$\frac{\sum_{i=1}^N |x_i - \bar{x}|}{N}$$
, where $N = 304$. $\hat{\rho}$ = first order serial correlation coefficient.

each firm. One of the reasons for the "traditional" theory position on leverage is precisely this point—that small and reasonable amounts of leverage cannot be discerned by the market. In fact, if the MM theory is correct, leverage has explained as much as, roughly, 21 to 24 per cent of the value of the mean β .

We can also note that if the covariance between the asset and market rates of return, as well as the market variance, was constant over time, then the systematic risk from the market model is related to the expected rate of return by the capital asset pricing model. That is:

$$E(R_{A_t}) = R_{F_t} + {}_A\hat{\beta}[E(R_{M_t}) - R_{F_t}] \quad (11a)$$

$$E(R_{B_t}) = R_{F_t} + {}_B\hat{\beta}[E(R_{M_t}) - R_{F_t}] \quad (11b)$$

Equation (11a) indicates the relationship between the expected rate of return for the common stock shareholder of a debt-free and preferred-free firm, to the systematic risk, ${}_A\hat{\beta}$, as obtained in regressions (10a) or (10c). The LHS of (11a) is the important ρ^r for the MM cost of capital. The MM theory [9, 10] also predicts that shareholder expected yield must be higher (for the same real firm) when the firm has debt than when it does not. Financial risk is greater, therefore, shareholders require more expected return. Thus, $E(R_{B_t})$ must be greater than $E(R_{A_t})$. In order for this MM prediction to be true, from (11a) and (11b) it can be observed that ${}_B\hat{\beta}$ must be greater than ${}_A\hat{\beta}$, which is what we obtained.

Using the results underlying Table 1, namely the firm and stock betas, as the

criterion for selecting among the possible observed market value ratios that can be used, if any, for (4), the following cross-section regressions were run:

$$({}_B\beta)_i = a_1 + b_1 \left(\frac{S_A}{S_B} \Delta\beta \right)_i + u_{1i} \quad i = 1, 2, \dots, 102 \quad (12a)$$

$$({}_{BO}\beta)_i = a_2 + b_2 \left(\frac{S_A}{S_B} \Delta\beta \right)_i + u_{2i} \quad i = 1, 2, \dots, 102 \quad (12b)$$

$$({}_A\beta)_i = a_3 + b_3 \left(\frac{S_B}{S_A} \beta \right)_i + u_{3i} \quad i = 1, 2, \dots, 102 \quad (13a)$$

$$({}_{AO}\beta)_i = a_4 + b_4 \left(\frac{S_B}{S_A} \beta \right)_i + u_{4i} \quad i = 1, 2, \dots, 102 \quad (13b)$$

Because the preferred stock market values were not as reliable as debt, only the 102 firms (out of 304) that did not have preferred in any of the years were used. The test for the adequacy of this alternative approach, equation (4), to adjust the systematic risk of common stocks for the underlying firm's capital structure, is whether the intercept term, a , is equal to zero, and the slope coefficient, b , is equal to one in the above regressions (as well as, of course, a high R^2)—these requirements are implied by (4). The results of this test would also indicate whether future "market model" studies that only use common stock rates of return without adjusting, or even noting, for the firm's debt-equity ratio will be adequate. The total firm's systematic risk may be stable (as long as the firm stays in the same risk-class), whereas the common stock's systematic risk may not be stable merely because of unanticipated capital structure changes—the data underlying Table 3 indicate that there were very few firms which did not have major changes in their capital structure over the twenty years studied.

The results of these regressions, when using the average S_A and average S_B over the twenty years for each firm, are shown in the first column panel of Table 2. These regressions were then replicated twice, first using the December 31, 1947 values of S_{A1} and S_{B1} instead of the twenty-year average for each firm, and then substituting the December 31, 1966 values of S_{A1} and S_{B1} for the 1947 values. These results are in the second and third panels of Table 2.⁶

From the first panel of Table 2, it appears that this alternative approach via (4a) for adjusting the systematic risk for the firm's leverage is quite

6. The point should be made that we are not merely regressing a variable on itself in (12) and (13). (12a) and (12b) can be interpreted as correlating the ${}_B\beta_1$ obtained from (10b) and (10d)—the LHS variable in (12a) and (12b)—against the ${}_B\beta_1$ obtained from rearranging (4)—the RHS variable in (12a) and (12b)—to determine whether the use of (4) is as good a means of obtaining ${}_B\beta_1$ as the direct way via the equations (10). We would be regressing a variable on itself only if the ${}_A\beta_1$ were calculated using (4a), and then the ${}_A\beta_1$ thus obtained, inserted into (12a) and (12b).

Instead, we are obtaining ${}_A\beta_1$ using the MM model in each of the twenty years so that a leverage-adjusted 20 year time series of R_{A1} is derived. Of course, if there were no data nor measurement problems, and if the debt-to-equity ratio were perfectly stable over this twenty year period for each firm, then we should obtain perfect correlation in (12a) and (12b), with $a = 0$ and $b = 1$, as (4) would be an identity.

TABLE 2
RESULTS FOR THE EQUATIONS (12a), (12b), (13a), AND (13b)*

	Using 20-Year Average for $\left(\frac{S_A}{S_B}\right)_t$		Using 1947 Value for $\left(\frac{S_A}{S_B}\right)_t$		Using 1966 Value for $\left(\frac{S_A}{S_B}\right)_t$	
	a	R^2	a	R^2	a	R^2
Eq. (12a)	$\frac{1.062}{(0.021)}$ constant suppressed	0.962	$\frac{0.842}{(0.045)}$ constant suppressed	0.781	$\frac{0.905}{(0.038)}$ constant suppressed	0.849
Eq. (12b)	$\frac{1.016}{(0.013)}$ constant suppressed	0.984	$\frac{0.816}{(0.044)}$ constant suppressed	0.773	$\frac{0.843}{(0.034)}$ constant suppressed	0.859
	$\frac{1.014}{(0.005)}$	0.984	$\frac{0.952}{(0.019)}$	0.773	$\frac{0.947}{(0.015)}$	0.859
	Using 20-Year Average for $\left(\frac{S_B}{S_A}\right)_t$		Using 1947 Value for $\left(\frac{S_B}{S_A}\right)_t$		Using 1966 Value for $\left(\frac{S_B}{S_A}\right)_t$	
	a	R^2	a	R^2	a	R^2
Eq. (13a)	$\frac{0.931}{(0.017)}$ constant suppressed	0.969	$\frac{0.843}{(0.030)}$ constant suppressed	0.888	$\frac{0.898}{(0.030)}$ constant suppressed	0.902
Eq. (13b)	$\frac{0.979}{(0.011)}$ constant suppressed	0.988	$\frac{0.852}{(0.028)}$ constant suppressed	0.902	$\frac{0.942}{(0.029)}$ constant suppressed	0.911
	$\frac{1.004}{(0.012)}$	0.911	$\frac{0.967}{(0.013)}$	0.902	$\frac{1.005}{(0.012)}$	0.911

* Standard error in parentheses.

satisfactory (at least with respect to our sample of firms and years) only if long-run averages of S_A and S_B are used. The second and third panels indicate that the equations (8) and (10) procedure is markedly superior when only one year's market value ratio is used as the adjustment factor. The annual debt-to-equity ratio is much too unstable for this latter procedure.

Thus, when forecasting systematic risk is the primary objective—for example, for portfolio decisions or for estimating the firm's cost of capital to apply to prospective projects—a long-run forecasted leverage adjustment is required. Assuming the firm's risk is more stable than the common stock's risk,⁷ and if there is some reason to believe that a better forecast of the firm's future leverage can be obtained than using simply a past year's (or an average of past years') leverage, it should be possible to improve the usual extrapolation forecast of a stock's systematic risk by forecasting the total firm's systematic risk first, and then using the independent leverage estimate as an adjustment.

IV. TESTS OF THE MM VS. TRADITIONAL THEORIES OF CORPORATION FINANCE

To determine if the difference, ${}_B\beta - {}_A\beta$, found in this study is indeed the correct effect of leverage, some confirmation of the MM theory (since it was assumed to be correct up to this point) from the systematic risk approach is needed. Since a direct test by this approach seems impossible, an indirect, inferential test is suggested.

The MM theory [9, 10] predicts that for firms in the same risk-class, the capitalization rate if all the firms were financed with only common equity, $E(R_A)$, would be the same—regardless of the actual amount of debt and preferred each individual firm had. This would imply, from (11a), that if $E(R_A)$ must be the same for all firms in a risk-class, so must ${}_A\beta$. And if these firms had different ratios of fixed commitment obligations to common equity, this difference in financial risk would cause their observed ${}_B\beta$ s to be different.

The major competing theory of corporation finance is what is now known as the "traditional theory," which has contrary implications. This theory predicts that the capitalization rate for common equity, $E(R_B)$, (sometimes called the required or expected stock yield, or expected earnings-price ratio) is constant, as debt is increased, up to some critical leverage point (this point being a function of gambler's ruin and bankruptcy costs).⁸ The clear implication of this constant, horizontal, equity yield (or their initial downward sloping cost of capital curve) is that changes in market or covariability risk are assumed not to be discernible to the shareholders as debt is increased. Then the traditional theory is saying that the ${}_B\beta$ s, a measure of this covariability risk, would be the same for all firms in a given risk-class irregardless of differences in leverage, as long as the critical leverage point is not reached.

Since there will always be unavoidable errors in estimating the β 's of indi-

7. A faint, but possible, empirical indication of this point may be obtained from Table 1. The ratio of the mean point estimate to the mean standard error of estimate is less for the firm β than for the stock β in both the discrete and continuously compounded cases.

8. This interpretation of the traditional theory can be found in [9, especially their figure 2, page 275, and their equation (13) and footnote 24 where reference is made to Durand and Graham and Dodd].

TABLE 3
INDUSTRY MARKET VALUE RATIOS OF PREFERRED STOCK (P) AND DEBT (D) TO COMMON STOCK (S)

Industry Number	Industry	Number of Firms		P/S	D/S	$\frac{P+D}{S}$
20	Food and Kindred Products	30	Mean*	0.22	0.81	1.04
			ROM**	0.00	0.00	0.00
			ROCR***	0.00	0.00	0.00
28	Chemicals and Allied Products	30	Mean	0.07	0.25	0.33
			ROM	0.00	0.00	0.00
			ROCR	0.00	0.00	0.00
29	Petroleum and Coal Products	18	Mean	0.06	0.22	0.27
			ROM	0.00	0.00	0.03
			ROCR	0.00	0.00	0.00
33	Primary Metals	21	Mean	0.14	0.54	0.68
			ROM	0.00	0.00	0.00
			ROCR	0.00	0.00	0.00
35	Machinery, except Electrical	28	Mean	0.07	0.33	0.40
			ROM	0.00	0.00	0.00
			ROCR	0.00	0.00	0.00

TABLE 3 (Continued)

Industry Number	Industry	Number of Firms	P/S	D/S	P+D	
					S	S
36	Electrical Machinery & Equipment	13	Mean	0.35	0.41	1.33
			ROM	0.00	0.01	1.31
			ROCR	0.00	0.00	2.53
37	Transportation Equipment	24	Mean	0.38	0.47	1.32
			ROM	0.00	0.00	0.93
			ROCR	0.00	0.00	3.76
49	Utilities	27	Mean	1.03	1.28	3.12
			ROM	0.00	0.52	2.64
			ROCR	0.00	0.12	16.40
53	Dep't Stores, Order Houses & Vending Mach. Operators	17	Mean	0.49	0.62	1.87
			ROM	0.00	0.01	1.52
			ROCR	0.00	0.00	3.19

* "Mean" refers to the average ratio over 20 years and over all firms in the industry.

** "Range of Means" (ROM) refers to the lowest firm's mean (over 20 years) ratio and the highest firm's mean (over 20 years) ratio in the industry.

*** "Range of Company Ranges" (ROCR) refers to the lowest and highest ratio in the industry, regardless of the year.

vidual firms and in specifying a risk-class, we would not expect to find a set of firms with identical systematic risk. But by specifying reasonable a priori risk-classes, if the individual firms had closer or less scattered ${}_A\beta$ s than ${}_B\beta$ s, then this would support the MM theory and contradict the traditional theory. If, instead, the ${}_B\beta$ s were not discernibly more diverse than the ${}_A\beta$ s, and the leverage ratio differed considerably among firms, then this would indicate support for the traditional theory.⁹

In order to test this implication, risk-classes must be first specified. The SEC two-digit industry classification was used for this purpose. Requiring enough firms for statistical reasons in any given industry, nine risk-classes were specified that had at least 13 firms; these nine classes are listed in Table 3 with their various leverage ratios.¹⁰ It is clear from this table that our first requirement is met—that there is a considerable range of leverage ratios among firms in a risk-class and also over the twenty-year period.

Three tests will be performed to distinguish between the MM and traditional theories. The first is simply to calculate the standard deviation of the unbiased β estimates in a risk-class. The second is a chi-square test of the distribution of β 's in an industry compared to the distribution of the β 's in the total sample. Finally, an analysis of variance test on the estimated variance of the β 's between industries, as opposed to within industries, is performed. In all tests, only the point estimate of β (which should be unbiased) for each stock and firm is used.¹¹

The first test is reported in Table 4. If we compare the standard deviation of ${}_{AC}\beta$ with the standard deviation of ${}_{BC}\beta$ by industries (or risk-classes), we can note that $\sigma({}_{AC}\beta)$ is less than $\sigma({}_{BC}\beta)$ for eight out of the nine classes. The probability of obtaining this is only 0.0195, given a 50% probability that $\sigma({}_{AC}\beta)$ can be larger or smaller than $\sigma({}_{BC}\beta)$. These results indicate that the systematic risk of the firms in a given risk-class, if they were all financed only with common equity, is much less diverse than their observed stock's systematic risk. This supports the MM theory, at least in contrast to the traditional theory.¹²

9. The traditional theory also implies that $E(R_A)$ is equal to $E(R_B)$ for all firms. Unfortunately, we do not have a functional relationship between these traditional theory capitalization rates and the measured β s of this study. Clearly, since the ${}_A\beta$ s were obtained assuming the validity of the MM theory, they would not be applicable for the traditional theory. In fact, no relationship between the ${}_A\beta$ and ${}_B\beta$ for a given firm, or for firms in a given risk-class, can be specified as was done for the capitalization rates.

10. The tenth largest industry had only eight firms. For our purpose of testing the uniformity of firm β s relative to stock β s within a risk-class, the use of the two-digit industry classification as a proxy does not seem as critical as, for instance, its use for the purpose of performing an MM valuation model study [8] wherein the $\rho\sigma$ must be pre-specified to be exactly the same for all firms in the industry.

11. Since these β s are estimated in the market model regressions with error, precise testing should incorporate the errors in the β estimation. Unfortunately, to do this is extremely difficult and more importantly, requires the normality assumption for the market model disturbance term. Since there is considerable evidence that is contrary to this required assumption [see 3], our tests will ignore the β measurement error entirely. But ignoring this is partially corrected in our first and third tests since means and variances of these point estimate β s must be calculated, and this procedure will "average out" the individual measurement errors by the factor $1/N$.

12. Of course, there could always be another theory, as yet not formulated, which could be even

TABLE 4
MEAN AND STANDARD DEVIATION OF INDUSTRY β 'S

Industry Number	Industry	Number of Firms		$A\beta$	$B\beta$	$AC\beta$	$BC\beta$
20	Food & Kindred Products	30	Mean β	0.515	0.815	0.528	0.806
			$\sigma(\beta)$	0.232	0.448	0.227	0.424
28	Chemicals & Allied Products	30	Mean β	0.747	0.928	0.785	0.946
			$\sigma(\beta)$	0.237	0.391	0.216	0.329
29	Petroleum & Coal Products	18	Mean β	0.633	0.747	0.656	0.756
			$\sigma(\beta)$	0.144	0.188	0.148	0.176
33	Primary Metals	21	Mean β	1.036	1.399	1.106	1.436
			$\sigma(\beta)$	0.223	0.272	0.197	0.268
35	Machinery, except Electrical	28	Mean β	0.878	1.037	0.917	1.068
			$\sigma(\beta)$	0.262	0.240	0.271	0.259
36	Electrical Machinery and Equipment	13	Mean β	0.940	1.234	0.951	1.164
			$\sigma(\beta)$	0.320	0.505	0.283	0.363
37	Transportation Equipment	24	Mean β	0.860	1.062	0.875	1.048
			$\sigma(\beta)$	0.225	0.313	0.225	0.289
49	Utilities	27	Mean β	0.160	0.255	0.166	0.254
			$\sigma(\beta)$	0.086	0.133	0.098	0.147
53	Department Stores, etc.	17	Mean β	0.652	0.901	0.692	0.923
			$\sigma(\beta)$	0.187	0.282	0.198	0.279

Our second test, the chi-square test, requires us to rank our 300 $A\beta$ s into ten equal categories, each with 30 $A\beta$ s (four miscellaneous firms were taken out randomly). By noting the value of the highest and lowest $A\beta$ for each of the ten categories, a distribution of the number of $A\beta$ s in each category, by risk-class, can be obtained. This was then repeated for the other three betas. To test whether the distribution for each of the four β 's and for each of the risk-classes follows the expected uniform distribution, a chi-square test was performed.¹³

Even with just casual inspection of these distributions of the betas by risk-class, it is clear that two industries, primary metals and utilities, are so highly skewed that they greatly exaggerate our results.¹⁴ Eliminating these

more strongly supported than the MM theory. If we compare $\sigma(A\beta)$ to $\sigma(B\beta)$ by risk-classes in Table 4, precisely the same results are obtained as those reported above for the continuously-compounded betas.

13. By risk-classes, seven of the nine chi-square values of $A\beta$ are larger than those of $B\beta$, as are eight out of nine for the continuously-compounded betas. This would occur by chance with probabilities of 0.0898 and 0.0195, respectively, if there were a 50% chance that either the firm or stock chi-square value could be larger. Nevertheless, if we inspect the individual chi-square values by risk-class, we note that most of them are large so that the probabilities of obtaining these values are highly unlikely. For all four β s, the distributions for most of the risk-classes are nonuniform.

14. Primary metals have extremely large betas; utilities have extremely small betas.

two industries, and also two miscellaneous firms so that an even 250 firms are in the sample, new upper and lower values of the β 's were obtained for each of the ten class intervals and for each of the four β 's.

In Table 5, the chi-square values are presented; for the total of all risk-classes, the probability of obtaining a chi-square value less than 120.63 is over 99.95% (for $\Delta\beta$), whereas the probability of obtaining a chi-square value less than 99.75 is between 99.5% and 99.9% (for $B\beta$). More sharply contrasting results are obtained when $\Delta C\beta$ is compared to $B C\beta$. For $\Delta C\beta$, the probability of obtaining less than 128.47 is over 99.95%, whereas for $B C\beta$, the probability of obtaining less than 78.65 is only 90.0%. By abstracting from financial risk, the underlying systematic risk is much less scattered when grouped into risk-classes than when leverage is assumed not to affect the systematic risk. The null hypothesis that the β 's in a risk-class come from the same distribution as all β 's is rejected for $\Delta C\beta$, but not for $B C\beta$ (at the 90% level). Although this, in itself, does not tell us *how* a risk-class differs from the total market, an inspection of the distributions of the betas by risk-class underlying Table 5 does indicate more clustering of the $\Delta C\beta$ s than the $B C\beta$ s so that the MM theory is again favored over the traditional theory.

The analysis of variance test is our last comparison of the implications of the two theories. The ratio of the estimated variance between industries to the estimated variance within the industries (the F-statistic) when the seven

TABLE 5
CHI-SQUARE RESULTS FOR ALL β 'S AND ALL INDUSTRIES
(EXCEPT UTILITIES AND PRIMARY METALS)

Industry		$\Delta\beta$	$B\beta$	$\Delta C\beta$	$B C\beta$
Food and Kindred	Chi-Square	18.67	11.33	26.00	9.33
	$P\{\chi^2 < \} =$	95-97.5%	70-75%	99.5-99.9%	50-60%
Chemicals	Chi-Square	9.33	10.67	12.00	7.33
	$P\{\chi^2 < \} =$	50-60%	60-70%	75-80%	30-40%
Petroleum	Chi-Square	17.56	25.33	18.67	22.00
	$P\{\chi^2 < \} =$	95-97.5%	99.5-99.9%	95-97.5%	99-99.5%
Machinery	Chi-Square	19.14	12.00	24.86	9.14
	$P\{\chi^2 < \} =$	97.5-98%	75-80%	99.5-99.9%	50-60%
Electrical Machinery	Chi-Square	13.92	7.77	12.38	9.31
	$P\{\chi^2 < \} =$	80-90%	40-50%	80-90%	50-60%
Transportation Equipment	Chi-Square	15.17	16.83	13.50	6.83
	$P\{\chi^2 < \} =$	90-95%	90-95%	80-90%	30-40%
Dep't Stores	Chi-Square	14.18	3.59	14.18	3.59
	$P\{\chi^2 < \} =$	80-90%	5-10%	80-90%	5-10%
Miscellaneous	Chi-Square	12.67	12.22	6.89	11.11
	$P\{\chi^2 < \} =$	80-90%	80-90%	30-40%	70-75%
Total	Chi-Square	120.63	99.75	128.47	78.65
	$P\{\chi^2 < \} =$	over 99.95%	99.5-99.90%	over 99.95%	90.0%

* Example: $P\{\chi^2 < 18.67\} = 95-97.5\%$ for 9 degrees of freedom.

industries are considered (again, the two obviously skewed industries, primary metals and utilities, were eliminated) is less for ${}_B\beta$ ($F = 3.90$) than for ${}_A\beta$ ($F = 9.99$), and less for ${}_{BC}\beta$ ($F = 4.18$) than for ${}_{AC}\beta$ ($F = 10.83$). The probability of obtaining these F-statistics for ${}_A\beta$ and ${}_{AC}\beta$ is less than 0.001, but for ${}_B\beta$ and ${}_{BC}\beta$ greater than or equal to 0.001. These results are consistent with the results obtained from our two previous tests. The MM theory is more compatible with the data than the traditional theory.¹⁵

V. CONCLUSIONS

This study attempted to tie together some of the notions associated with the field of corporation finance with those associated with security and portfolio analyses. Specifically, if the MM corporate tax leverage propositions are correct, then approximately 21 to 24% of the observed systematic risk of common stocks (when averaged over 304 firms) can be explained merely by the added financial risk taken on by the underlying firm with its use of debt and preferred stock. Corporate leverage does count considerably.

To determine whether the MM theory is correct, a number of tests on a contrasting implication of the MM and "traditional" theories of corporation finance were performed. The data confirmed MM's position, at least vis-à-vis our interpretation of the traditional theory's position. This should provide another piece of evidence on this controversial topic.

Finally, if the MM theory and the capital asset pricing model are correct, and if the adjustments made in equations (8) or (4a) result in accurate measures of the systematic risk of a leverage-free firm, the possibility is greater, without resorting to a fullblown risk-class study of the type MM did for the electric utility industry [8], of estimating the cost of capital for individual firms.

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5. R. Hamada. "Portfolio Analysis, Market Equilibrium and Corporation Finance," *Journal of Finance* (March, 1969), 13-31.
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15. All of our tests, it should be emphasized, although consistent, are only inferential. Aside from assuming that the two-digit SEC industry classification is a good proxy for risk-classes and that the errors in estimating the individual β s can be safely ignored, the tests rely on the two theories exhausting all the reasonable theories on leverage. But there is always the use of another line of reasoning. If the results of the MM electric utility study [8] are correct, and if these results can be generalized to all firms and to all risk-classes, then it can be claimed that the MM theory is universally valid. Then our result in Section III does indicate the correct effect of the firm's capital structure on the systematic risk of common stocks.

9. F. Modigliani, and M. Miller. "The Cost of Capital, Corporation Finance and the Theory of Investment," *American Economic Review* (June, 1958), 261-97.
10. ————. "Corporate Income Taxes and the Cost of Capital: A Correction," *American Economic Review* (June, 1963), 433-43.
11. J. Mossin. "Equilibrium in a Capital Asset Market," *Econometrica* (October, 1966), 768-83.
12. W. Sharpe. "A Simplified Model for Portfolio Analysis," *Management Science* (January, 1963), 277-93.
13. ————. "Capital Asset Prices: A Theory of Market Equilibrium under Conditions of Risk," *Journal of Finance* (September, 1964), 425-42.



Public Service Commission Data Request Set 2
Question No. 43
Columbia Gas of Kentucky Respondent: **P.R. Moul**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 43

Refer to the Moul Testimony, page 49. Should the reference to Attachment PRM-11 on line 11 read Attachment PRM-13?

Response of Columbia Gas of Kentucky:

Yes.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 44

Refer to the Moul Testimony, page 49 and Appendix I, page I-4. There appears to be a discrepancy between the correct number used for the risk free rate, i.e. 5.25 percent and 5.50 percent. Which is the correct risk free rate used in the CAPM calculations?

Response of Columbia Gas of Kentucky:

The correct risk-free rate of return is 5.25%. The number shown on line 17 of page I-4 of Appendix I should be corrected to 5.25%. This change has no further impact on the testimony.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 45

Refer to the Moul Testimony, page 50 and 51. Provide additional explanation and documentation which proscribes a size adjustment of 102 basis points for mid-cap companies.

Response of Columbia Gas of Kentucky:

The size adjustment of 102 basis points was taken from the Ibbotson 2005 Yearbook as shown on page 142. Please refer to pages 139 to 142 from the Ibbotson 2006 Yearbook that is attached. Since the average market capitalization of the Gas Group is \$1,538 million (see the attachment to Staff 42b), the Gas Group warrants a size adjustment of at least that associated with a portfolio of mid-cap companies.

Stocks, Bonds, Bills,
and Inflation

SBBI

2006 Yearbook
Market Results for 1926–2005

Size of the Deciles

Table 7-5 reveals that most of the market value of the stocks listed on the NYSE/AMEX/NASDAQ is represented by the top three deciles. Approximately two-thirds of the value is represented by the first decile, which currently consists of 169 stocks. The smallest decile represents just over one percent of the market value of the NYSE/AMEX/NASDAQ. The data in the second column of Table 7-5 are averages across all 80 years. Of course, the proportions represented by the various deciles vary from year to year.

In columns three and four are the number of companies and market capitalization. These present a snapshot of the structure of the deciles near the end of 2005.

The lower portion of Table 7-5 shows the largest firm in each decile and its market capitalization.

Table 7-5
Size-Decile Portfolios of the NYSE/AMEX/NASDAQ:
Bounds, Size, and Composition
from 1926 to 2005

Decile	Historical Average Percentage of Total Capitalization	Recent Number of Companies	Recent Decile Market Capitalization (in thousands)	Recent Percentage of Total Capitalization
1-Largest	63.29%	169	\$8,869,801,117	60.92%
2	13.97%	182	2,025,323,685	13.91%
3	7.57%	195	1,074,448,763	7.38%
4	4.74%	206	656,297,080	4.51%
5	3.24%	207	452,329,097	3.11%
6	2.37%	238	389,595,517	2.68%
7	1.73%	299	319,642,175	2.20%
8	1.28%	352	287,783,718	1.98%
9	0.99%	693	268,738,291	1.85%
10-Smallest	0.81%	1,746	216,334,858	1.49%
Mid-Cap 3-5	15.55%	608	2,183,074,940	14.99%
Low-Cap 6-8	5.39%	889	997,021,410	6.85%
Micro-Cap 9-10	1.80%	2,439	485,073,149	3.33%

Source: Center for Research in Security Prices, University of Chicago.

Historical average percentage of total capitalization shows the average, over the last 80 years, of the decile market values as a percentage of the total NYSE/AMEX/NASDAQ calculated each month. Number of companies in deciles, recent market capitalization of deciles and recent percentage of total capitalization are as of September 30, 2005.

Decile	Recent Market Capitalization (in thousands)	Company Name
1-Largest	\$367,495,144	General Electric Co.
2	16,016,450	Entergy Corp.
3	7,187,244	Chesapeake Energy Corp.
4	3,961,425	Ball Corp.
5	2,519,280	Celene Corp.
6	1,728,888	AGCO Corp.
7	1,280,966	ESCO Technologies Inc.
8	872,103	West Pharmaceutical Services Inc.
9	586,393	General Cable Corp.
10-Smallest	264,981	4Kids Entertainment Inc.

Source: Center for Research in Security Prices, University of Chicago.

Market capitalization and name of largest company in each decile as of September 30, 2005.

Long-Term Returns in Excess of Risk

The Capital Asset Pricing Model (CAPM) does not fully account for the higher returns of small company stocks. Table 7-6 shows the returns in excess of risk over the past 80 years for each decile of the NYSE/AMEX/NASDAQ.

The CAPM can be expressed as follows:

$$k_s = r_f + (\beta_s \times \text{ERP}) \quad (2B)$$

where,

k_s = the expected return for company s ;

r_f = the expected return of the riskless asset;

β_s = the beta of the stock of company s ; and,

ERP = the expected equity risk premium, or the amount by which investors expect the future return on equities to exceed that on the riskless asset.

The amount of an asset's systematic risk is measured by its beta. A beta greater than 1 indicates that the security is riskier than the market, and according to the CAPM equation, investors are compensated for taking on this additional risk. However, based on historical return data on the NYSE/AMEX/NASDAQ decile portfolios, the smaller deciles have had returns that are not fully explainable by the CAPM. This return in excess of CAPM grows larger as one moves from the largest companies in decile 1 to the smallest in decile 10. The excess return is especially pronounced for micro-cap stocks (deciles 9-10). This size related phenomenon has prompted a revision to the CAPM that includes the addition of a size premium.

The CAPM is used here to calculate the CAPM return in excess of the riskless rate and to compare this estimate to historical performance. According to the CAPM, the return on a security should consist of the riskless rate plus an additional return to compensate for the systematic risk of the security. Table 7-6 uses the 80-year arithmetic mean income return component of 20-year government bonds as the historical riskless rate. (However, it is appropriate to match the maturity, or duration, of the riskless asset with the investment horizon.) This CAPM return in excess of the riskless rate is β (beta) multiplied by the realized equity risk premium. The realized equity risk premium is the return that compensates investors for taking on risk equal to the risk of the market as a whole (estimated by the 80-year arithmetic mean return on large company stocks, 12.30 percent, less the historical riskless rate, 5.22 percent). The difference between the excess return predicted by the CAPM and the realized excess return is the size premium, or return in excess of CAPM.

This phenomenon can also be viewed graphically, as depicted in the Graph 7-2. The security market line is based on the pure CAPM without adjusting for the size premium. Based on the risk (or beta) of a security, the expected return should fluctuate along the security market line. However, the expected returns for the smaller deciles of the NYSE/AMEX/NASDAQ lie above the line, indicating that these deciles have had returns in excess of their risk.

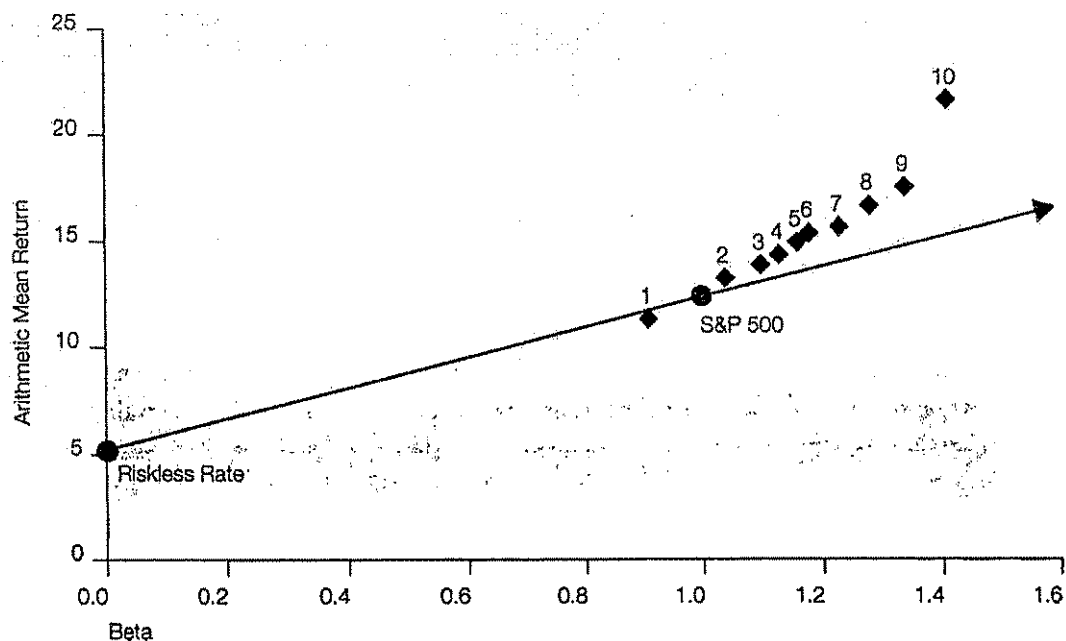
Table 7-6
Size-Decile Portfolios of the NYSE/AMEX/NASDAQ:
Long-Term Returns in Excess of CAPM
 from 1926 to 2005

Decile	Beta*	Arithmetic Mean Return	Actual Return in Excess of Riskless Rate**	CAPM Return in Excess of Riskless Rate**	Size Premium (Return in Excess of CAPM)
1-Largest	0.91	11.29%	6.07%	6.45%	-0.37%
2	1.04	13.22%	8.00%	7.33%	0.67%
3	1.10	13.84%	8.62%	7.77%	0.85%
4	1.13	14.31%	9.09%	7.98%	1.10%
5	1.16	14.91%	9.69%	8.20%	1.49%
6	1.18	15.33%	10.11%	8.38%	1.73%
7	1.23	15.62%	10.40%	8.73%	1.67%
8	1.28	16.60%	11.38%	9.05%	2.33%
9	1.34	17.48%	12.26%	9.50%	2.76%
10-Smallest	1.41	21.59%	16.37%	10.01%	6.36%
Mid-Cap, 3-5	1.12	14.15%	8.94%	7.91%	1.02%
Low-Cap, 6-8	1.22	15.66%	10.44%	8.63%	1.81%
Micro-Cap, 9-10	1.36	18.77%	13.55%	9.61%	3.95%

*Betas are estimated from monthly returns in excess of the 30-day U.S. Treasury bill total return, January 1926–December 2005.

**Historical riskless rate measured by the 80-year arithmetic mean income return component of 20-year government bonds (5.22).

Graph 7-2
Security Market Line Versus Size-Decile Portfolios of the NYSE/AMEX/NASDAQ:
 from 1926 to 2005



Source: Center for Research in Security Prices, University of Chicago (decile data).

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 46

Refer to the Moul Testimony, Appendix F, Flotation Costs.

- a. Provide an explanation of how firms operating in non-regulated competitive markets treat and recover flotation costs when the firm raises additional capital through the equity markets.
- b. Similarly, provide an explanation of whether this treatment is different when bonds, rather than equity, are issued.
- c. Provide a step-by-step description of how Columbia acquires additional capital through its parent, beginning with how the parent acquires capital.

Response of Columbia Gas of Kentucky:

- a. Flotation costs exist for both regulated and non-regulated firms. Since non-regulated firms do not operate in protected markets, the returns that they realized are based on sales derived from competitively determined pricing. For this reason, a flotation cost adjustment was not applied to the Comparable Earnings approach.
- b. For regulated firms, the cost of issuing stock is no different from the cost of issuing debt. In each instance, those costs are recoverable in the rate setting process. This differs from financing costs in competitive markets that are not restricted by cost of service principles.
- c. Columbia obtains additional equity through both the retention of a portion of its earnings and through issuance of new equity. Columbia would obtain its new equity from CEG, which in turn obtains its new equity from NiSource Inc.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
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ORDER DATED APRIL 10, 2007**

Question No. 47

Refer to the Moul Testimony, Attachment PRM-12, page 2 of 2. Provide an explanation of why using either the various range median values or the average of the geometric mean and median values to obtain a midpoint estimate provides a meaningful calculation of risk differentials.

Response of Columbia Gas of Kentucky:

The use of arithmetic means, geometric means, and medians provides a comprehensive basis to analyze the historical returns. Each measure is a statistically valid representation of the historical data series. Mathematically, the geometric mean receives 25% weight, the median receives 25% weight, and the arithmetic mean receives 50% weight in the data presented on page 2 of Attachment PRM-12. In Mr. Moul's opinion, these are reasonable weights for analyzing the historical premium for the Risk Premium approach.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
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ORDER DATED APRIL 10, 2007**

Question No. 48

Did Mr. Moul take into consideration Columbia's proposals to establish an AMRP mechanism and a PISCC program when developing his recommendations on the cost of equity? Explain the response, including a discussion on the importance either program would have on Columbia's level of risk.

Response of Columbia Gas of Kentucky:

Mr. Moul has reviewed the testimony of Messrs. Miller, Webb and Humphries, and Ms. Cooper when he performed his cost of equity analysis. As noted in Mr. Moul's direct testimony at pages 7 through 12, such regulatory mechanisms have become common for companies included in Mr. Moul's Gas Group. As such, no separate recognition of these mechanisms is necessary in the cost of equity analysis because the effects of those mechanisms are already reflected in the stock prices (with one exception) of the Gas Group companies.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 49:

Refer to the Direct Testimony of Mark P. Balmert ("Balmert Testimony"), page 10. For all schedules based on the 20-year normalized weather data provided by Mr. Gresham, provide revised versions which include sales volumes based on 25-year and 30-year normalized weather data.

Response of Columbia Gas of Kentucky:

25 Years:

Throughput volume changes from 33,970,051.3 to 34,067,824.1 an increase of 97,772.8 Mcf.

Revenue changes from \$157,294,349.77 to \$158,194,517.52 an increase of \$900,167.75.

30 Years:

Throughput volume changes from 33,970,051.3 to 34,321,667.5 an increase of 351,616.2 Mcf.

Revenue changes from \$157,294,349.77 to \$160,456,020.31 an increase of \$3,161,670.54.

See attached work-papers WPM-C and WPM-D and Schedule M-2.2 affected by both the 25 year (Attachment 1) and 30 year (Attachment 2) normalizations.

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended September 30, 2006

Workpaper WPM-C
Sheet 1 of 5

Line No.	Description	9/30/06		Industrial Adj (3) (WPE)	Incremental Customers			Rate Schedule Transfers (7)	Per Books Adjusted (8=1 thru 7)
		Physical Flow (1)	Weather Adjustment (2) (WPD)		New Const. (4) (WPE)	Conv. (5) (WPE)	Attrition (6)		
1	RESIDENTIAL								
2	Rate Schedule GRS								
3	First 1 Mcf	880,569.5	3,339.6	0.0	4,320.0	239.0	(1,971.0)	0.0	886,497.1
4	Over 1 Mcf	<u>5,656,961.3</u>	<u>252,026.6</u>	<u>0.0</u>	<u>26,741.0</u>	<u>822.0</u>	<u>(69,745.0)</u>	<u>0.0</u>	<u>5,866,805.9</u>
5	Total Rate Schedule GRS	6,537,530.8	255,366.2	0.0	31,061.0	1,061.0	(71,716.0)	0.0	6,753,303.0
6	COMMERCIAL								
7	Rate Schedule G1C	5,859.4	121.0	0.0	0.0	0.0	0.0	0.0	5,980.4
8	RESIDENTIAL								
9	Rate Schedule G1R	2,785.9	105.3	0.0	0.0	0.0	0.0	0.0	2,891.2
10	RESIDENTIAL								
11	Rate Schedule IN3	1,395.9	50.2	0.0	0.0	0.0	0.0	0.0	1,446.1
12	COMMERCIAL								
13	Rate Schedule IN3	75.3	1.9	0.0	0.0	0.0	0.0	0.0	77.2
14	RESIDENTIAL								
15	Rate Schedule IN4	98.5	3.2	0.0	0.0	0.0	0.0	0.0	101.7
16	RESIDENTIAL								
17	Rate Schedule IN5	656.4	23.3	0.0	0.0	0.0	0.0	0.0	679.7
18	RESIDENTIAL								
19	Rate Schedule LG2	556.9	17.2	0.0	0.0	0.0	0.0	0.0	574.1
20	COMMERCIAL								
21	Rate Schedule LG2	924.3	22.6	0.0	0.0	0.0	0.0	0.0	946.9
22	RESIDENTIAL								
23	Rate Schedule LG3								
24	First 2 Mcf	22.8	0.0	0.0	0.0	0.0	0.0	0.0	22.8
25	Over 2 Mcf	<u>459.0</u>	<u>10.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>469.2</u>
26	Total Rate Schedule GRS	481.8	10.2	0.0	0.0	0.0	0.0	0.0	492.0
24	RESIDENTIAL								
25	Rate Schedule LG4	268.9	8.1	0.0	0.0	0.0	0.0	0.0	277.0
26	COMMERCIAL								
27	Rate Schedule GSO								
28	First 1 Mcf	93,886.9	297.6	0.0	1,052.0	66.0	(488.0)	0.0	94,814.5
29	Next 49 Mcf	1,427,083.6	20,904.4	0.0	33,574.0	1,197.0	(127,864.0)	0.0	1,354,895.0
30	Next 350 Mcf	1,417,887.3	48,180.8	0.0	5,404.0	0.0	0.0	0.0	1,471,472.1
31	Next 600 Mcf	402,902.2	20,988.8	0.0	0.0	0.0	0.0	0.0	423,891.0
32	Over 1,000 Mcf	<u>452,565.0</u>	<u>27,188.9</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>479,753.9</u>
33	Total Rate Schedule GSO	3,794,325.0	117,560.5	0.0	40,030.0	1,263.0	(128,352.0)	0.0	3,824,826.5

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended September 30, 2006

Workpaper WPM-C

Sheet 5 of 5

Line No.	Description	Physical Flow (1)	9/30/06	Industrial Adj (3) (WPE)	Incremental Customers			Rate Schedule	Per Books Adjusted (8=1 thru 7)	
			Weather Adjustment (2) (WPE)		New Const. (4) (WPE)	Conv. (5) (WPE)	Attrition (6)	Transfers (7)		
1	INDUSTRIAL									
2	Rate Schedule FX7									
3	First 25,000 Mcf	300,000.0	0.0	0.0	0.0	0.0	0.0	0.0	300,000.0	
4	Over 25,000 Mcf	<u>286,958.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>286,958.0</u>	
5	Total Rate Schedule FX7	586,958.0	0.0	0.0	0.0	0.0	0.0	0.0	586,958.0	
6	COMMERCIAL									
7	Rate Schedule SAS									
8	First 30,000	48,235.0	1,295.2	0.0	0.0	0.0	0.0	0.0	49,530.2	
9	Over 30,000	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
	Total Rate Schedule SAS	48,235.0	1,295.2	0.0	0.0	0.0	0.0	0.0	49,530.2	
10	INDUSTRIAL									
11	Rate Schedule SC2	234,904.0	0.0	0.0	0.0	0.0	0.0	0.0	234,904.0	
12	INDUSTRIAL									
13	Rate Schedule SC3	3,239,241.0	0.0	0.0	0.0	0.0	0.0	0.0	3,239,241.0	
14	Transportation Summary by Customer Class									
15	Total Residential Transportation	2,028,781.0	78,668.9	0.0	0.0	0.0	0.0	0.0	2,107,449.9	
16	Total Commercial Transportation	3,396,567.7	95,557.7	0.0	0.0	0.0	0.0	0.0	3,492,125.4	
17	Total Industrial Transportation	<u>17,629,787.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>17,629,787.8</u>	
18	Total Transportation	23,055,136.5	174,226.6	0.0	0.0	0.0	0.0	0.0	23,229,363.1	
19	Total Company Throughput	33,646,744.2	547,732.9	0.0	71,091.0	2,324.0	(200,068.0)	0.0	34,067,824.1	

Columbia Gas of Kentucky, Inc.
Adjustment based on Normalized Volumes
For the 12 Months Ended September 30, 2006

Workpaper WPM-D

Sheet 1 of 3

Line No.	Description	Phy. Flow (1) Mcf (WPC)	Normalized (2) Mcf	Normalized Adjustment (3=2-1) Mcf	Base Rate (4) \$/Mcf	Revenue (5=3x4) \$
1	RESIDENTIAL					
2	Rate Schedule GRS					
3	First 1 Mcf	880,569.5	883,909.1	3,339.6	0.0000	0
4	Over 1 Mcf	<u>5,656,961.3</u>	<u>5,908,987.9</u>	<u>252,026.6</u>	1.8715	<u>471,668</u>
5	Total Rate Schedule GRS	6,537,530.8	6,792,897.0	255,366.2		471,668
6	COMMERCIAL					
7	Rate Schedule G1C	5,859.4	5,980.4	121.0	1.4968	181
8	RESIDENTIAL					
9	Rate Schedule G1R	2,785.9	2,891.2	105.3	1.5470	163
10	RESIDENTIAL					
11	Rate Schedule IN3	1,395.9	1,446.1	50.2	0.4000	20
12	COMMERCIAL					
13	Rate Schedule IN3	75.3	77.2	1.9	0.4000	1
14	RESIDENTIAL					
15	Rate Schedule IN4	98.5	101.7	3.2	0.5500	2
16	RESIDENTIAL					
17	Rate Schedule IN5	656.4	679.7	23.3	0.6000	14
18	RESIDENTIAL					
19	Rate Schedule LG2	556.9	574.1	17.2	0.3500	6
20	COMMERCIAL					
21	Rate Schedule LG2	924.3	946.9	22.6	0.3500	8
22	RESIDENTIAL					
23	Rate Schedule LG3					
24	First 2 Mcf	22.8	22.8	0.0	0.0000	0
25	Over 2 Mcf	<u>459.0</u>	<u>469.2</u>	<u>10.2</u>	0.3500	<u>4</u>
26	Total Rate Schedule LG3	481.8	492.0	10.2		4
27	RESIDENTIAL					
28	Rate Schedule LG4	268.9	277.0	8.1	0.4000	3
29	COMMERCIAL					
30	Rate Schedule GSO					
31	First 1 Mcf	93,886.9	94,184.5	297.6	0.0000	0
32	Next 49 Mcf	1,427,083.6	1,447,988.0	20,904.4	1.8715	39,123
33	Next 350 Mcf	1,417,887.3	1,466,068.1	48,180.8	1.8153	87,463
34	Next 600 Mcf	402,902.2	423,891.0	20,988.8	1.7296	36,302
35	Over 1,000 Mcf	<u>452,565.0</u>	<u>479,753.9</u>	<u>27,188.9</u>	1.5802	<u>42,964</u>
36	Total Rate Schedule GSO	3,794,325.0	3,911,885.5	117,560.5		205,852

Columbia Gas of Kentucky, Inc.
Adjustment based on Normalized Volumes
For the 12 Months Ended September 30, 2006

Workpaper WPM-D

Sheet 2 of 3

Line No.	Description	Phy. Flow (1) Mcf (WPC)	Normalized (2) Mcf	Normalized Adjustment (3=2-1) Mcf	Base Rate (4) \$/Mcf	Revenue (5=3x4) \$
1	COMMERCIAL					
2	Rate Schedule GST					
3	First 1 Mcf	11.0	11.0	0.0	0.0000	0
4	Next 49 Mcf	531.0	536.0	5.0	1.8715	9
5	Next 350 Mcf	2,110.0	2,210.6	100.6	1.8153	183
6	Next 600 Mcf	653.0	663.8	10.8	1.7296	19
7	Over 1,000 Mcf	0.0	0.0	0.0	1.5802	0
8	Total Rate Schedule GST	3,305.0	3,421.4	116.4		211
9	COMMERCIAL					
10	Rate Schedule IS					
11	First 30,000 Mcf	2,729.0	2,799.4	70.4	0.5467	38
12	Over 30,000 Mcf	0.0	0.0	0.0	0.2905	0
13	Total Rate Schedule IS	2,729.0	2,799.4	70.4		38
14	WHOLESALE					
15	Rate Schedule IUS	21904	21,904.0	0.0	0.3038	0
16	COMMERCIAL					
17	Rate Schedule SS Firm Service					
18	First 30,000 Mcf	4,963.0	4,984.1	21.1	0.5467	12
19	Over 30,000 Mcf	0.0	0.0	0.0	0.2905	0
20	Total Rate Schedule SS Firm	4,963.0	4,984.1	21.1		12
21	Rate Schedule SS Interruptible Service					
22	First 30,000 Mcf	2,047.0	2,055.7	8.7	0.5467	5
23	Over 30,000 Mcf	0.0	0.0	0.0	0.2905	0
24	Total Rate Schedule SS Interr	2,047.0	2,055.7	8.7		5

25 Tariff Sales Summary by Customer Class						
26	Total Residential Sales	6,543,775.1	6,799,358.8	255,583.7		471,880.0
27	Total Commercial Sales	3,814,228.0	3,932,150.6	117,922.6		206,308
28	Total Wholesale Sales	<u>21,904.0</u>	<u>21,904.0</u>	<u>0.0</u>		0
29	Total Tariff Sales Excl Industrial	10,379,907.1	10,753,413.4	373,506.3		678,188

Columbia Gas of Kentucky, Inc.
Adjustment based on Normalized Volumes
For the 12 Months Ended September 30, 2006

Sheet 3 of 3

Line No.	Description	Phy. Flow (1) Mcf (WPC)	Normalized (2) Mcf	Normalized Adjustment (3=2-1) Mcf	Base Rate (4) \$/Mcf	Revenue (5=3x4) \$
1 RESIDENTIAL						
2 Rate Schedule GTR						
3	First 1 Mcf	247,667.1	248,226.0	558.9	0.0000	0
4	Over 1 Mcf	<u>1,781,113.9</u>	<u>1,859,223.9</u>	<u>78,110.0</u>	1.8750	<u>146,456</u>
5	Total Rate Schedule GTR	2,028,781.0	2,107,449.9	78,668.9		146,456
6 COMMERCIAL						
7 Rate Schedule GTO						
8	First 1 Mcf	31,291.8	31,345.0	53.2	0.0000	0
9	Next 49 Mcf	518,212.2	525,693.8	7,481.6	1.8715	14,002
10	Next 350 Mcf	592,600.8	610,049.8	17,449.0	1.8153	31,675
11	Next 600 Mcf	187,177.5	195,349.1	8,171.6	1.7296	14,134
12	Over 1,000 Mcf	<u>176,461.4</u>	<u>188,171.0</u>	<u>11,709.6</u>	1.5802	<u>18,504</u>
13	Total Rate Schedule GTO	1,505,743.7	1,550,608.7	44,865.0		78,315
1 COMMERCIAL						
2 Rate Schedule DS-IS						
3	First 30,000 Mcf	1,406,093.0	1,444,976.3	38,883.3	0.5467	21,258
4	Over 30,000 Mcf	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.2905	<u>0</u>
5	Total Rate Schedule DS-IS	1,406,093.0	1,444,976.3	38,883.3		21,258
6 COMMERCIAL						
7 Rate Schedule DS-GS						
8	First 1 Mcf	216.0	216.0	0.0	1.8153	0
9	Next 49 Mcf	10,576.0	10,576.0	0.0	1.8153	0
10	Next 350 Mcf	73,115.0	73,116.1	1.1	1.8153	2
11	Next 600 Mcf	98,088.0	99,225.1	1,137.1	1.7296	1,967
12	Over 1,000 Mcf	<u>61,333.0</u>	<u>67,277.7</u>	<u>5,944.7</u>	1.5802	<u>9,394</u>
13	Total Rate Schedule DS-GS	243,328.0	250,410.9	7,082.9		11,363.0
14 COMMERCIAL						
15	Rate Schedule FX1	193,168.0	196,599.3	3,431.3	0.1250	429
16 COMMERCIAL						
17 Rate Schedule SAS						
18	First 30,000	48,235.0	49,530.2	1,295.2	0.5467	708
19	Over 30,000	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.2905	<u>0</u>
20	Total Rate Schedule SAS	48,235.0	49,530.2	1,295.2		708
21 Transportation Summary by Customer Class						
22	Total Residential Transportation	2,028,781.0	2,107,449.9	78,668.9		146,456.0
23	Total Commercial Transportation	<u>3,396,567.7</u>	<u>3,492,125.4</u>	<u>95,557.7</u>		<u>112,073.0</u>
24	Total Tran Excl. Industrial	5,425,348.7	5,599,575.3	174,226.6		258,529
25 Total Company Throughput (Excl. Industrial)						
25	Total Company Throughput (Excl. Industrial)	15,805,255.8	16,352,988.7	547,732.9		936,717

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D)	Most Current Rates (J)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L)	Revenue Iner Less Gas Cost Rev (E-K)		% Iner In Rev Less Gas Cost Rev (M/K)	Gas Cost Revenue [2] (H)	Current Total Revenue (K+H)		Total Revenue % Increase (M/K) (O)
						Revenue (K)	Gas Cost (R)		Revenue (M)	Gas Cost (N)			Revenue (K)	Gas Cost (S)	
1		Sales Service													
2	GSR	General Service - Residential	1,198,356	6,753,303.0	19,699,317.68	43.65	8,291,463.55	42.1	70,242,455.17	89,941,772.85	56.50				
3	GIC	LG&E Commercial	54	5,980.4	9,842.46	0.02	0.00	0.0	62,203.34	72,045.80	0.05				
4	GIR	LG&E Residential	401	2,891.2	7,881.19	0.02	0.00	0.0	30,071.95	37,953.14	0.02				
5	INS	Inland Gas General Service - Residential	120	1,446.1	578.44	0.00	0.00	0.0	0.00	578.44	0.00				
6	IN3	Inland Gas General Service - Residential	12	77.2	30.88	0.00	0.00	0.0	0.00	30.88	0.00				
7	IN4	Inland Gas General Service - Residential	12	101.7	55.94	0.00	0.00	0.0	0.00	55.94	0.00				
8	IN5	Inland Gas General Service - Residential	60	679.7	407.82	0.00	0.00	0.0	0.00	407.82	0.00				
9	LG2	LG&E Residential	12	574.1	200.94	0.00	0.00	0.0	0.00	200.94	0.00				
10	LG2	LG&E Commercial	12	946.9	331.42	0.00	0.00	0.0	0.00	331.42	0.00				
11	LG3	LG&E Residential	12	492.0	178.62	0.00	0.00	0.0	0.00	178.62	0.00				
12	LG4	LG&E Residential	12	277.0	110.80	0.00	0.00	0.0	0.00	110.80	0.00				
13	GSO	General Service - Commercial	132,972	3,824,826.5	9,208,629.63	20.41	1,132,658.77	12.3	39,782,785.39	48,991,415.02	30.78				
14	GSO	General Service - Industrial	518	154,246.6	278,117.05	0.62	(5,527.27)	(2.0)	1,604,349.72	1,882,466.77	1.18				
15	GST	General Service - Trans Fallback - Comm	0	3,421.4	10,242.21	0.02	(10,205.27)	(99.6)	91,455.90	101,698.11	0.06				
16	GST	General Service - Trans Fallback - Ind	0	1,934.0	5,757.25	0.01	(5,757.25)	(100.0)	47,932.67	53,689.92	0.03				
17	IS	Interruptible Service - Commercial	0	2,799.4	18,546.73	0.04	(18,554.87)	(100.0)	29,117.12	47,663.85	0.27				
18	IS	Interruptible Service - Industrial	0	33,189.0	79,915.93	0.18	(79,915.93)	(100.0)	345,205.43	425,121.36	0.15				
19	IUS	Intrastate Utility Service - Wholesale	24	21,904.0	6,654.44	0.01	12,399.87	186.3	227,827.88	234,482.32	0.15				
20	SS	Standby Service - Commercial - Firm	0	4,984.1	27,899.61	0.06	(27,903.83)	(100.0)	205,056.00	232,955.61	0.15				
21	SS	Standby Service - Industrial - Firm	0	22,324.0	30,386.33	0.07	(30,386.33)	(100.0)	378,755.44	409,141.77	0.26				
22	SS	Standby Service - Commercial - Interr	0	2,055.7	1,123.85	0.00	(1,125.54)	(100.2)	21,381.75	22,505.60	0.01				
23	SS	Standby Service - Industrial - Interr	0	7.0	3.83	0.00	(3.83)	(100.0)	72.81	76.64	0.00				
24		Transportation Service													
25	GTR	GTS Choice - Residential	325,805	2,107,449.9	5,872,410.91	13.01	2,248,455.78	38.3	0.00	5,872,410.91	3.69				
26	GTO	GTS Choice - Commercial	42,961	1,550,608.7	3,537,586.64	7.84	343,888.16	9.7	0.00	3,537,586.64	2.22				
27	GTO	GTS Choice - Industrial	108	52,601.8	93,189.07	0.21	(2,571.54)	(2.8)	0.00	93,189.07	0.06				

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 3 through 40 for detail.
[3] Customers are included under Transportation Rate Schedules

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D)	Most Current Rates (E)	Current Annualized				% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (N) (%)	Current Total Revenue (K+H) (KI) (\$)		Total Revenue % Increase (M/KI) (O) (%)
						(Mcf)	(D)	(\$/Mcf)	Revenue (K)		Less Gas Cost (L)	Revenue (H)		Less Gas Cost (I)	Revenue (K)	
1		Transportation Service														
2	DS-IS	GTS Interruptible Service - Commercial	347	1,444,976.3		809,365.84	1.79	156,262.80	19.3	0.00	809,365.84	0.51				
3	DS-IS	GTS Interruptible Service - Industrial	554	7,528,288.0		3,455,403.78	7.66	485,767.95	14.1	0.00	3,455,403.78	2.17				
4	DS-SM ¹	GTS Special Rate - Industrial	12	116,733.0		75,115.57	0.17	2,593.28	3.5	0.00	75,115.57	0.05				
5	DS-GS	GTS General Service - Commercial	216	250,410.9		442,324.72	0.98	(12,433.61)	(2.8)	0.00	442,324.72	0.28				
6	DS-GS	GTS General Service - Industrial	108	118,250.0		207,324.24	0.46	(5,220.42)	(2.5)	0.00	207,324.24	0.13				
7	DS3	GTS Main Line Service - Industrial	24	200,189.0		18,517.82	0.04	5,477.30	29.6	0.00	18,517.82	0.01				
8	FX1	GTS Flex Rate - Commercial	12	196,599.3		25,354.91	0.06	2,290.80	9.0	0.00	25,354.91	0.02				
9	FX2	GTS Flex Rate - Industrial	10	11,232.0		2,054.00	0.00	1,986.88	96.7	0.00	2,054.00	0.00				
10	FX4	GTS Flex Rate - Industrial	12	144,672.0		47,689.20	0.11	2,400.00	5.0	0.00	47,689.20	0.03				
11	FX5	GTS Flex Rate - Industrial	34	5,152,027.0		443,944.52	0.98	6,800.00	1.5	0.00	443,944.52	0.28				
12	FX6	GTS Flex Rate - Industrial	12	244,692.0		21,665.37	0.05	2,400.00	11.1	0.00	21,665.37	0.13				
13	FX7	GTS Flex Rate - Industrial	12	586,958.0		206,739.50	0.46	2,400.00	1.2	0.00	206,739.50	0.02				
14	SAS	GTS Special Agency Service	12	49,530.2		27,748.96	0.06	2,400.00	8.6	0.00	27,748.96	0.02				
15	SC2	GTS Special Rate - Industrial	12	234,904.0		31,317.52	0.07	2,290.80	7.3	0.00	31,317.52	0.02				
16	SC3	GTS Special Rate - Industrial	12	3,239,241.0		421,881.33	0.94	2,290.80	0.5	0.00	421,881.33	0.27				
17		Total Sales and Transportation	1,702,840	34,067,824.1		45,125,846.95	100.00	12,504,621.05	27.7	113,068,670.57	158,194,517.52	99.39				
18		Other Gas Department Revenue														
19		Acct. 487 Forfeited Discounts									388,732.00	0.24				
20		Acct. 488 Miscellaneous Service Revenue									118,856.00	0.07				
21		Acct. 495 Non-Traditional Sales									0.00	0.00				
22		Acct. 495 Prior Yr. Rate Refund - Net									474,858.00	0.30				
23		Acct. 495 Other Gas Revenues - Other									982,446.00	0.61				
24		Total Other Gas Department Revenue									159,176,963.52	100.00				
25		Total Gross Revenue														

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 3 through 40 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Schedule M-2.2
Page 3 of 40
Witness: M. P. Balmert

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current Annualized		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K+H) (K1) (\$)		Total Revenue % Increase (M/K1) (O) (%)	
						Revenue (R) (\$)	Less Gas Cost (Q) (\$)		Revenue (P) (\$)	Less Gas Cost (S) (\$)			Revenue (J) (\$)	Less Gas Cost (T) (\$)	Revenue (I) (\$)	Less Gas Cost (U) (\$)
1	GSR	General Service - Residential														
2		RESIDENTIAL														
3		Customer Charge:	1,198,356		0.00	0.00	0.0	15,279,039.00	0.0	0.0	0.0	0.00	0.00			
4		Commodity Charge:														
5		First 1 Mcf		886,497.1	6.9500	8,328,574.20	42.3	(6,711,248.89)	(80.6)	9,220,633.64	17,549,207.84					
6		Over 1 Mcf		5,866,805.9	1.8715	10,979,727.24	55.7	(2,76,326.56)	(2.5)	61,021,821.53	72,001,548.77					
7		EAP Recovery			0.0579	391,016.24	2.0	0.00	0.0	0.00	391,016.24					
8		Total	1,198,356	6,753,303.0		19,699,317.68	100.0	8,291,463.55	42.1	70,242,455.17	89,941,772.85					

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(S):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To		Revenue Incr Less		% Iner In Gas Cost Rev (M/K) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue		Total Revenue % Increase (O) (%)
						Revenue (I) (\$)	Gas Cost (K) (\$)	Total Revenue (L) (%)	Gas Cost Revenue (F-K) (M) (\$)	Gas Cost Rev (N) (%)	Revenue (K+H) (K) (\$)			% Increase (O) (%)		
1	G1C	LG&E Commercial														
2		COMMERCIAL														
3		Customer Charge:	54		16.50	891.00	891.00	9.1	0.00	0.0	0.00	0.0	0.00	891.00		
4		Commodity Charge:														
5		All Gas Consumed		5,980.4	1.4968	8,951.46	8,951.46	90.9	0.00	0.0	0.00	62,203.34	71,154.80			
6		Total	54	5,980.4		9,842.46	9,842.46	100.0	0.00	0.0	0.00	62,203.34	72,045.80			

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (E-K) (M) (\$)		% Iner In Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (2) (H) (\$)	Current Total Revenue (K+H) (K1) (\$)		Total Revenue % Increase (M/K1) (O) (%)	
						Revenue (K) (\$)	Gas Cost Revenue (K) (\$)		Revenue (F-K) (M) (\$)	Gas Cost Rev (M) (\$)			Revenue (K1) (\$)	Gas Cost Revenue (K1) (\$)	Revenue (M/K1) (O) (%)	Total Revenue (M/K1) (O) (%)
1	GIR	LG&E Residential	401		8.50	3,408.50	43.2	0.00	0.00	0.0	0.00	0.00	3,408.50			
2		RESIDENTIAL														
3		Customer Charge:														
4		Commodity Charge:														
5		All Gas Consumed		2,891.2	1.547	4,472.69	56.8	9.00	30,071.95	0.0	30,071.95	34,544.64				
6		Total	401	2,891.2		7,881.19	100.0	0.00	30,071.95	0.0	30,071.95	37,953.14				

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

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Work Paper Reference No(s):

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Line No.	Rate Code	Class/Description	Customer Bills	Sales [I] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F-K) (M) (\$)		% Iner In Rev Less Gas Cost Rev (M/K) (%)	Gas Cost Revenue [Z] (H) (\$)	Current Total Revenue		Total Revenue % Increase (M/KI) (O) (%)	
						Gas Cost Revenue (K) (\$)	Gas Cost Rev (N) (\$)		Gas Cost Rev (K) (\$)	Gas Cost Rev (N) (\$)			(K+H) (K) (\$)	(M/KI) (O) (\$)		
1	IN3	Inland Gas General Service - Residential														
2		RESIDENTIAL	120		0.00	0.00	0.00	0.0	0.00	0.0	0.0	0.00	0.00	578.44	0.00	
3		Customer Charge:														
4		Commodity Charge:														
5		All Gas Consumed		1,446.1	0.4000	578.44	100.0	0.0	0.00	0.0	0.0	0.00	578.44	578.44		
6		Total	120	1,446.1		578.44	100.0	0.00	0.00	0.0	0.0	0.00	578.44	578.44		

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)		% Incr Ln Rev Less Gas Cost Rev (M / K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue		% Increase (M / K1) (O) (%)
						Gas Cost Revenue (K) (\$)	Revenue (M) (\$)		Gas Cost Rev (N) (%)	Revenue (H) (\$)			Total Revenue (K1) (\$)	Total Revenue (M / K1) (%)	
1	IN3	Inland Gas General Service - Commercial													
2		COMMERCIAL													
3		Customer Charge:	12		0.00	0.00	0.00	0.0	0.00	0.00	0.0	0.00	0.00	0.00	
4		Commodity Charge:													
5		All Gas Consumed		77.2	0.4000	30.88	100.0	100.0	0.00	0.00	0.0	0.00	30.88	30.88	
6		Total	12	77.2		30.88	100.0	100.0	0.00	0.00	0.0	0.00	30.88	30.88	

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales [1] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F - K) (M) (\$)		% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (KK) (\$)		Total Revenue % Increase (M/KI) (O) (%)	
						Gas Cost Revenue (K) (\$)	Revenue (K) (\$)		Gas Cost Rev (M) (\$)	Revenue (M) (\$)			Gas Cost Rev (K) (\$)	Revenue (K) (\$)	Gas Cost Rev (M) (\$)	Revenue (M) (\$)
1	IN4	Inland Gas General Service - Residential														
2		RESIDENTIAL														
3		Customer Charge:	12		0.00	0.00	0.0	0.00	0.00	0.0	0.00	0.00	0.00	0.00		
4		Commodity Charge:														
5		All Gas Consumed		101.7	0.5500	55.94	100.0	0.00	0.00	0.0	0.00	55.94	55.94			
6		Total	12	101.7		55.94	100.0	0.00	0.00	0.0	0.00	55.94	55.94			

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales [1] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F-K) (M) (\$)		% Iner In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K+H) (K1) (\$)		Total Revenue % Increase (M/K1) (O) (%)	
						Gas Cost Revenue (K) (\$)	Revenue (S) (\$)		Gas Cost Rev (M) (\$)	Revenue (N) (\$)			Gas Cost Rev (K1) (\$)	Total Revenue (H1) (\$)	Gas Cost Rev (O) (\$)	Total Revenue (P) (\$)
1	IN5	Inland Gas General Service - Residential														
2		RESIDENTIAL														
3		Customer Charge:	60		0.00	0.00	0.0	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
4		Commodity Charge:														
5		All Gas Consumed		679.7	0.6000	407.82	100.0	0.00	0.0	0.0	0.0	0.00	407.82	407.82	407.82	407.82
6		Total	60	679.7		407.82	100.0	0.00	0.0	0.0	0.0	0.00	407.82	407.82	407.82	407.82

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current		% of Rev To		Revenue		% Incr In		Gas Cost		Current Total Revenue		Total Revenue			
						Revenue (K) (\$)	Less Gas Cost (L) (%)	Total Gas Cost (M) (\$)	Less Revenue (N) (%)	Incr Gas Cost (O) (\$)	Less Revenue (P) (%)	Revenue (Q) (\$)	Less Gas Cost (R) (\$)	Revenue (S) (\$)	Less Gas Cost (T) (\$)	Revenue (U) (\$)	Less Gas Cost (V) (\$)	Revenue (W) (\$)	Less Gas Cost (X) (\$)	Revenue (Y) (\$)	Less Gas Cost (Z) (\$)
1	LGZ	LG&E Residential																			
2		RESIDENTIAL																			
3		Customer Charge:	12		0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4		Commodity Charge:																			
5		All Gas Consumed		574.1	0.3500	200.94	100.0	100.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	200.94	200.94	200.94	200.94	
6		Total	12	574.1		200.94	100.0	100.0	0.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	200.94	200.94	200.94	200.94	

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less	Revenue Incr Less		% Incr In Rev Less	Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (I) (%)	Current Total Revenue (K+H) (K) (\$) (L) (%)	Total Revenue (M/KI) (O) (%)
						Revenue (K) (\$)	Gas Cost (L) (%)		Gas Cost Rev (E-K) (M) (\$) (N) (%)	Gas Cost Rev (F-K) (M) (\$) (N) (%)					
1	LG2	LG&E Commercial				0.00	0.00	0.0	0.00	0.0	0.0	0.00	0.00	0.00	
2		COMMERCIAL													
3		Customer Charge:	12			0.00	0.00	0.0	0.00	0.0	0.0	0.00	0.00	0.00	
4		Commodity Charge:													
5		All Gas Consumed		946.9	0.3500	331.42	331.42	100.0	0.00	0.0	0.0	0.00	0.00	331.42	
6		Total	12	946.9		331.42	331.42	100.0	0.00	0.0	0.0	0.00	0.00	331.42	

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To		Revenue Iner Less		% Iner In		Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
						Gas Cost Revenue (K) (\$)	Revenue Less Gas Cost Revenue (L) (%)	Gas Cost Rev (F-K) (M) (\$)	Rev Less Gas Cost Rev (N) (%)							
1	LG3	LG&E Residential														
2		RESIDENTIAL			1.20	14.40	8.1	0.0	0.0	0.0	0.0	0.0	0.00	14.40		
3		Customer Charge:														
4		Commodity Charge:														
5		First 2 Mcf		22.8	0.0000	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00		
6		Over 2 Mcf		469.2	0.3500	164.22	91.9	0.0	0.0	0.0	0.0	0.0	0.00	164.22		
7		Total	12	492.0		178.62	100.0	0.0	0.0	0.0	0.0	0.0	0.00	178.62		

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales [I] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To		Revenue Incr Less		% Incr In		Gas Cost Rev		Current Total Revenue		Total Revenue % Increase				
						Gas Cost Revenue (K) (\$)	Revenue (S) (\$)	Total Less Gas Cost Revenue (L) (%)	Gas Cost Rev (M) (\$)	Gas Cost Rev (N) (%)	Gas Cost Rev (O) (\$)	Gas Cost Rev (P) (\$)	Current Total Revenue (R) (\$)	Total Revenue (S) (\$)	(M/K1) (%)	(O) (%)						
1	LG4	LG&E Residential																				
2		RESIDENTIAL																				
3		Customer Charge:	12	0.00	0.00	0.00	0.00	0.0	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4		Commodity Charge:																				
5		All Gas Consumed		277.0	0.4000	110.80	110.80	100.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	110.80	110.80	110.80	110.80	110.80	110.80
6		Total	12	277.0		110.80	110.80	100.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	110.80	110.80	110.80	110.80	110.80	110.80

[1] Reflects Normalized Volumes.

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Line No.	Rate Code	Class/Description	Current Annualized				Revenue Less Gas Cost	Revenue Less Gas Cost Rev	% of Rev To Total Less Gas Cost	Revenue Less Gas Cost Rev	% Incr In Rev Less Gas Cost Rev	Gas Cost Revenue [2]	Current Total Revenue	Total Revenue	% Increase		
			Customer Bills	Sales [1]	Most Current Rates	Revenue										(C)	(D)
			(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
1	GSO	General Service - Commercial															
2	COMMERCIAL																
3	Customer Charge:		132,972			0.00	0.00	0.0	3,723,216.00	0.0	0.00	0.00	0.00				
4	Commodity Charge:																
5	First 1 Mcf		94,814.5	18,8800		18.8800	2,510,511.36	27.3	0.00	0.0	986,184.58	3,496,695.94					
6	Next 49 Mcf		1,354,895.0	1.8715		1.8715	2,535,685.99	27.5	(2,337,531.79)	(92.2)	14,092,533.87	16,628,219.86					
7	Next 350 Mcf		1,471,472.1	1.8153		1.8153	2,671,163.30	29.0	(63,815.55)	(2.4)	15,305,075.61	17,976,238.91					
8	Next 600 Mcf		423,891.0	1.7296		1.7296	733,161.87	8.0	(148,177.24)	(20.2)	4,408,975.07	5,142,136.94					
9	Over 1,000 Mcf		479,753.9	1.5802		1.5802	758,107.11	8.2	(41,032.65)	(5.4)	4,990,016.26	5,748,123.37					
10	Total		132,972	3,824,826.5			9,208,629.63	100.0	1,132,658.77	12.3	39,782,785.39	48,991,415.02					

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

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						Revenue (K) (\$)	Gas Cost (L) (\$)		Revenue (F) (\$)	Gas Cost Rev (G) (\$)				
1	GSO	General Service - Industrial												
2		INDUSTRIAL												
3		Customer Charge:	518		0.00	0.00	0.00	0.0	14,504.00	0.0	0.00	0.00	0.00	
4		Commodity Charge:												
5		First 1 Mcf		395.2	18.8800	9,779.84	9,779.84	3.5	0.00	0.0	4,110.55	13,890.39	13,890.39	
6		Next 49 Mcf		14,644.6	1.8715	27,407.37	27,407.37	9.9	(9,058.84)	(33.1)	152,321.41	179,728.78	179,728.78	
7		Next 350 Mcf		63,818.3	1.8153	115,849.36	115,849.36	41.7	(689.76)	(0.6)	663,786.90	779,636.26	779,636.26	
8		Next 600 Mcf		39,836.5	1.7296	68,901.21	68,901.21	24.8	(6,426.50)	(9.3)	414,347.40	483,248.61	483,248.61	
9		Over 1,000 Mcf		35,552.0	1.5802	56,179.27	56,179.27	20.1	(3,856.17)	(6.9)	369,783.46	425,962.73	425,962.73	
10		Total	518	154,246.6		278,117.05	278,117.05	100.0	(5,527.27)	(2.0)	1,604,349.72	1,882,466.77	1,882,466.77	

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current		% of Rev To		Revenue		% Iner In Rev Less (M/K) (N) (%)	Gas Cost Revenue (H) (I) (S)	Current Total Revenue (K+H) (K1) (S)	Total Revenue % Increase (M/K1) (O) (%)
						Revenue Less Gas Cost (K) (S)	Revenue (L) (%)	Incr Less Gas Cost Rev (F-K) (M) (S)	Total Less Gas Cost Revenue (U) (%)						
1	GST	General Service - Trans Fallback - Comm													
2		COMMERCIAL													
3		Demand Charge:		8,532.0	6.5482								55,869.24	55,869.24	
4		Customer Charge:	216		0.00			0.0					0.00	0.00	
5		Commodity Charge:													
6		First 1 Mcf		11.0	18.8800	4,078.08	39.8	(4,078.08)					11.41	4,192.49	
7		Next 49 Mcf		536.0	1.8715	1,003.12	9.8	(1,000.75)					5,575.04	6,578.16	
8		Next 350 Mcf		2,210.6	1.8153	4,012.90	39.2	(4,003.64)					22,992.89	27,005.79	
9		Next 600 Mcf		663.8	1.7296	1,148.11	11.2	(1,122.80)					6,904.32	8,052.43	
10		Over 1,000 Mcf		0.0	1.5802	0.00	0.0	0.00					0.00	0.00	
11		Total	216	3,421.4		10,242.21	100.0	(10,205.27)					91,455.90	101,698.11	

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

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						Revenue Less Gas Cost (K) (\$)	Revenue (S)	Total Less Gas Cost (L) (%)	Incr Less Gas Cost Rev (F-K) (M) (\$)	Gas Cost Rev (N) (%)	Gas Cost Rev (M/K) (N) (%)					
1	GST	General Service - Trans Failback - Ind														
2		INDUSTRIAL														
3		Demand Charge:		4,248.0	6.5482									27,816.75	27,816.75	
4		Customer Charge:	120		0.00		0.00	0.0	0.00	0.00	0.0	0.00			0.00	
5		Commodity Charge:														
6		First 1 Mcf		6.0	18.8800		2,265.60	39.4	(2,265.60)	(100.0)	(100.0)	62.41	2,328.01		2,328.01	
7		Next 49 Mcf		294.0	1.8715		550.22	9.6	(550.22)	(100.0)	(100.0)	3,057.95	3,608.17		3,608.17	
8		Next 350 Mcf		1,345.0	1.8153		2,441.58	42.4	(2,441.58)	(100.0)	(100.0)	13,989.61	16,431.19		16,431.19	
9		Next 600 Mcf		289.0	1.7296		499.85	8.7	(499.85)	(100.0)	(100.0)	3,005.95	3,505.80		3,505.80	
10		Over 1,000 Mcf		0.0	1.5802		0.00	-0.1	0.00	0.0	0.0	0.00	0.00		0.00	
11		Total	120	1,934.0			5,757.25	100.0	(5,757.25)	(100.0)	(100.0)	47,932.67	53,689.92		53,689.92	

[1] Reflects Normalized Volumes.
[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

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Data: X Base Period _ Forecasted Period
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Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales [1] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current		% of Rev To		Revenue		% Incr In		Gas Cost Revenue [2] (H) (\$)	Current		Total		
						Revenue (K) (\$)	Less Gas Cost (L) (\$)	Total Revenue (L) (\$)	Gas Cost Revenue (M) (\$)	Incr Less Gas Cost Rev (F - K) (M) (\$)	Gas Cost Rev (N) (%)	Rev Less Gas Cost Rev (M / K) (N) (%)	Total Revenue (K + H) (K1) (\$)		Total Revenue Increase (M / K1) (O) (%)				
1	IS	Interruptible Service - Commercial																	
2		COMMERCIAL																	
3		Customer Charge:	146		116.55	17,016.30	17,016.30	91.7		(17,016.30)	(100.0)		0.00		17,016.30				
4		Commodity Charge:																	
5		First 30,000 Mcf		2,799.4	0.5467	1,530.43	1,530.43	8.3	(1,538.57)	(100.5)			29,117.12		30,647.55				
6		Over 30,000 Mcf		0.0	0.2905	0.00	0.00	0.0	0.00	0.0			0.00		0.00				
7		Total	146	2,799.4		18,546.73	18,546.73	100.0	(18,554.87)	(100.0)			29,117.12		47,663.85				

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (E-K) (M) (\$)		% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (I) (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
						Revenue (K) (\$)	Gas Cost Revenue (K) (\$)		Revenue (F-K) (M) (\$)	Gas Cost Rev (N) (%)				
1	IS	Interruptible Service - Industrial												
2		INDUSTRIAL	530		116.55	61,771.50	77.3	(61,771.50)	(100.0)			61,771.50		
3		Customer Charge:												
4		Commodity Charge:												
5		First 30,000 Mcf		33,189.0	0.5467	18,144.43	22.7	(18,144.43)	(100.0)			363,349.86		
6		Over 30,000 Mcf		0.0	0.2905	0.00	0.0	0.00	0.0			0.00		
7		Total	530	33,189.0		79,915.93	100.0	(79,915.93)	(100.0)			425,121.36		

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current		% of Rev To		Revenue Iner Less		% Iner In Rev Less		Gas Cost Revenue [2] (H) (\$)	Current Total Revenue		Total Revenue % Increase (M / KI) (O) (%)		
						Revenue Less Gas Cost (K) (\$)	Revenue (L) (%)	Gas Cost Rev (F - K) (M) (\$)	Gas Cost Rev (N) (%)	Revenue (K+H) (KI) (\$)	Revenue (M / KI) (O) (%)								
1	IUS	Intrastate Utility Service - Wholesale																	
2		WHOLESALE																	
3		Customer Charge:	24	0.00	0.00	0.00	6,120.00	0.0	0.0	0.0	0.0	0.0	0.00						
4		Commodity Charge:																	
5		All Gas Consumed		21,904.0	0.3038	6,654.44	6,279.87	100.0	100.0	227,827.88	94.4	227,827.88	234,482.32						
6		Total	24	21,904.0		6,654.44	12,399.87	100.0	100.0	227,827.88	186.3	227,827.88	234,482.32						

[1] Reflects Normalized Volumes.
[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

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						Revenue (K) (\$)	Gas Cost (I) (\$)		Gas Cost Rev (F-K) (M) (\$)	Revenue (G) (\$)			Revenue (I+H) (K) (\$)	Gas Cost (H) (\$)	Revenue (O) (\$)	
1	SS	Standby Service - Commercial														
2		COMMERCIAL														
3		Demand Charge:		24,456.0	6.5482							160,142.78	160,142.78			
4		Customer Charge:	216		116.55	25,174.80	86.7	(25,174.80)		(100.0)	0.00	0.00	25,174.80			
5		Firm Commodity Charge:														
6		First 30,000 Mcf		4,984.1	0.5467	2,724.81	9.4	0.00		0.0	0.0	44,913.22	47,638.03			
7		Over 30,000 Mcf		0.0	0.2905	0.00	0.0	(2,729.03)		0.0	0.00	0.00	0.00			
8		Total Firm		4,984.1		27,899.61		(27,903.83)		(100.0)	205,056.00	232,955.61				
9		Interruptible Commodity Charge:														
10		First 30,000 Mcf		2,055.7	0.5467	1,123.85	3.9	0.00		0.0	0.0	21,381.75	22,505.60			
11		Over 30,000 Mcf		0.0	0.2905	0.00	0.0	(1,125.54)		0.0	0.00	0.00	0.00			
12		Total Interruptible		2,055.7		1,123.85		(1,125.54)		(100.2)	21,381.75	22,505.60				
13		Total	216	7,039.8		29,023.46	100.0	(29,029.37)		(100.0)	226,437.75	255,461.21				

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

[3] Reflects Expected Gas Cost Commodity Rate of \$9.0113/Mcf as of December 1, 2006.

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						Gas Cost Revenue (K) (\$)	Gas Cost Revenue (L) (%)	Gas Cost Rev (E - J) (M) (\$)	Gas Cost Rev (N) (%)	Revenue (K+H) (K) (\$)	Revenue (M./K.) (P) (%)							
1	SS	Standby Service - Industrial																
2		INDUSTRIAL																
3		Demand Charge:		27,120.0	6.5482								177,587.18		177,587.18			
4		Customer Charge:	156		116.55	18,181.80	59.8	(18,181.80)	(100.0)				0.00		18,181.80			
5		Firm Commodity Charge:																
6		First 30,000 Mcf		22,324.0	0.5467	12,204.53	40.2	0.00	0.0				201,168.26		213,372.79			
7		Over 30,000 Mcf		0.0	0.2905	0.00	0.0	(12,204.53)	0.0				0.00		0.00			
8		Total Firm		22,324.0		30,386.33		(30,386.33)	(100.0)				378,755.44		409,141.77			
9		Interruptible Commodity Charge:																
10		First 30,000 Mcf		7.0	0.5467	3.83	0.0	0.00	0.0				72.81		76.64			
11		Over 30,000 Mcf		0.0	0.2905	0.00	0.0	(3.83)	0.0				0.00		0.00			
12		Total Interruptible		7.0		3.83		(3.83)	(100.0)				72.81		76.64			
13		Total	156	22,331.0		30,390.16	100.0	(30,390.16)	(100.0)				378,828.25		409,218.41			

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

[3] Reflects Expected Gas Commodity Rate of \$9.0113/Mcf as of December 1, 2006.

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						Revenue Less Gas Cost Revenue (K) (\$)	Gas Cost Revenue (K) (\$)		Revenue (M) (\$)	Gas Cost Rev (N) (%)			Revenue (K+H) (K) (\$)	Revenue (O) (%)		
1	GTR	GTS Choice - Residential	325,805		0.00	0.00	0.0	4,154,013.75	0.0	0.00	0.00	0.00	2,264,344.75	3,486,044.81	122,021.35	5,872,410.91
2	RESIDENTIAL															
3		Customer Charge:														
4		Commodity Charge:														
5		First 1 Mcf		248,226.0	6.9500	2,264,344.75	38.6	(1,811,481.24)	(80.0)	0.00	0.00	0.00	2,264,344.75	3,486,044.81	122,021.35	5,872,410.91
6		Over 1 Mcf		1,859,223.9	1.8750	3,486,044.81	59.4	(94,076.73)	(2.7)	0.00	0.00	0.00	3,486,044.81	3,486,044.81	122,021.35	5,872,410.91
7		EAP Recovery			0.0579	122,021.35	2.0	0.00	0.0	0.00	0.00	0.00	122,021.35	122,021.35	122,021.35	5,872,410.91
8		Total	325,805	2,107,449.9		5,872,410.91	100.0	2,248,455.78	38.3	0.00	0.00	0.00	5,872,410.91	5,872,410.91	122,021.35	5,872,410.91

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost (L) (%)	Revenue Iner Less Gas Cost Rev (F-K) (M) (\$)		% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K1) (\$)		Total Revenue % Increase (M/K1) (O) (%)	
						Revenue	Gas Cost		Gas Cost Rev	Iner Less Gas Cost Rev			Total Revenue	Gas Cost	Total Revenue	% Increase
1	GTO	GTS Choice - Commercial														
2		COMMERCIAL														
3		Customer Charge:	42,961		0.00	0.00	0.0	1,202,908.00	0.0	0.0	0.0	0.00	0.00	0.00		
4		Commodity Charge:														
5		First 1 Mcf		31,345.0	18.8800	811,103.68	22.9	0.00	0.0	0.0	0.0	0.00	811,103.68			
6		Next 49 Mcf		525,693.8	1.8715	983,835.95	27.8	(753,917.86)	(76.6)	(76.6)	0.00	0.00	983,835.95			
7		Next 350 Mcf		610,049.8	1.8153	1,107,423.40	31.3	(24,760.18)	(2.2)	(2.2)	0.00	0.00	1,107,423.40			
8		Next 600 Mcf		195,349.1	1.7296	337,875.80	9.6	(61,432.01)	(18.2)	(18.2)	0.00	0.00	337,875.80			
9		Over 1,000 Mcf		188,171.0	1.5802	297,347.81	8.4	(18,909.79)	(6.4)	(6.4)	0.00	0.00	297,347.81			
10		Total	42,961	1,550,608.7		3,537,586.64	100.0	343,888.16	9.7	9.7	0.00	0.00	3,537,586.64			

[1] Reflects Normalized Volumes.

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						Revenue Less Gas Cost Revenue (K) (S)	Incr Less Gas Cost Rev (F-K) (M) (S)		Revenue (K) (S)	Total Revenue (K+H) (K) (S)					
1	GTO	GTS Choice - Industrial	108		0.00	0.00	0.00	0.0	3,024.00	0.0	0.0	0.00	0.00	0.00	
2		INDUSTRIAL													
3		Customer Charge:													
4		Commodity Charge:													
5		First 1 Mcf		102.2	18.8800	2,039.04	2.2	0.00	0.00	0.0	0.00	2,039.04	2,039.04		
6		Next 49 Mcf		4,094.0	1.8715	7,661.92	8.2	(1,852.59)	(24.2)	0.0	0.00	7,661.92	7,661.92		
7		Next 350 Mcf		19,055.7	1.8153	34,591.81	37.1	(192.83)	(0.6)	0.00	0.00	34,591.81	34,591.81		
8		Next 600 Mcf		16,851.3	1.7296	29,146.01	31.3	(1,918.91)	(6.6)	0.00	0.00	29,146.01	29,146.01		
9		Over 1,000 Mcf		12,498.6	1.5802	19,750.29	21.2	(1,631.21)	(8.3)	0.00	0.00	19,750.29	19,750.29		
10		Total	108	52,601.8		93,189.07	100.0	(2,571.54)	(2.8)	0.00	0.00	93,189.07	93,189.07		

[1] Reflects Normalized Volumes.

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						Gas Cost	Revenue		Gas Cost Rev	Revenue			(K+H) (K1) (\$)	(O) (%)		
1	DS-IS	GTS Interruptible Service - Commercial														
2		COMMERCIAL														
3		Demand Charge:		24,456.0	0.0000							0.00				0.00
4		Customer Charge:	347		0.00	0.0	69,400.00	0.0				0.00				0.00
5		Administrative Charge:	347		55.90	2.4	0.00	0.0				0.00				19,397.30
6		Commodity Charge:														
7		First 30,000 Mcf		1,444,976.3	0.5467	97.6	86,862.80	97.6	86,862.80	11.0	0.00	0.00				789,968.54
8		Over 30,000 Mcf		0.0	0.2905	0.0	0.00	0.0	0.00	0.0	0.00	0.00				0.00
9		Total	347	1,444,976.3		100.0	156,262.80	100.0	156,262.80	19.3	0.00	0.00				809,365.84

[1] Reflects Normalized Volumes.

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						Revenue (K) (\$)	Gas Cost (K) (\$)		Revenue (F-K) (M) (\$)	Gas Cost Rev (M) (\$)				
1	DS-IS	GTS Interruptible Service - Industrial												
2		INDUSTRIAL												
3		Demand Charge:		27,120.0	0.0000							0.00	0.00	
4		Customer Charge:	554		0.00		0.0	110,800.00		0.0		0.00	0.00	
5		Administrative Charge:	554		55.90		0.9	0.00		0.0		0.00	30,968.60	
6		Commodity Charge:												
7		First 30,000 Mcf		4,830,084.0	0.5467		76.4	296,406.23		11.2		0.00	2,640,606.92	
8		Over 30,000 Mcf		2,698,204.0	0.2905		22.7	78,561.72		10.0		0.00	783,828.26	
9		Total	554	7,528,288.0			100.0	485,767.95		14.1		0.00	3,455,403.78	

[1] Reflects Normalized Volumes.

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						Revenue (K) (\$)	Less Gas Cost (L) (%)		Revenue (M) (\$)	Less Gas Cost (N) (%)			Revenue (K) (\$)	Less Gas Cost (H) (\$)	Revenue (M) (\$)	Less Gas Cost (O) (%)
1		DS-SM ¹ GTS Special Rate - Industrial														
2		INDUSTRIAL														
3		Customer Charge:	12		0.00	0.00	0.0	2,400.00	0.0	0.0	0.0	0.00	0.00	0.00		
4		Administrative Charge:	12		65.00	780.00	1.0	(109.20)	(14.0)	0.00	0.00	0.00	780.00	0.00		
5		Commodity Charge:														
6		First 30,000 Mcf		116,733.0	0.6368	74,335.57	99.0	302.48	0.4	0.00	0.00	0.00	74,335.57	0.00		
7		Over 30,000 Mcf		0.0	0.3384	0.00	0.0	0.00	0.0	0.00	0.00	0.00	0.00	0.00		
8		Total	12	116,733.0		75,115.57	100.0	2,593.28	3.5	0.00	0.00	0.00	75,115.57	0.00		

[1] Reflects Normalized Volumes.

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(Gas Service)

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Data: X Base Period _ Forecasted Period
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Work Paper Reference No(s):

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales [1] (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current Revenue Less		% of Rev To		Revenue Incr Less		% Incr In		Current Total Revenue		Total Revenue	
						Gas Cost Revenue (K) (\$)	Gas Cost Revenue (L) (%)	Gas Cost Rev (F-K) (M) (\$)	Gas Cost Rev (N/K) (N) (%)	Gas Cost Revenue [2] (H) (\$)	Gas Cost Rev (O) (%)	Revenue (K+H) (Kl) (\$)	Revenue (O) (%)				
1	DS-GS	GTS General Service - Commercial															
2		COMMERCIAL															
3		Demand Charge:		8,532.0	0.0000								0.00		0.00		
4		Customer Charge:	216		0.00		0.0		6,048.00		0.0		0.00		0.00		
3		Administrative Charge:	216		55.90		2.7		0.00		0.0		0.00		12,074.40		
4		Commodity Charge:															
5		First 1 Mcf		216.0	1.8153		0.1		1.97		0.5		0.00		392.10		
6		Next 49 Mcf		10,576.0	1.8153		4.3		96.24		0.5		0.00		19,198.61		
7		Next 350 Mcf		73,116.1	1.8153		30.0		(7,362.79)		(5.5)		0.00		132,727.66		
8		Next 600 Mcf		99,225.1	1.7296		38.8		(9,383.09)		(5.5)		0.00		171,619.73		
9		Over 1,000 Mcf		67,277.7	1.5802		24.0		(1,833.94)		(1.7)		0.00		106,312.22		
10		Total	216	250,410.9			99.9		(12,433.61)		(2.8)		0.00		442,324.72		

[1] Reflects Normalized Volumes.

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Line No.	Rate Code	Class/Description	Customer Bills	Sales [I] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less (F - K) (M) (\$)		% Iner In Rev Less Gas Cost Rev (N/K) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue		Total Revenue % Increase (M/K1) (O) (%)
						Gas Cost Revenue (K) (\$)	Revenue (L)		Gas Cost Rev (M) (\$)	Iner Less (N) (\$)			Current Total Revenue (K+H) (K1) (\$)	Total Revenue (M/K1) (O) (\$)	
1	DS-GS	GTS General Service - Industrial													
2		INDUSTRIAL													
3		Demand Charge:	108	4,248.0	0.0000							0.00			0.00
4		Customer Charge:	108		0.00		0.0	3,024.00		0.0		0.00			0.00
5		Administrative Charge:	108		55.90		2.9	0.00		0.0		0.00			6,037.20
6		Commodity Charge:													
7		First 1 Mcf		107.0	1.8153		0.1	0.97		0.5		0.00			194.24
8		Next 49 Mcf		4,965.0	1.8153		4.3	45.19		0.5		0.00			9,012.96
9		Next 350 Mcf		30,635.0	1.8153		26.8	(2,959.78)		(5.3)		0.00			55,611.72
10		Next 600 Mcf		40,386.0	1.7296		33.7	(3,909.37)		(5.6)		0.00			69,851.63
11		Over 1,000 Mcf		42,157.0	1.5802		22.2	(1,421.43)		(2.1)		0.00			66,616.49
12		Total	108	118,250.0			100.0	(5,220.42)		(2.5)		0.00			207,324.24

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost		% of Rev To Total Less Gas Cost		Revenue Iner Less Gas Cost Rev		% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (S)	Current Total Revenue (K+H) (K1) (S)		Total Revenue % Increase (M/K1) (O) (%)
						Revenue (K) (S)	Gas Cost (I) (S)	Total Revenue (L) (%)	Gas Cost Rev (E-K) (M) (S)	Iner Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (S)			Total Revenue (K1) (S)		
1	DS3	GTS Main Line Service - Industrial														
2		INDUSTRIAL														
3		Customer Charge:	24		0.00	0.00	0.00	0.0	4,800.00	0.0	0.0	0.00	0.00	0.00	0.00	
4		Administrative Charge:	24		55.90	1,341.60	7.2	0.00	0.00	0.0	0.0	0.00	0.00	1,341.60		
5		Commodity Charge:														
6		All Gas Consumed		200,189.0	0.0858	17,176.22	92.8	577.30	677.30	3.2	3.2	0.00	0.00	17,176.22		
7		Total	24	200,189.0		18,517.82	100.0	5,477.30	5,477.30	29.6	29.6	0.00	0.00	18,517.82		

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost		% of Rev To Total Less Gas Cost		Revenue Iner Less Gas Cost Rev		% Iner In Rev Less Gas Cost Rev		Current Total Revenue (K+H) (K) (H) (\$)		Total Revenue % Increase (M/KI) (O) (%)	
						Revenue (K) (\$)	Gas Cost Revenue (L) (%)	Revenue (M) (\$)	Gas Cost Rev (N) (%)	Revenue (E-K) (M) (\$)	Gas Cost Rev (O) (%)	Revenue (K+H) (K) (H) (\$)	Revenue (M/KI) (O) (%)				
1	FX1	GTS Flex Rate - Commercial															
2		COMMERCIAL															
3		Customer Charge:	12		0.00	0.00	0.00	0.0	2,400.00	0.0	0.00	0.0	0.00	0.00			
4		Administrative Charge:	12		65.00	780.00	3.1	(14.0)	(109.20)		0.00		0.00	780.00			
5		Commodity Charge:															
6		Rate Schedule FX1		196,599.3	0.1250	24,574.91	96.9		0.00		0.00		0.00	24,574.91			
7		Total	12	196,599.3		25,354.91	100.0		2,290.80		0.00		0.00	25,354.91			

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales [I] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Annualized		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue [Z] (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
						Current Revenue Less Gas Cost Revenue (K) (\$)	Gas Cost Revenue (H) (\$)						
1	EX2	GTS Flex Rate - Industrial											
2		INDUSTRIAL											
3		Customer Charge:	10		0.00	0.00	0.0	2,000.00	0.0	0.0	0.00	0.00	
4		Administrative Charge:	10		65.00	650.00	31.6	(91.00)	(14.0)	0.00	0.00	650.00	
5		Commodity Charge:											
6		All Gas Consumed		11,232.0	0.125	1,404.00	68.4	77.88	5.5	0.00	0.00	1,404.00	
7		Total	10	11,232.0		2,054.00	100.0	1,986.88	96.7	0.00	0.00	2,054.00	

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)		% of Rev To Total Less Gas Cost (L) (%)		Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)		Gas Cost Revenue (H) (\$)		Current Total Revenue (K+H) (K) (\$)		Total Revenue % Increase (M/K) (O) (%)		
						Revenue	Gas Cost	Total	Gas Cost	Revenue	Gas Cost	Revenue	Gas Cost	Revenue	Gas Cost	Revenue	Gas Cost			
1	FX4	GTS Flex Rate - Industrial																		
2		INDUSTRIAL																		
3		Customer Charge:	12		0.00	0.00	0.00	0.0	2,400.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4		Administrative Charge:	12		55.90	670.80	670.80	1.4	0.00	0.00	0.0	0.0	0.00	0.00	0.00	0.00	670.80	670.80	670.80	670.80
5		Commodity Charge:			0.325	47,018.40	47,018.40	98.6	0.00	0.00	0.0	0.0	0.00	0.00	0.00	47,018.40	47,018.40	47,018.40	47,018.40	47,018.40
6		All Gas Consumed																		
7		Total	12	144,672.0		47,689.20	47,689.20	100.0	2,400.00	5.0	5.0	5.0	0.00	0.00	0.00	47,689.20	47,689.20	47,689.20	47,689.20	47,689.20

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost (L) (%)	Revenue Incr Less Gas Cost Rev (E-K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (N) (%)	Current Total Revenue (K+H) (K) (\$)		Total Revenue % Increase (M/KI) (O) (%)	
						Revenue	Gas Cost		Revenue	Gas Cost		Revenue	Gas Cost	Revenue	Gas Cost
1	FXS	GTS Flex Rate - Industrial													
2		INDUSTRIAL													
3		Customer Charge:	34		0.00	0.00	0.0	6,800.00	0.0	0.0	0.00	0.00	0.00	0.00	
4		Administrative Charge:	34		55.90	1,900.60	0.4	0.00	0.0	0.0	0.00	0.00	1,900.60		
5		Commodity Charge:													
6		All Gas Consumed		5,152,027.0	0.0858	442,043.92	99.6	0.00	0.0	0.0	0.00	442,043.92			
7		Total	34	5,152,027.0		443,944.52	100.0	6,800.00	1.5	0.00	0.00	443,944.52			

[1] Reflects Normalized Volumes.

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Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mc)	Most Current Rates (E) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
						Gas Cost Revenue (K) (\$)	Gas Cost Revenue (H) (\$)		Gas Cost Rev (M) (\$)	Gas Cost Rev (N) (%)				
1	FX6	GTS Flex Rate - Industrial												
2		INDUSTRIAL												
3		Customer Charge:	12		0.00	0.00	0.0	0.0	2,400.00	0.0	0.0	0.00	0.00	
4		Administrative Charge:	12		55.90	670.80	3.1	0.0	0.00	0.0	0.0	0.00	670.80	
5		Commodity Charge:												
6		All Gas Consumed		244,692.0	0.0858	20,994.57	96.9	0.00	0.00	0.0	0.00	20,994.57		
7		Total	12	244,692.0		21,665.37	100.0	2,400.00		11.1	0.00	21,665.37		

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
						Revenue (K) (\$)	Gas Cost (I) (\$)		Gas Cost Rev (N) (\$)	Revenue (M) (\$)				
1	FX7	GTS Flex Rate - Industrial												
2		INDUSTRIAL												
3		Customer Charge:	12		0.00	0.00	0.00	0.0	2,400.00	0.0	0.00	0.00	0.00	
4		Administrative Charge:	12		0.00	0.00	0.00	0.0	0.00	0.0	0.00	0.00	0.00	
5		Commodity Charge:												
6		First 25,000 Mcf		300,000.0	0.4500	135,000.00	135,000.00	65.3	0.00	0.0	0.00	135,000.00	135,000.00	
7		Over 25,000 Mcf		286,958.0	0.2500	71,739.50	71,739.50	34.7	0.00	0.0	0.00	71,739.50	71,739.50	
8		Total	12	586,958.0		206,739.50	206,739.50	100.0	2,400.00	1.2	0.00	206,739.50	206,739.50	

[1] Reflects Normalized Volumes.

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						Revenue Less Gas Cost Revenue (K) (\$)	Incr Less Gas Cost Rev (F-K) (M) (\$)							
1	SAS	GTS Special Agency Service												
2		INDUSTRIAL												
3		Customer Charge:	12		0.00	0.00	0.0	0.0	2,400.00	0.0	0.00	0.00	0.00	
4		Administrative Charge:	12		55.90	670.80	2.4	0.00	0.00	0.0	0.00	670.80	670.80	
5		Commodity Charge:												
6		First 30,000		49,530.2	0.5467	27,078.16	97.6	0.00	0.00	0.0	0.00	27,078.16	27,078.16	
7		Over 30,000		0.0	0.2905	0.00	0.0	0.00	0.00	0.0	0.00	0.00	0.00	
8		Total	12	49,530.2		27,748.96	100.0	2,400.00	2,400.00	8.6	0.00	27,748.96	27,748.96	

[1] Reflects Normalized Volumes.

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Annualized		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F-K) (M) (\$)	% Iner In Rev Less Gas Cost Rev (M/L/K) (N) (%)	Gas Cost Revenue (H) (S)	Current Total Revenue (K+H) (K1) (S)	Total Revenue % Increase (M/K1) (O) (%)
						Current Revenue Less Gas Cost Revenue (K) (S)	Gas Cost Revenue (H) (S)						
1	SC2	GTS Special Rate - Industrial											
2		INDUSTRIAL											
3		Customer Charge:	12	0.00	0.00	0.0	2,400.00	0.0	0.0	0.00	0.00	0.00	
4		Administrative Charge:	12	65.00	65.00	2.5	(109.20)	(14.0)	0.0	0.00	0.00	780.00	
5		Commodity Charge:					0.00	0.0	0.0	0.00	0.00	30,537.52	
6		All Gas Consumed		234,904.0	0.1300	97.5	31,317.52	100.0	2,290.80	7.3	0.00	31,317.52	
7		Total	12	234,904.0		100.0	2,290.80						

[1] Reflects Normalized Volumes.

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(Gas Services)

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales Ill (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost (L) (%)	Revenue Incr Less Gas Cost Rev (E-K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
1	SC3	GTS Special Rate - Industrial										
2		INDUSTRIAL										
3		Customer Charge:	12	0.00	0.00	0.00	0.0	2,400.00	0.0	0.00	0.00	0.00
4		Administrative Charge:	12	65.00	780.00	780.00	0.2	(109.20)	(14.0)	0.00	780.00	780.00
5		Commodity Charge:										
6		All Gas Consumed		3,239,241.0	0.1300	421,101.33	99.8	0.00	0.0	0.00	421,101.33	421,101.33
7		Total	12	3,239,241.0		421,881.33	100.0	2,290.80	0.5	0.00	421,881.33	421,881.33

[1] Reflects Normalized Volumes.

Line No.	Description	Physical Flow (1)	9/30/06	Industrial Adj (3) (WP E)	Incremental Customers			Rate Schedule Transfers (7)	Per Books Adjusted (8=1 thru 7)
			Weather Adjustment (2) (WP D)		New Const. (4) (WP E)	Cov. (5) (WP E)	Attrition (6)		
1	RESIDENTIAL								
2	Rate Schedule GRS								
3	First 1 Mcf	880,569.5	4,333.5	0.0	4,320.0	239.0	(1,971.0)	0.0	887,491.0
4	Over 1 Mcf	<u>5,656,961.3</u>	<u>373,828.3</u>	<u>0.0</u>	<u>25,741.0</u>	<u>822.0</u>	<u>(69,745.0)</u>	<u>0.0</u>	<u>5,988,607.6</u>
5	Total Rate Schedule GRS	6,537,530.8	378,161.8	0.0	31,061.0	1,061.0	(71,716.0)	0.0	6,876,098.6
6	COMMERCIAL								
7	Rate Schedule G1C	5,859.4	193.1	0.0	0.0	0.0	0.0	0.0	6,052.5
8	RESIDENTIAL								
9	Rate Schedule G1R	2,785.9	159.7	0.0	0.0	0.0	0.0	0.0	2,945.6
10	RESIDENTIAL								
11	Rate Schedule IN3	1,395.9	76.5	0.0	0.0	0.0	0.0	0.0	1,472.4
12	COMMERCIAL								
13	Rate Schedule IN3	75.3	2.6	0.0	0.0	0.0	0.0	0.0	77.9
14	RESIDENTIAL								
15	Rate Schedule IN4	98.5	5.0	0.0	0.0	0.0	0.0	0.0	103.5
16	RESIDENTIAL								
17	Rate Schedule IN5	656.4	35.9	0.0	0.0	0.0	0.0	0.0	692.3
18	RESIDENTIAL								
19	Rate Schedule LG2	556.9	29.6	0.0	0.0	0.0	0.0	0.0	586.5
20	COMMERCIAL								
21	Rate Schedule LG2	924.3	36.5	0.0	0.0	0.0	0.0	0.0	960.8
22	RESIDENTIAL								
23	Rate Schedule LG3								
24	First 2 Mcf	22.8	0.0	0.0	0.0	0.0	0.0	0.0	22.8
25	Over 2 Mcf	<u>459.0</u>	<u>18.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>477.4</u>
26	Total Rate Schedule GRS	481.8	18.4	0.0	0.0	0.0	0.0	0.0	500.2
24	RESIDENTIAL								
25	Rate Schedule LG4	268.9	12.8	0.0	0.0	0.0	0.0	0.0	281.7
26	COMMERCIAL								
27	Rate Schedule GSO								
28	First 1 Mcf	93,886.9	347.6	0.0	1,052.0	66.0	(488.0)	0.0	94,864.5
29	Next 49 Mcf	1,427,083.6	27,453.2	0.0	33,574.0	1,197.0	(127,864.0)	0.0	1,361,443.8
30	Next 350 Mcf	1,417,887.3	68,728.0	0.0	5,404.0	0.0	0.0	0.0	1,492,019.3
31	Next 600 Mcf	402,902.2	31,265.9	0.0	0.0	0.0	0.0	0.0	434,168.1
32	Over 1,000 Mcf	<u>452,565.0</u>	<u>41,168.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>493,733.0</u>
33	Total Rate Schedule GSO	3,794,325.0	168,962.7	0.0	40,030.0	1,263.0	(128,352.0)	0.0	3,876,228.7

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)

For the 12 Months Ended September 30, 2006

Sheet 5 of 5

Line No.	Description	Physical Flow (1)	9/30/06	Industrial Adj (3) (WPE)	Incremental Customers			Rate	Per Books Adjusted (8=1 thru 7)	
			Weather Adjustment (2) (WPE)		New Const. (4) (WPE)	Conv. (5) (WPE)	Attrition (6)	Schedule Transfers (7)		
1	INDUSTRIAL									
2	Rate Schedule FX7									
3	First 25,000 Mcf	300,000.0	0.0	0.0	0.0	0.0	0.0	0.0	300,000.0	
4	Over 25,000 Mcf	<u>286,958.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>286,958.0</u>	
5	Total Rate Schedule FX7	586,958.0	0.0	0.0	0.0	0.0	0.0	0.0	586,958.0	
6	COMMERCIAL									
7	Rate Schedule SAS									
8	First 30,000	48,235.0	1,963.2	0.0	0.0	0.0	0.0	0.0	50,198.2	
9	Over 30,000	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
	Total Rate Schedule SAS	48,235.0	1,963.2	0.0	0.0	0.0	0.0	0.0	50,198.2	
10	INDUSTRIAL									
11	Rate Schedule SC2	234,904.0	0.0	0.0	0.0	0.0	0.0	0.0	234,904.0	
12	INDUSTRIAL									
13	Rate Schedule SC3	3,239,241.0	0.0	0.0	0.0	0.0	0.0	0.0	3,239,241.0	
14	Transportation Summary by Customer Class									
15	Total Residential Transportation	2,028,781.0	116,846.6	0.0	0.0	0.0	0.0	0.0	2,145,627.6	
16	Total Commercial Transportation	3,396,567.7	136,627.3	0.0	0.0	0.0	0.0	0.0	3,533,195.0	
17	Total Industrial Transportation	<u>17,629,787.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>17,629,787.8</u>	
18	Total Transportation	23,055,136.5	253,473.9	0.0	0.0	0.0	0.0	0.0	23,308,610.4	
19	Total Company Throughput	33,646,744.2	801,576.3	0.0	71,091.0	2,324.0	(200,068.0)	0.0	34,321,667.5	

Line No.	Description	Phy. Flow (1) Mcf (WPC)	Normalized (2) Mcf	Normalized Adjustment (3=2-1) Mcf	Base Rate (4) \$/Mcf	Revenue (5=3x4) \$
1	RESIDENTIAL					
2	Rate Schedule GRS					
3	First 1 Mcf	880,569.5	884,903.0	4,333.5	0.0000	0
4	Over 1 Mcf	<u>5,656,961.3</u>	<u>6,030,789.6</u>	<u>373,828.3</u>	1.8715	<u>699,620</u>
5	Total Rate Schedule GRS	6,537,530.8	6,915,692.6	378,161.8		699,620
6	COMMERCIAL					
7	Rate Schedule GIC	5,859.4	6,052.5	193.1	1.4968	289
8	RESIDENTIAL					
9	Rate Schedule GIR	2,785.9	2,945.6	159.7	1.5470	247
10	RESIDENTIAL					
11	Rate Schedule IN3	1,395.9	1,472.4	76.5	0.4000	31
12	COMMERCIAL					
13	Rate Schedule IN3	75.3	77.9	2.6	0.4000	1
14	RESIDENTIAL					
15	Rate Schedule IN4	98.5	103.5	5.0	0.5500	3
16	RESIDENTIAL					
17	Rate Schedule IN5	656.4	692.3	35.9	0.6000	22
18	RESIDENTIAL					
19	Rate Schedule LG2	556.9	586.5	29.6	0.3500	10
20	COMMERCIAL					
21	Rate Schedule LG2	924.3	960.8	36.5	0.3500	13
22	RESIDENTIAL					
23	Rate Schedule LG3					
24	First 2 Mcf	22.8	22.8	0.0	0.0000	0
25	Over 2 Mcf	<u>459.0</u>	<u>477.4</u>	<u>18.4</u>	0.3500	<u>6</u>
26	Total Rate Schedule LG3	481.8	500.2	18.4		6
27	RESIDENTIAL					
28	Rate Schedule LG4	268.9	281.7	12.8	0.4000	5
29	COMMERCIAL					
30	Rate Schedule GSO					
31	First 1 Mcf	93,886.9	94,234.5	347.6	0.0000	0
32	Next 49 Mcf	1,427,083.6	1,454,536.8	27,453.2	1.8715	51,379
33	Next 350 Mcf	1,417,887.3	1,486,615.3	68,728.0	1.8153	124,762
34	Next 600 Mcf	402,902.2	434,168.1	31,265.9	1.7296	54,078
35	Over 1,000 Mcf	<u>452,565.0</u>	<u>493,733.0</u>	<u>41,168.0</u>	1.5802	<u>65,054</u>
36	Total Rate Schedule GSO	3,794,325.0	3,963,287.7	168,962.7		295,273

Columbia Gas of Kentucky, Inc.
 Adjustment based on Normalized Volumes
 For the 12 Months Ended September 30, 2006

Line No.	Description	Phy. Flow (1) Mcf (WPC)	Normalized (2) Mcf	Normalized Adjustment (3=2-1) Mcf	Base Rate (4) \$/Mcf	Revenue (5=3x4) \$
1	COMMERCIAL					
2	Rate Schedule GST					
3	First 1 Mcf	11.0	11.0	0.0	0.0000	0
4	Next 49 Mcf	531.0	537.6	6.6	1.8715	12
5	Next 350 Mcf	2,110.0	2,227.7	117.7	1.8153	214
6	Next 600 Mcf	653.0	703.1	50.1	1.7296	87
7	Over 1,000 Mcf	0.0	0.0	0.0	1.5802	0
8	Total Rate Schedule GST	3,305.0	3,479.4	174.4		313
9	COMMERCIAL					
10	Rate Schedule IS					
11	First 30,000 Mcf	2,729.0	2,833.2	104.2	0.5467	57
12	Over 30,000 Mcf	0.0	0.0	0.0	0.2905	0
13	Total Rate Schedule IS	2,729.0	2,833.2	104.2		57
14	WHOLESALE					
15	Rate Schedule IUS	21904	21,904.0	0.0	0.3038	0
16	COMMERCIAL					
17	Rate Schedule SS Firm Service					
18	First 30,000 Mcf	4,963.0	5,054.5	91.5	0.5467	50
19	Over 30,000 Mcf	0.0	0.0	0.0	0.2905	0
20	Total Rate Schedule SS Firm	4,963.0	5,054.5	91.5		50
21	Rate Schedule SS Interruptible Service					
22	First 30,000 Mcf	2,047.0	2,084.7	37.7	0.5467	21
23	Over 30,000 Mcf	0.0	0.0	0.0	0.2905	0
24	Total Rate Schedule SS Interr	2,047.0	2,084.7	37.7		21
25	Tariff Sales Summary by Customer Class					
26	Total Residential Sales	6,543,775.1	6,922,274.8	378,499.7		699,944.0
27	Total Commercial Sales	3,814,228.0	3,983,830.7	169,602.7		296,017
28	Total Wholesale Sales	21,904.0	21,904.0	0.0		0
29	Total Tariff Sales Excl Industrial	10,379,907.1	10,928,009.5	548,102.4		995,961

Line No.	Description	Phy. Flow (1) Mcf (WPC)	Normalized (2) Mcf	Normalized Adjustment (3=2-1) Mcf	Base Rate (4) \$/Mcf	Revenue (5=3x4) \$
1	RESIDENTIAL					
2	Rate Schedule GTR					
3	First 1 Mcf	247,667.1	248,418.6	751.5	0.0000	0
4	Over 1 Mcf	<u>1,281,113.9</u>	<u>1,897,209.0</u>	<u>116,095.1</u>	1.8750	<u>217,678</u>
5	Total Rate Schedule GTR	2,028,781.0	2,145,627.6	116,846.6		217,678
6	COMMERCIAL					
7	Rate Schedule GTO					
8	First 1 Mcf	31,291.8	31,356.0	64.2	0.0000	0
9	Next 49 Mcf	518,212.2	527,870.7	9,658.5	1.8715	18,076
10	Next 350 Mcf	592,600.8	617,652.4	25,051.6	1.8153	45,476
11	Next 600 Mcf	187,177.5	199,716.8	12,539.3	1.7296	21,688
12	Over 1,000 Mcf	<u>176,461.4</u>	<u>194,071.8</u>	<u>17,610.4</u>	1.5802	<u>27,828</u>
13	Total Rate Schedule GTO	1,505,743.7	1,570,667.7	64,924.0		113,068
1	COMMERCIAL					
2	Rate Schedule DS-IS					
3	First 30,000 Mcf	1,406,093.0	1,460,854.3	54,761.3	0.5467	29,938
4	Over 30,000 Mcf	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.2905	<u>0</u>
5	Total Rate Schedule DS-IS	1,406,093.0	1,460,854.3	54,761.3		29,938
6	COMMERCIAL					
7	Rate Schedule DS-GS					
8	First 1 Mcf	216.0	216.0	0.0	1.8153	0
9	Next 49 Mcf	10,576.0	10,576.0	0.0	1.8153	0
10	Next 350 Mcf	73,115.0	73,116.1	1.1	1.8153	2
11	Next 600 Mcf	98,088.0	99,414.2	1,326.2	1.7296	2,294
12	Over 1,000 Mcf	<u>61,333.0</u>	<u>69,651.2</u>	<u>8,318.2</u>	1.5802	<u>13,144</u>
13	Total Rate Schedule DS-GS	243,328.0	252,973.5	9,645.5		15,440.0
14	COMMERCIAL					
15	Rate Schedule FXI	193,168.0	198,501.3	5,333.3	0.1250	667
16	COMMERCIAL					
17	Rate Schedule SAS					
18	First 30,000	48,235.0	50,198.2	1,963.2	0.5467	1,073
19	Over 30,000	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.2905	<u>0</u>
20	Total Rate Schedule SAS	48,235.0	50,198.2	1,963.2		1,073
21	Transportation Summary by Customer Class					
22	Total Residential Transportation	2,028,781.0	2,145,627.6	116,846.6		217,678.0
23	Total Commercial Transportation	<u>3,396,567.7</u>	<u>3,533,195.0</u>	<u>136,627.3</u>		<u>160,186.0</u>
24	Total Tran Excl. Industrial	5,425,348.7	5,678,822.6	253,473.9		377,864
25	Total Company Throughput (Excl. Industrial)	15,805,255.8	16,606,832.1	801,576.3		1,373,825

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period - Forecasted Period
Type of Filing: X Original - Update - Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F-K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)														
													1	2	3	4	5	6	7	8	9	10	11	12	13	14
2	GSR	General Service - Residential	1,198,356	6,876,098.6	19,934,379.43	43.74	8,291,665.63	41.6	71,519,676.76	91,454,056.19	56.65															
3	GIC	LG&E Commercial	54	6,052.5	9,950.38	0.02	0.00	0.0	62,953.26	72,903.64	0.05															
4	GIR	LG&E Residential	401	2,945.6	7,965.34	0.02	0.00	0.0	30,637.77	38,603.11	0.02															
5	IN3	Inland Gas General Service - Residential	120	1,472.4	588.96	0.00	0.00	0.0	0.00	588.96	0.00															
6	IN3	Inland Gas General Service - Commercial	12	77.9	31.16	0.00	0.00	0.0	0.00	31.16	0.00															
7	IN4	Inland Gas General Service - Residential	12	103.5	56.93	0.00	0.00	0.0	0.00	56.93	0.00															
8	IN5	Inland Gas General Service - Residential	60	692.3	415.38	0.00	0.00	0.0	0.00	415.38	0.00															
9	LG2	LG&E Residential	12	960.8	336.28	0.00	0.00	0.0	0.00	336.28	0.00															
10	LG2	LG&E Commercial	12	500.2	181.49	0.00	0.00	0.0	0.00	181.49	0.00															
11	LG3	LG&E Residential	12	281.7	112.68	0.00	0.00	0.0	0.00	112.68	0.00															
12	LG4	LG&E Residential	132,972	3,876,228.7	9,298,050.11	20.40	1,132,519.40	12.2	40,317,429.95	49,615,480.06	30.73															
13	GSO	General Service - Commercial	518	154,246.6	278,117.05	0.61	(5,397.84)	(98.7)	1,604,349.72	1,882,466.77	1.17															
14	GSO	General Service - Industrial	0	3,479.4	10,344.22	0.02	(10,210.78)	(100.0)	92,059.17	102,403.39	0.06															
15	GST	General Service - Trans Fallback - Comm	0	1,934.0	5,757.25	0.01	(5,757.25)	(100.0)	47,932.67	53,689.92	0.03															
16	GST	General Service - Trans Fallback - Ind	0	2,833.2	18,565.21	0.04	(18,562.98)	(99.9)	29,468.68	48,033.89	0.26															
17	IS	Interruptible Service - Commercial	0	33,189.0	79,915.93	0.18	(79,915.93)	(100.0)	345,205.43	425,121.36	0.15															
18	IS	Interruptible Service - Industrial	0	21,904.0	6,654.44	0.01	(27,899.91)	186.3	227,827.88	234,482.32	0.14															
19	IUS	Intrastate Utility Service - Wholesale	24	5,054.5	27,938.10	0.06	(30,386.33)	(99.9)	205,690.40	233,628.50	0.25															
20	SS	Standby Service - Commercial - Firm	0	22,324.0	30,386.33	0.07	(1,123.93)	(100.0)	378,755.44	409,141.77	0.01															
21	SS	Standby Service - Industrial - Firm	0	2,084.7	1,139.71	0.00	(3.83)	(98.6)	21,683.38	22,823.09	0.00															
22	SS	Standby Service - Commercial - Interr	0	7.0	3.83	0.00		(100.0)	72.81	76.64	0.00															
23	SS	Standby Service - Industrial - Interr	0																							
24		Transportation Service																								
25	GTR	GTS Choice - Residential	325,805	2,145,627.6	5,945,843.47	13.05	2,248,172.50	37.8	0.00	5,945,843.47	3.68															
26	GTO	GTS Choice - Commercial	42,961	1,570,667.7	3,572,340.54	7.84	343,913.72	9.6	0.00	3,572,340.54	2.21															
27	GTO	GTS Choice - Industrial	108	52,601.8	93,189.07	0.20	(2,527.60)	(2.7)	0.00	93,189.07	0.06															

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 3 through 40 for detail.
[3] Customers are included under Transportation Rate Schedules

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue		% Incr In Rev Less Gas Cost Rev (M/K) (%)	Gas Cost Revenue (H) (S)	Current Total Revenue (K+H) (K) (S)	Total Revenue % Increase (M/KI) (O) (%)
						Revenue Less Gas Cost (K) (S)	Revenue (S)		Incr Less Gas Cost Rev (F-K) (M) (S)	Gas Cost Revenue (I) (S)				
1		Transportation Service												
2	DS-IS	GTS Interruptible Service - Commercial	347	1,460,854.3		818,046.35	1.80	156,710.75	19.2	0.00	0.00	818,046.35	0.51	
3	DS-IS	GTS Interruptible Service - Industrial	554	7,528,288.0		3,455,403.78	7.58	483,765.68	14.0	0.00	0.00	3,455,403.78	2.14	
4	DS-SMI	GTS Special Rate - Industrial	12	116,733.0		75,115.57	0.16	2,593.28	3.5	0.00	0.00	75,115.57	0.05	
5	DS-GS	GTS General Service - Commercial	216	252,973.5		446,402.40	0.98	(12,388.64)	(2.8)	0.00	0.00	446,402.40	0.28	
6	DS-GS	GTS General Service - Industrial	108	118,250.0		207,324.24	0.45	(5,078.87)	(2.4)	0.00	0.00	207,324.24	0.13	
7	DS3	GTS Main Line Service - Industrial	24	200,189.0		18,517.82	0.04	5,477.30	29.6	0.00	0.00	18,517.82	0.01	
8	FX1	GTS Flex Rate - Commercial	12	198,501.3		25,592.66	0.06	2,290.80	9.0	0.00	0.00	25,592.66	0.02	
9	FX2	GTS Flex Rate - Industrial	10	11,232.0		2,054.00	0.00	1,986.88	96.7	0.00	0.00	2,054.00	0.00	
10	FX4	GTS Flex Rate - Industrial	12	144,672.0		47,689.20	0.10	2,400.00	5.0	0.00	0.00	47,689.20	0.03	
11	FX5	GTS Flex Rate - Industrial	34	5,152,027.0		443,944.52	0.97	6,800.00	1.5	0.00	0.00	443,944.52	0.27	
12	FX6	GTS Flex Rate - Industrial	12	244,692.0		21,665.37	0.05	2,400.00	11.1	0.00	0.00	21,665.37	0.01	
13	FX7	GTS Flex Rate - Industrial	12	586,958.0		206,739.50	0.45	2,400.00	1.2	0.00	0.00	206,739.50	0.13	
14	SAS	GTS Special Agency Service	12	50,198.2		28,114.16	0.06	2,400.00	8.5	0.00	0.00	28,114.16	0.02	
15	SC2	GTS Special Rate - Industrial	12	234,904.0		31,317.52	0.07	2,290.80	7.3	0.00	0.00	31,317.52	0.02	
16	SC3	GTS Special Rate - Industrial	12	3,239,241.0		421,881.33	0.96	2,290.80	0.5	0.00	0.00	421,881.33	0.26	
17		Total Sales and Transportation	1,702,840	34,321,667.5		45,572,276.99	100.00	12,503,233.52	27.4	0.00	0.00	160,456,020.31	99.38	
18		Other Gas Department Revenue												
19		Acct. 487 Forefiled Discounts										388,732.00	0.24	
20		Acct. 488 Miscellaneous Services Revenue										118,856.00	0.07	
21		Acct. 495 Non-Traditional Sales										0.00	0.00	
22		Acct. 495 Prior Yr. Rate Refund - Net										0.00	0.00	
23		Acct. 495 Other Gas Revenues - Other										474,858.00	0.31	
24		Total Other Gas Department Revenue										982,446.00	0.62	
25		Total Gross Revenue										161,438,466.31	100.00	

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 3 through 40 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period - Forecasted Period
Type of Filing: X Original - Update - Revised
Work Paper Reference No(S):

Line No.	Rate Code (A)	Class/Description (B)	Current Annualized										
			Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Gas Cost (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)	% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (S)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)	
1	GSR	General Service - Residential	1,198,356		0.00	0.00	0.0	15,279,039.00	0.0	0.0	0.00	0.00	
2		RESIDENTIAL											
3		Customer Charge:											
4		Commodity Charge:											
5		First 1 Mcf	887,491.0	6.9500	8,328,574.20	41.8	(6,708,903.12)	(80.6)	9,230,971.39	17,559,545.59			
6		Over 1 Mcf	5,988,607.6	1.8715	11,207,679.12	56.2	(278,470.25)	(2.5)	62,288,705.37	73,496,384.49			
7		EAP Recovery		0.0579	398,126.11	2.0	0.00	0.0	0.00	398,126.11			
8		Total	1,198,356	6,876,098.6	19,934,379.43	100.0	8,291,665.63	41.6	71,519,676.76	91,454,056.19			

[1] Reflects Normalized Volumes.
[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Current Annualized													
				Sales [1] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K+H) (KI) (\$)	Total Revenue % Increase (O) (%)					
1	G1C	LG&E Commercial															
2		COMMERCIAL															
3		Customer Charge:	54	16.50	891.00	9.0	0.00	0.00	0.0	0.00	0.00	891.00					
4		Commodity Charge:															
5		All Gas Consumed		6,052.5	9,059.38	91.0	0.00	62,953.26	0.0	0.00	62,953.26	72,012.64					
6		Total	54	6,052.5	9,950.38	100.0	0.00	62,953.26	0.0	0.00	62,953.26	72,903.64					

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
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Data: X Base Period _ Forecasted Period
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Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Current Annualized				% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (E-K) (M) (\$)	% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
				Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost Revenue (K) (\$)	3,408.50	0.00						
1	GIR	LG&E Residential	401	8.50	3,408.50	42.8	0.00	0.0	0.0	0.00	3,408.50		
2		RESIDENTIAL											
3		Customer Charge:		1.547	4,556.84	57.2	0.00	0.0	0.0	30,637.77	35,194.61		
4		Commodity Charge:											
5		All Gas Consumed		2,945.6	7,965.34	100.0	0.00	0.0	0.0	30,637.77	38,603.11		
6		Total	401	2,945.6									

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 (Gas Service)

Data: X Base Period _ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Current Annualized												
				Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Gas Cost Revenue (L) (%)	Revenue Less Gas Cost Rev (E-K) (M) (\$)	% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (I) (H) (\$)	Current Total Revenue (K+H) (S) (\$)	Total Revenue % Increase (M/K1) (O) (%)				
1	IN3	Inland Gas General Service - Residential														
2		RESIDENTIAL														
3		Customer Charge:	120	0.00	0.00	0.00	0.0	0.00	0.0	0.0	0.00	0.00	0.00			
4		Commodity Charge:														
5		All Gas Consumed		1,472.4	0.4000	588.96	100.0	0.00	0.0	0.0	0.00	0.00	588.96			
6		Total	120	1,472.4		588.96	100.0	0.00	0.0	0.0	0.00	0.00	588.96			

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Columbia Gas of Kentucky, Inc.
 Case No. 2007-00008
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 For the 12 Months Ended September 30, 2006
 (Gas Service)

Data: X Base Period _ Forecasted Period
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 Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current Revenue Less Gas Cost (F) (K) (\$)	% of Rev To Total Less Gas Cost Revenue (G) (%)	Revenue Incr Cost Rev (H - I) (M) (\$)	% Incr In Rev Less Gas Cost Rev (J / K) (N) (%)	Gas Cost Revenue (I) (H) (\$)	Current Total Revenue (K + H) (K) (\$)	Total Revenue % Increase (M / K) (O) (%)
1	IN3	Inland Gas General Service - Commercial										
2		COMMERCIAL			0.00	0.00	0.0	0.00	0.0	0.00	0.00	
3		Customer Charge:										
4		Commodity Charge:		77.9	0.4000	31.16	100.0	0.00	0.0	0.00	31.16	
5		All Gas Consumed										
6		Total	12	77.9		31.16	100.0	0.00	0.0	0.00	31.16	

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Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer BHIs (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (E - K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K + H) (K1) (\$)	Total Revenue % Increase (M / K1) (O) (%)
1	IN4	Inland Gas General Service - Residential										
2		RESIDENTIAL										
3		Customer Charge:	12	0.00	0.00	0.00	0.0	0.00	0.0	0.00	0.00	
4		Commodity Charge:										
5		All Gas Consumed		103.5	0.5500	56.93	100.0	0.00	0.0	0.00	56.93	
6		Total	12	103.5		56.93	100.0	0.00	0.0	0.00	56.93	

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
 Case No. 2007-00008
 Annualized Test Year Revenues at Most Current Rates
 For the 12 Months Ended September 30, 2006
 (Gas Service)

Data: X Base Period _ Forecasted Period
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 Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code	Class/Description	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F-K) (M) (\$)	% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K) (\$)	Total Revenue % Increase (M/KI) (O) (%)
1	IN5	Inland Gas General Service - Residential										
2		RESIDENTIAL										
3		Customer Charge:	60	0.00	0.00	0.00	0.0	0.00	0.0	0.00	0.00	
4		Commodity Charge:										
5		All Gas Consumed		692.3	0.6000	415.38	100.0	0.00	0.0	0.00	415.38	
6		Total	60	692.3		415.38	100.0	0.00	0.0	0.00	415.38	

[J] Reflects Normalized Volumes.

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 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales III (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost Revenue (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (M / K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M / K1) (O) (%)
1	LG2	LG&E Residential										
2		RESIDENTIAL										
3		Customer Charge:	12		0.00	0.00	0.0	0.00	0.0	0.00	0.00	
4		Commodity Charge:										
5		All Gas Consumed		586.5	0.3500	205.28	100.0	0.00	0.0	0.00	205.28	
6		Total	12	586.5		205.28	100.0	0.00	0.0	0.00	205.28	

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
 Case No. 2007-00008
 Annualized Test Year Revenues at Most Current Rates
 For the 12 Months Ended September 30, 2006
 (Gas Service)

Date: X Base Period _ Forecasted Period
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 Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost (L) (%)	Revenue Iner Less Gas Cost Rev (F-K) (M) (\$)	% Iner In Rev Less Gas Cost Rev (M/L) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
1	LG2	LG&E Commercial										
2		COMMERCIAL										
3		Customer Charge:	12	0.00	0.00	0.00	0.0	0.00	0.0	0.00	0.00	
4		Commodity Charge:										
5		All Gas Consumed		960.8	0.3500	336.28	100.0	0.00	0.0	0.00	336.28	
6		Total	12	960.8		336.28	100.0	0.00	0.0	0.00	336.28	

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Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
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For the 12 Months Ended September 30, 2006
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Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (E - K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K + H) (K) (\$)		Total Revenue % Increase (M / K1) (O) (%)	
						Revenue	Gas Cost		Revenue	Gas Cost			Total Revenue	Gas Cost	Total Revenue	Gas Cost
1	LG3	LG&E Residential														
2		RESIDENTIAL			1.20	14.40	7.9	0.00	0.00	0.0	0.00	14.40	14.40			
3		Customer Charge:														
4		Commodity Charge:														
5		First 2 Mcf		22.8	0.0000	0.00	0.0	0.00	0.00	0.0	0.00	0.00	0.00			
6		Over 2 Mcf		477.4	0.3500	167.09	92.1	0.00	0.00	0.0	0.00	167.09	167.09			
7		Total	12	500.2		181.49	100.0	0.00	0.00	0.0	0.00	181.49	181.49			

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Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F - K) (M) (\$)	% Iner In Rev Cost Rev (M / K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K + H) (K1) (\$)	Total Revenue % Increase (M / K1) (O) (%)
1	LG4	LG&E Residential										
2		RESIDENTIAL										
3		Customer Charge:	12	0.00	0.00	0.00	0.0	0.00	0.0	0.00	0.00	
4		Commodity Charge:				112.68	100.0	0.00	0.0	0.00	112.68	
5		All Gas Consumed		281.7	0.4000							
6		Total	12	281.7		112.68	100.0	0.00	0.0	0.00	112.68	

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Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
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For the 12 Months Ended September 30, 2006
(Gas Service)

Line No.	Rate Code	Class/Description	Current Annualized														
			Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost (L) (%)	Revenue Incer Less Gas Cost Rev (F-K) (M) (\$)	% Incer Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K+H) (KL) (\$)	Total Revenue Incer (O) (M/KL) (%)					
1	GSO	General Service - Commercial															
2		COMMERCIAL															
3		Customer Charge:	132,972		0.00			0.0	3,723,216.00	0.0	0.0	0.0					
4		Commodity Charge:															
5		First 1 Mcf		94,864.5	18.8800	2,510,511.36	27.0	0.00		27.0	0.0	986,704.64	3,497,216.00				
6		Next 49 Mcf		1,361,443.8	1.8715	2,547,942.07	27.4	(2,337,383.65)		(91.7)	14,160,649.25	16,708,591.32					
7		Next 350 Mcf		1,492,019.3	1.8153	2,708,462.64	29.1	(63,307.13)		(2.3)	15,518,791.14	18,227,253.78					
8		Next 600 Mcf		434,168.1	1.7296	750,937.15	8.1	(148,455.93)		(19.8)	4,515,869.24	5,266,806.39					
9		Over 1,000 Mcf		493,733.0	1.5802	780,196.89	8.4	(41,549.89)		(5.3)	5,135,415.68	5,915,612.57					
10		Total	132,972	3,876,228.7		9,298,050.11	100.0	1,137,519.40		12.2	40,317,429.95	49,615,480.06					

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Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales [1] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Annualized		% of Rev To Total Less Gas Cost (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K+H) (K) (\$)	Total Revenue % Increase (O) (%)
						Revenue (K) (\$)	Less Gas Cost (M) (\$)							
1	GSO	General Service - Industrial												
2		INDUSTRIAL	518		0.00	0.00	0.0	14,504.00	0.0	0.0	0.00	0.00	13,890.39	179,728.78
3		Customer Charge:											179,728.78	179,728.78
4		Commodity Charge:											13,890.39	13,890.39
5		First 1 Mcf		395.2	18.8800	9,779.84	3.5	0.00	0.0	0.0	4,110.55	4,110.55	13,890.39	13,890.39
6		Next 49 Mcf		14,644.6	1.8715	27,407.37	9.9	(9,058.60)	(33.1)	(33.1)	152,321.41	152,321.41	179,728.78	179,728.78
7		Next 350 Mcf		63,818.3	1.8153	115,849.36	41.7	(680.97)	(0.6)	(0.6)	663,786.90	663,786.90	779,636.26	779,636.26
8		Next 600 Mcf		39,836.5	1.7296	68,901.21	24.8	(6,349.92)	(9.2)	(9.2)	414,347.40	414,347.40	483,248.61	483,248.61
9		Over 1,000 Mcf		35,552.0	1.5802	56,179.27	20.1	(3,812.35)	(6.8)	(6.8)	369,783.46	369,783.46	425,962.73	425,962.73
10		Total	518	154,246.6		278,117.05	100.0	(5,397.84)	(1.9)	(1.9)	1,604,349.72	1,604,349.72	1,882,466.77	1,882,466.77

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						Current Revenue Less Gas Cost Revenue (K) (\$)	Gas Cost Revenue (S) (\$)						
1	GST	General Service - Trans Fallback - Comm											
2		COMMERCIAL		8,532.0	6.5482						55,869.24	55,869.24	
3		Demand Charge:											
4		Customer Charge:	216		0.00								
5		Commodity Charge:											
6		First 1 Mcf		11.0	18.8800		39.4	(4,078.08)	(100.0)		114.41	4,192.49	
7		Next 49 Mcf		537.6	1.8715		9.7	(1,000.83)	(99.5)		5,591.69	6,597.81	
8		Next 350 Mcf		2,227.7	1.8153		39.1	(4,003.33)	(99.0)		23,170.75	27,214.69	
9		Next 600 Mcf		703.1	1.7296		11.8	(1,126.54)	(92.6)		7,313.08	8,529.16	
10		Over 1,000 Mcf		0.0	1.5802		0.0	0.00	0.0		0.00	0.00	
11		Total	216	3,479.4			100.0	(10,210.78)	(98.7)		92,059.17	102,403.39	

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Line No.	Rate Code (A)	Class/Description (B)	Current Annualized														
			Customer Bills (C)	Sales III (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost (L) (%)	Revenue Iner Less Gas Cost Rev (F-K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (O) (%)					
1	GST	General Services - Trans Fallback - Ind															
2		INDUSTRIAL		4,248.0	6.5482									27,816.75	27,816.75		
3		Demand Charge:			0.00									0.00	0.00		
4		Customer Charge:															
5		Commodity Charge:															
6		First 1 Mcf		6.0	18.8800		2,265.60	39.4	(2,265.60)	(100.0)	62.41	2,328.01					
7		Next 49 Mcf		294.0	1.8715		550.22	9.6	(550.22)	(100.0)	3,057.95	3,608.17					
8		Next 350 Mcf		1,345.0	1.8153		2,441.58	42.4	(2,441.58)	(100.0)	13,989.61	16,431.19					
9		Next 600 Mcf		289.0	1.7296		499.85	8.7	(499.85)	(100.0)	3,005.95	3,505.80					
10		Over 1,000 Mcf		0.0	1.5802		0.00	-0.1	0.00	0.0	0.00	0.00					
11		Total	120	1,934.0			5,757.25	100.0	(5,757.25)	(100.0)	47,932.67	53,689.92					

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Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost		% of Rev To Total Less Gas Cost		Revenue Iner Less Gas Cost Rev (F - K) (M) (\$)		% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)		Current Total Revenue (K+H) (K1) (\$)		Total Revenue % Increase (M/K1) (O) (%)		
						Revenue (K) (\$)	Gas Cost (L) (%)	Revenue (I) (%)	Gas Cost Rev (M) (\$)	Revenue (H) (\$)	Gas Cost Rev (N) (%)	Revenue (K1) (\$)	Revenue (O) (%)					
1	IS	Interruptible Service - Commercial																
2		COMMERCIAL			116.55	17,016.30	91.7	(17,016.30)	(100.0)	0.00	17,016.30							
3		Customer Charge:	146															
4		Commodity Charge:																
5		First 30,000 Mcf		2,833.2	0.5467	1,548.91	8.3	(1,536.68)	(99.2)	29,468.68	31,017.59							
6		Over 30,000 Mcf		0.0	0.2905	0.00	0.0	0.00	0.0	0.00	0.00							
7		Total	146	2,833.2		18,565.21	100.0	(18,552.98)	(99.9)	29,468.68	48,033.89							

[1] Reflects Normalized Volumes.
[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

Date: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current Revenue Less Gas Cost		% of Rev To Gas Cost		Revenue Incr Less Gas Cost Rev		% Incr In Rev Less Gas Cost Rev		Current Total Revenue (K+H)		Total Revenue % Increase (M/KL)	
						Revenue (K) (\$)	Gas Cost (L) (%)	Revenue (F-K) (M) (\$)	Gas Cost Rev (N) (%)	Revenue (O) (%)	Gas Cost Rev (P) (%)	Revenue (K) (\$)	Gas Cost (L) (%)	Revenue (M/KL) (O) (%)	Revenue (N) (%)	Revenue (K) (\$)	Gas Cost (L) (%)
1	IS	Interruptible Service - Industrial															
2		INDUSTRIAL															
3		Customer Charge:	530		116.55	61,771.50	77.3	(61,771.50)	(100.0)	0.00	0.00	61,771.50					
4		Commodity Charge:															
5		First 30,000 Mcf		33,189.0	0.5467	18,144.43	22.7	(18,144.43)	(100.0)	345,205.43	0.00	363,349.86					
6		Over 30,000 Mcf		0.0	0.2905	0.00	0.0	0.00	0.0	0.00	0.00	0.00					
7		Total	530	33,189.0		79,915.93	100.0	(79,915.93)	(100.0)	345,205.43	0.00	425,121.36					

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period - Forecasted Period
Type of Filing: X Original - Update - Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales [I] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To		Revenue		% Iner In		Gas Cost Rev		Current Total Revenue		Total Revenue		
						Gas Cost Revenue (K) (\$)	Revenue (L) (%)	Gas Cost Rev (E-K) (M) (\$)	Incr Less (N) (%)	Gas Cost Rev (F-K) (M) (\$)	Gas Cost Rev (M/K) (N) (%)	Revenue (H) (K) (\$)	Total Revenue (K+H) (K) (\$)	Total Revenue (M/KI) (O) (%)						
1	IUS	Intrastate Utility Service - Wholesale																		
2		WHOLESALE																		
3		Customer Charge:	24	0.00	0.00	0.00	0.00	0.0	6,120.00	0.0	0.00	0.0	0.00	0.00						
4		Commodity Charge:																		
5		All Gas Consumed		21,904.0	0.3038	6,654.44	100.0	100.0	6,279.87	94.4	227,827.88	94.4	227,827.88	234,482.32						
6		Total	24	21,904.0		6,654.44	100.0	100.0	12,399.87	186.3	227,827.88	186.3	227,827.88	234,482.32						

[1] Reflects Normalized Volumes.

[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F - K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K) (\$)		Total Revenue % Increase (M/K) (O) (%)	
						Gas Cost Revenue (K) (\$)	Gas Cost Revenue (H) (\$)		Gas Cost Rev (N) (%)	Gas Cost Rev (N) (%)			Gas Cost Rev (N) (%)	Gas Cost Rev (N) (%)		
1	SS	Standby Service - Commercial														
2		COMMERCIAL														
3		Demand Charge:		24,456.0	6.5482							160,142.78	160,142.78			
4		Customer Charge:	216		116.55		25,174.80	86.6	(25,174.80)	(100.0)	0.00	0.00	25,174.80			
5		Firm Commodity Charge:														
6		First 30,000 Mcf		5,054.5	0.5467		2,763.30	9.5	0.00	0.0	45,547.62	48,310.92	48,310.92			
7		Over 30,000 Mcf		0.0	0.2905		0.00	0.0	(2,725.11)	0.0	0.00	0.00	0.00			
8		Total Firm		5,054.5			27,938.10		(27,938.10)	(99.9)	205,690.40	233,628.50	233,628.50			
9		Interruptible Commodity Charge: [3]														
10		First 30,000 Mcf		2,084.7	0.5467		1,139.71	3.9	0.00	0.0	21,683.38	22,823.09	22,823.09			
11		Over 30,000 Mcf		0.0	0.2905		0.00	0.0	(1,123.93)	0.0	0.00	0.00	0.00			
12		Total Interruptible		2,084.7			1,139.71		(1,123.93)	(98.6)	21,683.38	22,823.09	22,823.09			
13		Total	216	7,139.2			29,077.81	100.0	(29,023.84)	(99.8)	227,373.78	256,451.59	256,451.59			

[1] Reflects Normalized Volumes.
[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.
[3] Reflects Expected Gas Cost Commodity Rate of \$9.0113/Mcf as of December 1, 2006.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Annualized		% of Rev To Gas Cost (L) (%)	Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (M / K) (N) (%)	Gas Cost Revenue [2] (H) (S)	Current Total Revenue (K ± H) (K1) (\$)	Total Revenue % Increase (M / K1) (O) (%)
						Revenue (K) (\$)	Loss (S)		Gas Cost Rev (M) (\$)	Rev Less Gas Cost Rev (N) (%)				
1	SS	Standby Service - Industrial												
2		INDUSTRIAL		27,120.0	6.5482							177,587.18	177,587.18	
3		Demand Charge:					59.8		(18,181.80)	(100.0)		0.00	18,181.80	
4		Customer Charge:	156		116.55									
5		Firm Commodity Charge:		22,324.0	0.5467		40.2		0.00	0.0		201,168.26	213,372.79	
6		First 30,000 Mcf		0.0	0.2905		0.0		(12,204.53)	0.0		0.00	0.00	
7		Over 30,000 Mcf							(30,386.33)	(100.0)		378,755.44	409,141.77	
8		Total Firm		22,324.0										
9		Interruptible Commodity Charge:												
10		First 30,000 Mcf		7.0	0.5467		0.0		0.00	0.0		72.81	76.64	
11		Over 30,000 Mcf		0.0	0.2905		0.0		(3.83)	0.0		0.00	0.00	
12		Total Interruptible		7.0					(3.83)	(100.0)		72.81	76.64	
13		Total	156	22,331.0			100.0		(30,390.16)	(100.0)		378,828.25	409,218.41	

[1] Reflects Normalized Volumes.
[2] Reflects Expected Gas Cost Rate of \$10.4012/Mcf as of December 1, 2006.
[3] Reflects Expected Gas Cost Commodity Rate of \$9.0113/Mcf as of December 1, 2006.

Columbia Gas of Kentucky, Inc.
 Case No. 2007-00008
 Annualized Test Year Revenues at Most Current Rates
 For the 12 Months Ended September 30, 2006
 (Gas Service)

Data: X Base Period __ Forecasted Period
 Type of Filing: X Original __ Update __ Revised
 Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue (H) (\$)	Gas Cost Revenue (I) (\$)	Current Total Revenue (K+H) (\$)	Total Revenue % Increase (M/KI) (%)
1	GTR	GTS Choice - Residential	325,805		0.00	0.00	0.0	4,154,013.75	0.0	0.00	0.00	0.00	
2		RESIDENTIAL											
3		Customer Charge:											
4		Commodity Charge:											
5		First 1 Mcf		248,418.6	6.9500	2,264,344.75	38.1	(1,810,980.80)	(80.0)	0.00	0.00	2,264,344.75	
6		Over 1 Mcf		1,897,209.0	1.8750	3,557,266.88	59.8	(94,860.45)	(2.7)	0.00	0.00	3,557,266.88	
7		EAP Recovery			0.0579	124,231.84	2.1	0.00	0.0	0.00	0.00	124,231.84	
8		Total	325,805	2,145,627.6		5,945,843.47	100.0	2,248,172.50	37.8	0.00	0.00	5,945,843.47	

[1] Reflects Normalized Volumes.

Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Current Annualized																
			Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost (L) (%)	Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K + H) (K1) (\$)	Total Revenue % Increase (M / K1) (O) (%)							
1	GTO	GTS Choice - Commercial	42,961		0.00	0.00	1,202,908.00	0.0	0.0	0.00	0.00	0.00	811,103.68	987,910.02	1,121,224.40	345,430.18	306,672.26	3,572,340.54	
2		COMMERCIAL																	
3		Customer Charge:																	
4		Commodity Charge:																	
5		First 1 Mcf		31,356.0	18.8800	811,103.68	22.7	0.00	0.0	0.00	0.00	0.00	811,103.68	987,910.02	1,121,224.40	345,430.18	306,672.26	3,572,340.54	
6		Next 49 Mcf		527,870.7	1.8715	987,910.02	27.7	(753,878.98)	(76.3)	0.00	0.00	0.00	987,910.02	987,910.02	1,121,224.40	345,430.18	306,672.26	3,572,340.54	
7		Next 350 Mcf		617,652.4	1.8153	1,121,224.40	31.4	(24,545.99)	(2.2)	0.00	0.00	0.00	1,121,224.40	1,121,224.40	1,121,224.40	345,430.18	306,672.26	3,572,340.54	
8		Next 600 Mcf		199,716.8	1.7296	345,430.18	9.7	(61,456.41)	(17.8)	0.00	0.00	0.00	345,430.18	345,430.18	345,430.18	345,430.18	306,672.26	3,572,340.54	
9		Over 1,000 Mcf		<u>194,071.8</u>	1.5802	<u>306,672.26</u>	<u>8.5</u>	<u>(19,112.90)</u>	<u>(6.2)</u>	0.00	0.00	0.00	<u>306,672.26</u>	<u>306,672.26</u>	<u>306,672.26</u>	<u>306,672.26</u>	<u>306,672.26</u>	<u>3,572,340.54</u>	
10		Total	42,961	1,570,667.7		3,572,340.54	100.0	343,913.72	9.6	0.00	0.00	0.00	3,572,340.54	3,572,340.54	3,572,340.54	3,572,340.54	3,572,340.54	3,572,340.54	

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Customer		Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current		% of Rev To		Revenue		% Incr In		Gas Cost		Current Total Revenue (K+H) (K) (\$)	Total Revenue % Increase (O) (%)	
			Bills (C)	108			Revenue Less Gas Cost (K) (\$)	0.00	Total Less Gas Cost (L) (%)	Incr Less Gas Cost Rev (E-K) (M) (\$)	Gas Cost Rev (M/K) (N) (%)	Revenue (H) (S) (\$)	Gas Cost Revenue (I) (S) (\$)	Gas Cost Rev (M/K) (N) (%)	Revenue (H) (S) (\$)	Gas Cost Revenue (I) (S) (\$)			
1	GTO	GTS Choice - Industrial		108		0.00			0.0	3,024.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	2,039.04	7,661.92
2		INDUSTRIAL																34,591.81	29,146.01
3		Customer Charge:																19,750.29	19,750.29
4		Commodity Charge:																2,039.04	7,661.92
5		First 1 Mcf			102.2	18.8800	2,039.04	2.2	0.0	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	34,591.81	29,146.01
6		Next 49 Mcf			4,094.0	1.8715	7,661.92	8.2	(1,852.52)	(24.2)	(24.2)	(0.6)	(0.6)	0.00	0.00	0.00	0.00	29,146.01	19,750.29
7		Next 350 Mcf			19,055.7	1.8153	34,591.81	37.1	(190.37)	(0.6)	(0.6)	(6.5)	(6.5)	0.00	0.00	0.00	0.00	19,750.29	19,750.29
8		Next 600 Mcf			16,851.3	1.7296	29,146.01	31.3	(1,896.04)	(6.5)	(6.5)	(8.2)	(8.2)	0.00	0.00	0.00	0.00	93,189.07	93,189.07
9		Over 1,000 Mcf			12,498.6	1.5802	19,750.29	21.2	(1,612.67)	(2.7)	(2.7)			0.00	0.00	0.00	0.00	93,189.07	93,189.07
10		Total		108	52,601.8		93,189.07	100.0	(2,527.60)	(2.7)	(2.7)			0.00	0.00	0.00	0.00	93,189.07	93,189.07

[1] Reflects Normalized Volumes.

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current		% of Rev To		Revenue		% Incr In		Current		Total	
						Revenue (K) (\$)	Less Gas Cost (L) (%)	Total Less Gas Cost (M) (\$)	Incr Less Gas Cost (N) (%)	Revenue (H) (\$)	Cost (I) (\$)	Total Revenue (K+H) (K1) (\$)	Total Revenue Increase (O) (%)				
1	DS-IS	GTS Interruptible Service - Commercial															
2		COMMERCIAL															
3		Demand Charge:		24,456.0	0.0000												
4		Customer Charge:	347		0.00		0.00	0.0		69,400.00		0.0					
5		Administrative Charge:	347		55.90		19,397.30	2.4		0.00		0.0					
6		Commodity Charge:															
7		First 30,000 Mcf		1,460,854.3	0.5467		798,649.05	97.6		87,310.75		10.9					
8		Over 30,000 Mcf		0.0	0.2905		0.00	0.0		0.00		0.0					
9		Total	347	1,460,854.3			818,046.35	100.0		156,710.75		19.2					

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (S) (\$)	Current Total Revenue (K+H) (KI) (\$)	Total Revenue % Increase (M/KI) (O) (%)
1	DS-IS	GTS Interruptible Service - Industrial										
2		INDUSTRIAL										
3		Demand Charge:	[3]	27,120.0	0.0000					0.00	0.00	
4		Customer Charge:			0.00		0.0	110,800.00	0.0	0.00	0.00	
5		Administrative Charge:			55.90	30,968.60	0.9	0.00	0.0	0.00	30,968.60	
6		Commodity Charge:										
7		First 30,000 Mcf		4,830,084.0	0.5467	2,640,606.92	76.4	294,944.30	11.2	0.00	2,640,606.92	
8		Over 30,000 Mcf		2,698,204.0	0.2905	783,828.26	22.7	78,021.38	10.0	0.00	783,828.26	
9		Total		554 7,528,288.0		3,455,403.78	100.0	483,765.68	14.0	0.00	3,455,403.78	

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
 Case No. 2007-00008
 Annualized Test Year Revenues at Most Current Rates
 For the 12 Months Ended September 30, 2006
 (Gas Service)

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Annualized				% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (N) (M/K) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K) (\$)	Total Revenue % Increase (M/K) (O) (%)
						Current Revenue Less Gas Cost Revenue (K) (\$)	Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (N) (M/K) (%)	Gas Cost Revenue (H) (\$)						
1		DS-SMT GTS Special Rate - Industrial													
2		INDUSTRIAL			0.00	0.00	0.0	2,400.00	0.0	0.00	0.0	0.00	0.00		
3		Customer Charge:			65.00	780.00	1.0	(109.20)	(14.0)	0.00	(14.0)	0.00	780.00		
4		Administrative Charge:													
5		Commodity Charge:			0.6368	74,335.57	99.0	302.48	0.4	0.00	0.4	0.00	74,335.57		
6		First 30,000 Mcf		116,733.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
7		Over 30,000 Mcf			0.3384	75,115.57	100.0	2,593.28	3.5	0.00	3.5	0.00	75,115.57		
8		Total		116,733.0											

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Current Annualized				Revenue Incr Less Gas Cost Rev (R-K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
			Customer Bills (C)	Sales Ill (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost Revenue (K) (\$)					
1	DS-GS	GTS General Service - Commercial									
2		COMMERCIAL		8,532.0	0.0000				0.00	0.00	
3		Demand Charge:	216		0.00		6,048.00	0.0	0.00	0.00	
4		Customer Charge:	216		55.90		0.00	0.0	0.00	12,074.40	
3		Administrative Charge:								392.10	
4		Commodity Charge:								19,198.61	
5		First 1 Mcf		216.0	1.8153		2.10	0.5	0.00	132,727.66	
6		Next 49 Mcf		10,576.0	1.8153		102.59	(5.5)	0.00	171,946.80	
7		Next 350 Mcf		73,116.1	1.8153		(7,275.06)	(5.4)	0.00	110,062.83	
8		Next 600 Mcf		99,414.2	1.7296		(9,291.89)	(1.8)	0.00	446,402.40	
9		Over 1,000 Mcf		59,651.2	1.5802		(1,974.38)	(2.8)	0.00		
10		Total	216	252,973.5			(12,388.64)				

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
 Case No. 2007-00008
 Annualized Test Year Revenues at Most Current Rates
 For the 12 Months Ended September 30, 2006
 (Gas Service)

Data: X Base Period _ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F - K) (M) (\$)	% Iner In Rev Less Gas Cost Rev (M / K) (N) (%)	Gas Cost Revenue [2] (H) (\$)	Current Total Revenue (K + H) (K1) (\$)	Total Revenue % Increase (M / K1) (O) (%)
1	DS-GS	GTS General Service - Industrial										
2		INDUSTRIAL		4,248.0	0.0000					0.00	0.00	
3		Demand Charge:	108		0.00		0.0	3,024.00	0.0	0.00	0.00	
4		Customer Charge:	108		55.90	6,037.20	2.9	0.00	0.0	0.00	6,037.20	
5		Administrative Charge:										
6		Commodity Charge:										
7		First 1 Mcf		107.0	1.8153	194.24	0.1	1.04	0.5	0.00	194.24	
8		Next 49 Mcf		4,965.0	1.8153	9,012.96	4.3	48.17	0.5	0.00	9,012.96	
9		Next 350 Mcf		30,635.0	1.8153	55,611.72	26.8	(2,922.93)	(5.3)	0.00	55,611.72	
10		Next 600 Mcf		40,386.0	1.7296	69,851.63	33.7	(3,864.94)	(5.5)	0.00	69,851.63	
11		Over 1,000 Mcf		42,157.0	1.5802	66,616.49	32.2	(1,364.21)	(2.0)	0.00	66,616.49	
12		Total	108	118,250.0		207,324.24	100.0	(5,078.87)	(2.4)	0.00	207,324.24	

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code	Class/Description	Customer BHS	Sales (D)	Most Current Rates (J)	Current Revenue Less Gas Cost (K)	% of Rev To Total Less Gas Cost (L)	Revenue Iner Less Gas Cost Rev (F-K) (M)	% Iner In Rev Less Gas Cost Rev (N)	Gas Cost Revenue (H)	Current Total Revenue (K+H) (S)	Total Revenue Increase (O)
	(A)	(B)	(C)	(McF)	(\$/McF)	(\$)	(%)	(\$)	(%)	(\$)	(\$)	(%)
1	DS3	GTS Main Line Service - Industrial										
2		INDUSTRIAL			0.00	0.00	0.0	4,800.00	0.0	0.00	0.00	0.00
3		Customer Charge:	24		55.90	1,341.60	7.2	0.00	0.0	0.00	1,341.60	
4		Administrative Charge:	24									
5		Commodity Charge:		200,189.0	0.0858	17,176.22	92.8	677.30	3.9	0.00	17,176.22	
6		All Gas Consumed		200,189.0		18,517.82	100.0	5,477.30	29.6	0.00	18,517.82	
7		Total										

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Current Annualized											
					Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F - K) (M) (\$)	% Iner In Rev Less Gas Cost Rev (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (KI) (\$)	Total Revenue % Increase (M/KI) (O) (%)				
1	FX1	GTS Flex Rate - Commercial														
2		COMMERCIAL			0.00	0.00	0.0	2,400.00	0.0	0.0	0.00	0.00				
3		Customer Charge:			65.00	780.00	3.0	(109.20)	(14.0)	0.00	780.00					
4		Administrative Charge:														
5		Commodity Charge:			0.1250	24,812.66	97.0	0.00	0.0	0.0	24,812.66					
6		Rate Schedule FX1														
7		Total		12	198,501.3	25,592.66	100.0	2,290.80	9.0	0.00	25,592.66					

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales [H] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Gas Cost Revenue (L) (%)	Revenue Iner Less Gas Cost Rev (F - K) (M) (\$)	% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue [I] (H) (\$)	Current Total Revenue (K+H) (KI) (\$)	Total Revenue % Increase (M/KI) (O) (%)
1	FX2	GTS Flex Rate - Industrial										
2		INDUSTRIAL										
3		Customer Charge:	10	0.00	0.00	0.00	0.0	2,000.00	0.0	0.00	0.00	0.00
4		Administrative Charge:	10	65.00	65.00	650.00	31.6	(91.00)	(14.0)	0.00	650.00	650.00
5		Commodity Charge:										
6		All Gas Consumed		11,232.0	0.125	1,404.00	68.4	77.88	5.5	0.00	1,404.00	1,404.00
7		Total	10	11,232.0		2,054.00	100.0	1,986.88	96.7	0.00	2,054.00	2,054.00

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
 Case No. 2007-00008
 Annualized Test Year Revenues at Most Current Rates
 For the 12 Months Ended September 30, 2006
 (Gas Service)

Data: X Base Period _ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (E) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue (H) (\$)	Current Total Revenue (K+H) (KI) (\$)	Total Revenue % Increase (M/KI) (O) (%)
1	FX4	GTS Flex Rate - Industrial										
2		INDUSTRIAL										
3		Customer Charge:	12	0.00	0.00	0.00	0.0	2,400.00	0.0	0.00	0.00	0.00
4		Administrative Charge:	12	55.90	670.80	670.80	1.4	0.00	0.0	0.00	670.80	670.80
5		Commodity Charge:										
6		All Gas Consumed		144,672.0	0.325	47,018.40	98.6	0.00	0.0	0.00	47,018.40	47,018.40
7		Total	12	144,672.0		47,689.20	100.0	2,400.00	5.0	0.00	47,689.20	47,689.20

[1] Reflects Normalized Volumes.

Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales III (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F - K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (M / K) (N) (%)	Gas Cost Revenue 121 (H) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (O) (%)
1	FX5	GTS Flex Rate - Industrial										
2		INDUSTRIAL										
3		Customer Charge:	34	0.00	0.00	0.00	0.0	6,800.00	0.0	0.00	0.00	0.00
4		Administrative Charge:	34	55.90	1,900.60	1,900.60	0.4	0.00	0.0	0.00	1,900.60	1,900.60
5		Commodity Charge:										
6		All Gas Consumed		5,152,027.0	0.0858	442,043.92	99.6	0.00	0.0	0.00	442,043.92	442,043.92
7		Total	34	5,152,027.0		443,944.52	100.0	6,800.00	1.5	0.00	443,944.52	443,944.52

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost (K) (\$)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F-K) (M) (\$)	% Incr In Rev Less Gas Cost Rev (M/J) (N) (%)	Gas Cost Revenue (H) (\$)	Gas Cost Revenue (I) (\$)	Current Total Revenue (K+H) (K1) (\$)	Total Revenue % Increase (M/K1) (O) (%)
1	EX6	GTS Flex Rate - Industrial											
2		INDUSTRIAL											
3		Customer Charge:	12	0.00	0.00	0.00	0.0	2,400.00	0.0	0.00	0.00	0.00	0.00
4		Administrative Charge:	12	55.90	0.0858	670.80	3.1	0.00	0.0	0.00	0.00	670.80	670.80
5		Commodity Charge:											
6		All Gas Consumed		244,692.0	0.0858	20,994.57	96.9	0.00	0.0	0.00	0.00	20,994.57	20,994.57
7		Total	12	244,692.0		21,665.37	100.0	2,400.00	11.1	0.00	0.00	21,665.37	21,665.37

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
 Case No. 2007-00008
 Annualized Test Year Revenues at Most Current Rates
 For the 12 Months Ended September 30, 2006
 (Gas Service)

Data: X Base Period _ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):

Line No.	Rate Code	Class/Description	Customer Bills	Current Annualized												
				Sales [I]	Most Current Rates	Revenue Less Gas Cost	% of Rev To Total Less Gas Cost	Revenue Incur Less Gas Cost Rev	% Incr In Rev Less Gas Cost Rev	Gas Cost Revenue [2]	Current Total Revenue	Total Revenue	% Increase			
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	
			(Mcf)	(\$/Mcf)	Revenue (\$)	Revenue (\$)	Revenue (%)	Revenue (\$)	Revenue (%)	Revenue (\$)	Revenue (%)	Revenue (\$)	Revenue (%)	Revenue (\$)	Revenue (%)	
1	FX7	GTS Flex Rate - Industrial														
2		INDUSTRIAL		0.00	0.00	0.00	0.0	2,400.00	0.0	0.0	0.00	0.00	0.0	0.00	0.00	
3		Customer Charge:		0.00	0.00	0.00	0.0	0.00	0.0	0.0	0.00	0.00	0.0	0.00	0.00	
4		Administrative Charge:														
5		Commodity Charge:		0.4500	135,000.00	135,000.00	65.3	0.00	0.0	0.0	0.00	0.00	0.0	0.00	135,000.00	
6		First 25,000 Mcf		0.2500	71,739.50	71,739.50	34.7	0.00	0.0	0.0	0.00	0.00	0.0	0.00	71,739.50	
7		Over 25,000 Mcf					100.0	2,400.00	1.2	1.2	0.00	0.00	1.2	0.00	206,739.50	
8		Total		586,958.0	206,739.50	206,739.50										

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Line No.	Rate Code	Class/Description	Work Paper Reference No(s)	Current Annualized												
				Customer Bills (C)	Sales [I] (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost Revenue (K) (S)	% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (F - K) (M) (S)	% Iner In Rev Less Gas Cost Rev (M/K) (N) (%)	Gas Cost Revenue [I] (H) (S)	Current Total Revenue (K+H) (K1) (S)	Total Revenue % Increase (M/K1) (O) (%)			
1	SAS	GTS Special Agency Service														
2		INDUSTRIAL				0.00	0.00	0.0	2,400.00	0.0	0.00	0.00	0.00			
3		Customer Charge:				55.90	670.80	2.4	0.00	0.0	0.00	0.00	670.80			
4		Administrative Charge:														
5		Commodity Charge:				0.5467	27,443.36	97.6	0.00	0.0	0.00	0.00	27,443.36			
6		First 30,000				0.0	0.00	0.0	0.00	0.0	0.00	0.00	0.00			
7		Over 30,000														
8		Total					28,114.16	100.0	2,400.00	8.5	0.00	0.00	28,114.16			

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008
Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less		% of Rev To Total Less Gas Cost Revenue (L) (%)	Revenue Incr Less Gas Cost Rev (E-K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)	Current Total Revenue (K+H) (K1) (\$)		Total Revenue % Increase (O) (M/K1) (%)		
						Gas Cost Revenue (K) (\$)	Revenue (R) (\$)		Gas Cost Rev (H) (\$)	Revenue (I) (\$)		Gas Cost Rev (K1) (\$)	Total Revenue (J1) (\$)	Gas Cost Rev (O1) (\$)	Total Revenue (M1) (\$)	
1	SC2	GTS Special Rate - Industrial														
2		INDUSTRIAL														
3		Customer Charge:	12	0.00	0.00	0.00	0.00	0.0	2,400.00	0.0	0.0	0.00	0.00	0.00	0.00	0.00
4		Administrative Charge:	12	65.00	65.00	780.00	780.00	2.5	(109.20)	(14.0)	(14.0)	0.00	780.00	780.00	780.00	780.00
5		Commodity Charge:														
6		All Gas Consumed		234,904.0	0.1300	30,537.52	30,537.52	97.5	0.00	0.0	0.0	0.00	30,537.52	30,537.52	30,537.52	30,537.52
7		Total	12	234,904.0		31,317.52	31,317.52	100.0	2,290.80	7.3	7.3	0.00	31,317.52	31,317.52	31,317.52	31,317.52

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2007-00008

Annualized Test Year Revenues at Most Current Rates
For the 12 Months Ended September 30, 2006
(Gas Service)

Data: X Base Period _ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Customer Bills (C)	Sales (D) (Mcf)	Most Current Rates (J) (\$/Mcf)	Current Revenue Less Gas Cost		% of Rev To Total Less Gas Cost		Revenue Iner Less Gas Cost Rev (F - K) (M) (\$)		% Incr In Rev Less Gas Cost Rev (M/K) (N) (%)		Current Total Revenue (K+H) (K1) (\$)		Total Revenue % Increase (M/K1) (O) (%)		
						Revenue (K) (\$)	Gas Cost Revenue (L) (%)	Revenue (L) (%)	Gas Cost Rev (M) (\$)	Gas Cost Rev (N) (%)	Revenue (H) (\$)	Gas Cost Revenue (I) (%)	Revenue (K1) (\$)	Gas Cost Revenue (J1) (%)				
1	SC3	GTS Special Rate - Industrial																
2		INDUSTRIAL			0.00	0.00	0.0	0.0	2,400.00	0.0	0.0	0.0	0.00	0.00	0.00			
3		Customer Charge:																
4		Administrative Charge:			65.00	780.00	0.2	0.2	(109.20)	(14.0)	0.00	0.00	780.00					
5		Commodity Charge:																
6		All Gas Consumed		3,239,241.0	0.1300	421,101.33	99.8	99.8	0.00	0.0	0.00	0.00	421,101.33	421,101.33				
7		Total		3,239,241.0		421,881.33	100.0	100.0	2,290.80	0.5	0.00	0.00	421,881.33	421,881.33				

[1] Reflects Normalized Volumes.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 50

Refer to the Direct Testimony of Ronald D. Gibbons ("Gibbons Testimony"), page 10. Columbia states that it applied the largest increase to the GSR/GRT class in order to help reduce the subsidy shown by the cost-of-service study. Columbia further explains that it did not apply the full increase indicated by the cost-of-service study in the interest of gradualism.

- a. Explain how Columbia determined the amount of increase applied to the GSR/GRT class.
- b. Explain why Columbia believes that the blocks and rates of the GSO/GTO class and the GSR/GRT class need to be aligned.

Response of Columbia Gas of Kentucky:

- a. On page 3 of 28 in the Class Cost of Service studies, line 18 shows "unitized returns" for each rate class. The "unitized return" represents the relationship between the overall rate of return on rate base and each individual rate class' contribution to the rate of return on rate base. A "unitized return" of 1 indicates that rate class is contributing the correct amount to the overall return on rate base. A number greater than 1 means that rate class is over contributing and a number less than 1 indicates an under contribution. The "unitized returns" at current rates indicated that GS-Other and DS/IS/SS were over contributors and GS-Res and IUS were under contributors. The goal of the new rate design was to decrease the returns on the GS-Other and DS/IS/SS classes while increasing the returns for the GS-Res and IUS. Therefore, GS-Res class ended up with the largest rate increase. The fairest way to allocate a revenue deficiency (rate increase) across rate schedules is through a class cost of service study.
- b. Small commercial customers share many of the same service characteristics as that of residential customers. For example, their consumption is largely temperature-sensitive, their consumption is primarily not for manufacturing purposes, and their overall annual consumption is in the same order of magnitude as that of residential customers. Therefore, it is appropriate for a small commercial customer to pay rates that are about the same as a residential customer.

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**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED April 10, 2007**

Question No. 51

Refer to the Gibbons Testimony, Attachment RDG-2, page 2, the Factor No. 3- Allocation Development. In the calculation of the cost of the minimum system, should the cost be \$67,164,738 rather than \$105,816,077? Explain the response.

Response of Columbia Gas of Kentucky:

Yes, *the cost of the minimum system should be \$67,164,734 rather than \$105,816,077.* However, the correct cost of \$67,164,734 was used in developing the demand component factor of .3653.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 52

Refer to the Gibbons Testimony, Attachment RDG-2, the Customer/Demand Component Factor 3 chart.

- a. In column D, should the column title be $D=C \times .6347$?
- b. In column G, should the column title be $G=F \times .3653$?

Response of Columbia Gas of Kentucky:

- a. The title in column D of attachment RDG-2 should be $D=C \times .6347$, which is the factor that was used in the calculations in column D.
- b. That title in column G of attachment RDG-2 should be $G=F \times .3653$, which is the factor that was used in the calculations in column G.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 53

Refer to the Direct Testimony of William Gresham ("Gresham Testimony"), page 5.

- a. Explain why Columbia has changed its normal weather from a 30-year average to a 20-year average.
- b. Since Columbia has a weather normalization mechanism in its tariff, explain how it is affected by using 20-year weather normals rather than 30-year normals.

Response of Columbia Gas of Kentucky:

- a. Columbia changed the normalization process to incorporate more recent data and to reflect an averaging period with superior performance to the company's existing 30-year definition. The response to Public Service Commission Data Request Set 2, Question No. 54 part b explains the superior performance.
- b. The weather normalization adjustment (WNA) adjusts the volumetric margin portion of monthly bills to reflect normal rather than actual weather. The weather used in the adjustment reflects the days in the billing period. For billing periods where the 20-year average is lower than the 30-year average, the adjustment will be calculated on a lower level of HDD. For billing periods where the 20-year average is higher than the 30-year average, the adjustment will be calculated on a higher level of HDD. It is not possible to say what the final effect will be because the magnitude and direction of the adjustments depend on the occurrence of actual HDD compared to normal.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 54

Refer to the Gresham Testimony, pages 6 and 7.

- a. In reviewing the 30-year weather data for the period 1976 through 2005, did Columbia identify any years in which the actual weather appeared to be "extreme"? Explain the response.
- b. Mr. Gresham contends that the 20-year measure is a better predictor of normal weather and is a more dynamic measure. Are there any other factors or conditions that support the use of a 20-year average? Explain the response.

Response of Columbia Gas of Kentucky:

- a. The company looked at Heating Degree Days ("HDD") for the Lexington, KY weather station for the years 1925-2006 and found no extreme values. The company concluded that there are no extreme values of HDD over the history by constructing a box plot of the available HDD data. A box plot, also known as a box-and-whisker plot, is useful for showing the characteristics of the distribution of data. These characteristics include the first quartile, the median, the third quartile, and standard values of upper limit above the third quartile and standard values of lower limit below the first quartile. Values of the data falling below the lower limit and above the upper limit are identified as outliers, or extreme values. Outliers are values that are considered atypical of a distribution of data. The company found that no value of HDD could be identified as an outlier.
- b. My testimony explains that over the period 1980-2005 the 20-year average HDD has been a better predictor of actual HDD (not normal HDD) than the 30-year average. The prediction superiority was demonstrated as a one-year-ahead prediction where the 20-year average out-performed the 30-year average in 19 of 26 years and as a five-year-ahead prediction where the 20 year average was closer to actual HDD in 15 of 22 five-year periods. The prediction advantage was even more pronounced for the period 1990-2005 where the 20-year average was closer in 81% of the one-year periods and 75% of the five-year periods. The 20-year average achieves this advantage without sacrificing stability. In this case a stable measure is one that does not change significantly from year to year. For the years presented actual HDD changed on average 5.8% per year with a maximum change of 19%. The 20-year average changed on average only 0.4% per year with a maximum change of 1.7%. These values are close to the 30-year average which changed on average 0.2% with a maximum change of 0.8%.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 55

Refer to the Gresham Testimony, page 8.

- a. Were the 20-year and 30-year averages the only alternatives considered by Columbia and Mr. Gresham? Explain the response.
- b. Did Columbia or Mr. Gresham give any consideration to using a 25-year average? Explain the response.
- c. Revise Tables 1 and 2 on page 8 to include the same information for a 25-year average.

Response of Columbia Gas of Kentucky:

- a. No. Columbia also considered 15 and 25 year averages, and believes the 20 year average to be superior in performance.
- b. Yes. See answer above.
- c. The accompanying tables show the results for the 15 and 25 year averages considered by Columbia.

Table 1 for 15-Yr Average
Weather Averages as Predictors
 Moving Averages used to Predict Following Years
 Columbia Gas of Kentucky

	Annual Heating Degree Days			Absolute Error		Better 1-year predictor		Better 5-year predictor		
	Actual	15-yr Average	30-yr Average	15-yr Average	30-yr Average	15-yr Average	30-yr Average	15-yr Average	30-yr Average	
	1980	4587	4357	4320	250	284	1			
1981	4484	4349	4320	127	164	1				
1982	4149	4347	4326	200	171		1			
1983	4074	4319	4339	273	252			1		
1984	4514	4320	4353	195	175			1	1	
1985	4020	4287	4350	300	333	1			1	
1986	4065	4279	4349	222	285	1			1	
1987	4016	4266	4345	263	333	1			1	
1988	4500	4318	4337	234	155		1			
1989	4245	4338	4336	73	92	1		1		
1990	3630	4318	4302	708	706			1		
1991	3677	4262	4278	641	625			1		
1992	3915	4228	4258	347	363	1		1		
1993	4173	4175	4248	55	85	1		1		
1994	4162	4147	4242	13	86	1			1	
1995	4245	4125	4241	98	3		1		1	
1996	4658	4136	4242	533	417			1		
1997	4316	4147	4247	180	74		1		1	
1998	3495	4109	4214	652	752	1		1		
1999	3748	4058	4189	361	466	1		1		
2000	4054	4060	4174	4	135	1		1		
2001	4085	4061	4170	25	89	1		1		
2002	4112	4068	4167	51	58	1		1		
2003	4187	4047	4182	119	20		1	1		
2004	3902	4024	4181	145	280	1		1		
2005	4064	4053	4185	40	117	1		1		
						Frequency of Lowest Absolute Error		Frequency of Lowest Error		
		1965-2005		Mean Absolute Error						
		1980-2005		263		16	10	15	7	
		1990-2005		235	251	10	6	13	3	
				248	267					
						Relative Frequency of Lowest Absolute Error		Relative Frequency of Lowest Error		
						1980-2005	62%	38%	71%	29%
						1990-2005	63%	38%	81%	19%

Table 2 for 15-Yr Average
Stability of Weather Averages
 Annual Change in Averages 1980-2005
 Absolute Values
 Columbia Gas of Kentucky

	15-yr Average	30-yr Average	Annual HDD
Average	0.5%	0.2%	5.8%
Maximum	1.3%	0.8%	19.0%

Table 1 for 25-Yr Average
Weather Averages as Predictors
 Moving Averages used to Predict Following Years
 Columbia Gas of Kentucky

	Annual Heating Degree Days			Absolute Error		Better 1-year predictor		Better 5-year predictor	
	Actual	25-yr Average	30-yr Average	25-yr Average	30-yr Average	25-yr Average	30-yr Average	25-yr Average	30-yr Average
	1980	4587	4371	4320	235	284	1		
1981	4484	4386	4320	113	164	1			
1982	4149	4387	4326	237	171		1		
1983	4074	4360	4339	313	252		1		
1984	4514	4369	4353	154	175	1		1	
1985	4020	4344	4350	349	333		1		1
1986	4065	4331	4349	279	285	1			1
1987	4016	4311	4345	315	333	1			1
1988	4500	4312	4337	189	155		1		1
1989	4245	4308	4336	67	92	1			1
1990	3630	4282	4302	678	706	1		1	
1991	3677	4245	4278	605	625	1		1	
1992	3915	4235	4258	330	363	1		1	
1993	4173	4222	4248	62	85	1		1	
1994	4162	4208	4242	60	86	1		1	
1995	4245	4197	4241	37	3		1	1	
1996	4658	4216	4242	461	417		1	1	
1997	4316	4220	4247	100	74		1		1
1998	3495	4211	4214	725	752	1		1	
1999	3748	4203	4189	463	466	1		1	
2000	4054	4208	4174	149	135		1	1	
2001	4085	4191	4170	123	89		1	1	
2002	4112	4179	4167	79	58		1	1	
2003	4187	4148	4182	8	20	1		1	
2004	3902	4121	4181	246	280	1			1
2005	4064	4100	4185	57	117	1			1
						Frequency of Lowest Absolute Error		Frequency of Lowest Error	
		1965-2005		262					
		1980-2005		247	251	16	10	14	8
		1990-2005		261	267	10	6	13	3
						Relative Frequency of Lowest Absolute Error		Relative Frequency of Lowest Error	
					1980-2005	62%	38%	64%	36%
					1990-2005	63%	38%	81%	19%

Table 2 for 25-Yr Average
Stability of Weather Averages
 Annual Change in Averages 1980-2005
 Absolute Values
 Columbia Gas of Kentucky

	25-yr Average	30-yr Average	Annual HDD
Average	0.4%	0.2%	5.8%
Maximum	0.9%	0.8%	19.0%

Columbia Gas of Kentucky Respondent: **Susanne M. Taylor, NCSC Controller**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 56

Refer to the Direct Testimony of Susanne M. Taylor, page 4.

- a. Provide a copy of the referenced Service Agreement.
- b. Provide a detailed description of all changes covered by the amendment to the Service Agreement that were filed and accepted by the Securities and Exchange Commission on October 6, 2005.
- c. Was the Commission provided with an advance notice the Service Agreement was going to be amended in 2005, pursuant to the merger commitments in Case No. 2000-00129? Explain the response.

Response of Columbia Gas of Kentucky:

- a. Please refer to PSC Set 2-56 – Attachment A.pdf for a copy of the referenced Service Agreement.
- b. Please refer to PSC Set 2-56 – Attachment B.pdf for a copy of the 60 Day Letter filed dated June 30, 2005 with the United States Securities and Exchange Commission (“SEC”) related to requested amendments to the NCSC Service Agreement. Also, please refer to PSC Set 2-56 – Attachment C.pdf for a copy of the letter dated October 6, 2005 from the United States Securities and Exchange Commission which accepts the amendments to the NCSC Service Agreement, as filed.
- c. Pursuant to the merger commitment in Case No. 2000-00129 dated June 30, 2000, Appendix A, (4) NiSource, Columbia Energy, and Columbia of Kentucky commit to provide the Commission with notice 30 days prior to any SEC filing that proposes new allocation factors. Since the filing with the SEC was a proposed amendment to Appendix A of the Service Agreement related to modification of Service Categories and not a change to allocation factors, Columbia Gas of Kentucky did not make any advance filings with the Commission.

Service Agreement

BETWEEN

NISOURCE CORPORATE SERVICES COMPANY

AND

COLUMBIA GAS OF KENTUCKY, INC.

Dated January 1, 2007

(To Take Effect Pursuant to Article 3 Hereof)

SERVICE AGREEMENT

This SERVICE AGREEMENT (the "Service Agreement" or "Agreement") is made and entered into this 1st day of January, 2007 by and between Columbia Gas of Kentucky, Inc., its subsidiaries, affiliates and associates ("Client", and together with other associate companies that have or may in the future execute this form of Service Agreement, the "Clients") and NiSource Corporate Services Company ("Company").

WITNESSETH:

WHEREAS, the Securities and Exchange Commission ("SEC") has approved and authorized as meeting the requirements of Section 13(b) of the Public Utility Holding Company Act of 1935 ("Act") the organization and conduct of the business of the Company, in accordance herewith, as a wholly-owned subsidiary service company of NiSource Inc. ("NiSource), including the allocation of all Company costs by using the methods approved by the Securities and Exchange Commission ("SEC Method");

WHEREAS, Client is an affiliate of the Company; and

WHEREAS, the Company and Client agree to enter into this Service Agreement whereby the Client may seek certain services from the Company and the Company agrees to provide such services upon request and upon the Company's conclusion that it is able to perform such services. Further, the Client agrees to pay for the services as provided herein at cost, with cost determined in accordance with applicable rules and regulations under the Act, which require the Company to fairly and equitably allocate costs among all Clients to which it renders services; and

WHEREAS, the rendition of such services set forth in Article 2 of Appendix A on a centralized basis enables the Clients to realize economic and other benefits through (1) efficient use of personnel and equipment, (2) coordination of analysis and planning, and (3) availability of specialized personnel and equipment which the Clients cannot economically maintain on an individual basis.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

ARTICLE 1

SERVICES

1.1 The Company shall furnish to Client, as requested by Client, upon the terms and conditions hereinafter set forth, such of the services described in Section 2 of Appendix A hereto (the "Services"), at such times, for such periods and in such manner as Client may from time to time request and that the Company concludes it is able to perform. The Company shall also provide Client with such services, in addition to those services described in Appendix A hereto, as may be requested by Client and that the Company concludes it is able to perform. In supplying such services, the Company may arrange, where it deems appropriate in consultation with Client,

for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services ("Additional Services").

1.2 Client shall take from the Company such of the Services, and such Additional Services, whether or not now contemplated, as are requested from time to time by Client and that the Company concludes it is able to perform.

1.3 The cost of the Services described herein or contemplated to be performed hereunder shall be allocated to Client in accordance with the SEC Method. Client shall have the right from time to time to amend or alter any activity, project, program or work order provided that (i) Client pays and remunerates the Company the full cost for the services covered by the activity, project, program or work order, including therein any expense incurred by the Company as a direct result of such amendment or alteration of the activity, project, program or work order, and (ii) Client accepts that no amendment or alteration of an activity, project, program or work order shall release Client from liability for all costs already incurred by or contracted for by the Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

1.4 The Company shall hire, train and maintain an experienced staff able to perform the Services, or shall obtain experience through third-party resources, as it shall determine in consultation with Client.

ARTICLE 2

COMPENSATION

2.1 As compensation for the Services to be rendered hereunder, Client shall compensate and pay to the Company all costs, reasonably identifiable and related to particular Services performed by the Company for or on Client's behalf. The methods for allocating the Company costs to Client, as well as to other associate companies, are set forth in Appendix A.

2.2 It is the intent of this Service Agreement that charges for Services shall be billed, to the extent possible, directly to the Client or Clients benefiting from such Service. Any amounts remaining after such direct billing shall be allocated using the methods identified in Appendix A. The methods of allocation of cost shall be subject to review annually, or more frequently if appropriate. Such methods of allocation of costs may be modified or changed by the Company without the necessity of an amendment to this Service Agreement; provided that, in each instance, all services rendered hereunder shall be at actual cost thereof, fairly and equitably allocated, all in accordance with the requirements of the Act and any orders promulgated thereunder. The Company shall review with the Client any proposed change in the methods of allocation of costs hereunder and the parties must agree to any such changes before they are implemented.

2.3 The Company shall render a monthly report to Client that shall reflect all information necessary to identify the costs charged and Services rendered for that month. Client shall undertake an immediate review of the report and identify all questions or concerns

regarding the charges reflected within ten (10) days of receipt of the report. If no concerns are identified within that time, Client shall remit to the Company all charges billed to it within 30 days of receipt of the monthly report.

2.4 Client agrees to provide the Company, from time to time, as requested such financial and statistical information as the Company may need to compute the charges payable by Client consistent with the method of allocation set forth on Appendix A.

2.5 It is the intent of this Service Agreement that the payment for services rendered by the Company to Client under this Service Agreement shall cover all the costs of its doing business including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, insurance, injuries and damages, employee and retiree pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital as permitted under the Act.

ARTICLE 3

TERM

3.1 This Service Agreement shall become effective as of the date first written above, subject only to the receipt of any required regulatory approvals from the State Commissions and the SEC, and shall continue in force until terminated by the Company or Client, upon not less than one year's prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Service Agreement may conflict with (1) the Act or with any rule, regulation or order of the SEC adopted before or after the date of this Service Agreement, or (2) any state or federal statute, or any rule, decision, or order of any state or federal regulatory agency having jurisdiction over one or more Clients. Further, this Service Agreement shall be terminated with respect to the Client immediately upon the Client ceasing to be an associate company of the Company. The parties' obligations under this Service Agreement which by their nature are intended to continue beyond the termination or expiration of this Service Agreement shall survive such termination or expiration.

ARTICLE 4

SERVICE REVIEW

4.1 On an annual basis, the Company and Client shall meet to assess the quality of the Services being provided pursuant to this Service Agreement and to determine the continued need therefor and shall, subject to Section 1.1, above, amend the scope of services, delete services entirely from this Service Agreement, and/or decline services as they determine to be necessary or desirable.

4.2 NiSource maintains an Internal Audit Department that will conduct periodic audits of the Company administration and accounting processes ("Audits"). The Audits will include examinations of Service Agreements, accounting systems, source documents, methods of allocation of costs and billings to ensure all Services are properly accounted for and billed to the appropriate Client. In addition, the Company's policies, operating procedures and controls will be evaluated annually. Copies of the reports generated by the Company as part of the Audits will be provided to Client upon request.

ARTICLE 5

MISCELLANEOUS

5.1 All accounts and records of the Company shall be kept in accordance with the General Rules and Regulations promulgated by the SEC pursuant to the Act, in particular, the Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies in effect from and after the date hereof.

5.2 New direct or indirect subsidiaries of NiSource Inc., which may come into existence after the effective date of this Service Agreement, may become additional Clients of the Company and subject to a service agreement with the Company. The parties hereto shall make such changes in the scope and character of the services to be rendered and the method of allocating costs of such services as specified in Appendix A, subject to the requirements of Section 2.2, as may become necessary to achieve a fair and equitable allocation of the Company's costs among all Clients including any new subsidiaries. The parties shall make similar changes if any Client ceases to be associated with the Company.

5.3 The Company shall permit Client reasonable access to its accounts and records including the basis and computation of allocations.

5.4 The Company and Client shall comply with the terms and conditions of all applicable contracts managed by the Company for the Client, individually, or for one or more Clients, collectively, including without limitation terms and conditions preserving the confidentiality and security of proprietary information of vendors.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

NISOURCE CORPORATE SERVICES
COMPANY

By: Susanne M. Taylor
Name: Susanne M. Taylor
Its: Controller

COLUMBIA GAS OF KENTUCKY, INC.

By: Herbert A. Miller, Jr.
Name: Herbert A. Miller, Jr.
Its: President

APPENDIX A

NISOURCE CORPORATE SERVICES COMPANY

Services Available to Clients Methods of Charging Therefor and Miscellaneous Terms and Conditions of Service Agreement

ARTICLE 1

DEFINITIONS

- 1 The term "Company" shall mean NiSource Corporate Services Company and its successors.
- 2 The term "Service Agreement" shall mean an agreement, of which this Appendix A constitutes a part, for the rendition of services by the Company.
- 3 The term "Client" shall mean any corporation to which services may be rendered by the Company under a Service Agreement.

ARTICLE 2

DESCRIPTION OF SERVICES

Descriptions of the expected services to be provided by the Company are detailed below. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the state of the art and the needs of the Clients.

1 *Accounting and Statistical Services.* The Company will advise and assist the Clients in all aspects of accounting, including financial accounting, plant accounting, regulatory accounting, tax accounting, maintenance of books and records, safeguarding of assets, accounts payable, accounts receivable, reconciliations, accounting research, reporting, operations and maintenance analysis, and related accounting functions. The Company will also provide services related to developing, analyzing and interpreting financial statements, directors' reports, regulatory reports, operating statistics and other financial reports. The Company will ensure compliance with generally accepted accounting principles and provide guidance on exposure drafts, financial accounting standards, and interpretations issued by the Financial Accounting Standards Board. The Company will advise and assist the Clients in the formulation of accounting practices and policies and will conduct special studies as may be requested by the Clients.

2 *Auditing Services.* The Company will conduct periodic audits of the general records of the Clients, will supervise the auditing of local and field office records of the Client, and will coordinate the audit programs of the Clients with those of the independent accountants in the annual examination of their accounts.

3 *Budget Services.* The Company will advise and assist the Clients in matters involving the preparation and development of budgets and budgetary controls.

4 *Business Promotion Services.* The Company will advise and assist the Clients in the preparation and use of advertising, in the development of residential, commercial and industrial business, and in the rendering of aid to local appliance distributors and dealers in the advertising and promotion of appliance sales.

5 *Corporate Services.* The Company will advise and assist the Clients in connection with corporate matters and with proceedings involving regulatory bodies.

6 *Depreciation Services.* The Company will advise and assist the Clients in matters pertaining to depreciation practices, including (1) the making of studies to determine the estimated service life of various types of plant, annual depreciation accrual rates, salvage experience, and trends in depreciation reserves indicated by such studies; (2) assistance in the organization and training of the depreciation departments of the Clients; and (3) dissemination to the Clients of information concerning current developments in depreciation practices.

7 *Economic Services.* The Company will advise and assist the Clients in matters involving economic research and planning and in the development of specific economic studies.

8 *Electronic Communications Services.* The Company will advise and assist the Clients in connection with the planning, installation and operation of radio networks, remote control and telemetering devices, microwave relay systems and all other applications of electronics to the fields of communication and control.

9 *Employee Services.* The Company will advise and assist the Clients in connection with employee relations matters, including recruitment, employee placement, training, compensation, safety, labor relations and health, welfare and employee benefits. The Company will also advise and assist the Clients in connection with temporary labor matters, including assessment, selection, contract negotiation, administration, service provider relationships, compliance, review and reporting.

10 *Engineering and Research Services.* The Company will advise and assist the Clients in connection with the engineering phases of all construction and operating matters, including estimates of costs of construction, preparation of plans and designs, engineering and supervision of the fabrication of natural gas facilities, standardization of engineering procedures, and supervision and inspection of construction. The Company will also conduct both basic and specific research in fields related to the operations of the Clients.

11 *Gas Dispatching Services.* The Company will advise and assist the Clients in the dispatching of the gas supplies available to the Clients, and in determining and effecting the most efficient routing and distribution of such supplies in the light of the respective needs therefor and the applicable laws and regulations of governmental bodies. If requested by the Clients, the Company will provide a central dispatcher or dispatchers to handle the routing and dispatching of gas.

12 *Information Technology Services.* The Company will advise and assist Clients in matters involving information technology, including management, operations, control, monitoring, testing, evaluation, data access security, disaster recovery planning, technical research, and support services. The Company will also provide and assist the Client with application development, maintenance, modifications, upgrades and ongoing production support for a portfolio of systems and software that are used by the Clients. In addition, the Company will identify and resolve problems, ensure efficient use of software and hardware, and ensure that timely upgrades are made to meet the demands of the Clients. The Company will also maintain information concerning the disposition and location of Information Technology assets.

13 *Information Services.* The Company will advise and assist the Clients in matters involving the furnishing of information to customers, employees, investors and other interested groups, and to the public generally, including the preparation of booklets, photographs, motion pictures and other means of presentation, and assistance to Clients in their advertising programs.

14 *Insurance Services.* The Company will advise and assist the Clients in general insurance matters, in obtaining policies, making inspections and settling claims.

15 *Legal Services.* The Company will provide Clients with legal services (including legal services, as necessary or advisable, in connection with or in support of any of the other services provided hereunder), including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, securities offerings, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice (relating to the all aspects of SEC compliance, PUHCA, FERC, FPA, PURPA), bankruptcy and collection matters, employment and labor relations investigations, union contracting, EEOC issues, and all other matters for which Clients require such legal services.

16 *Office Space.* As may from time to time be available, the Company will provide suitable space in its offices for the use of the Clients and their officers and employees.

17 *Officers.* Any Client may, with the consent of the Company, elect to any office of the Client any officer or employee of the Company whose compensation is paid, in whole or in part, by the Company. Services rendered to the Client by such person as an officer shall be billed by the Company to the Client and paid for as provided in Articles 3 and 4, and the Client shall not be required to pay any compensation directly to any such person.

18 *Operations Support and Planning Services.* The Company will advise and assist the Clients in connection with operations support and planning, including logistics and scheduling; workforce planning; corrosion and leakage programs; estimates of gas requirements and gas availability; gas transmission, measurement, storage and distribution; construction requirements; construction management; operating standards and practices; regulatory compliance; training; management of transportation and sales programs; negotiation of gas purchase, and sale contracts; energy marketing and trading; security services; measurement, regulation and conditioning equipment; meter testing, calibration and repair; hydraulic gas network modeling, facility mapping and GIS technologies; and other operating matters.

19 *Purchasing, Storage and Disposition Services.* The Company will render advice and assistance to the Clients in connection with supply chain activities, including the standardization, purchase, lease, license and acquisition of equipment, materials, supplies, services, software, intellectual property and other assets, as well as shipping, storage and disposition of same. The Company will also render advice and assistance to the Client in connection with the negotiation of the purchase, sale, acquisition or disposition of assets and services and the placing of purchase orders for the account of the Client.

20 *Rate Services.* The Company will advise and assist the Clients in all rate matters, including the design and preparation of schedules and tariffs, the analysis of rate filings of producers and pipeline suppliers, and the preparation and presentation of testimony and exhibits to regulatory authorities.

21 *Tax Services.* The Company will advise and assist the Clients in tax matters, in the preparation of tax returns and in connection with proceedings relating to taxes.

22 *Transportation Services.* The Company will advise and assist the Clients in connection with the purchase, lease, operation and maintenance of motor vehicles and the operation of aircraft owned or leased by the Company or the Clients.

23 *Treasury Services.* The Company provides services such as cash management, long and short term financing for NiSource and all Clients, investment of temporarily available cash, retirement of long term debt, investment management oversight of all benefits plans, special economic studies as requested, and support for various regulatory proceedings, as requested.

24 *Land/Surveying Services.* The Company will provide land asset management, land contract management, and surveying services in connection with Clients' acquisition, leasing, maintenance, and disposal of interests in real property, including the maintenance of land records and the recording of instruments relating to such interests in real property, where necessary.

25 *Customer Billing, Collection, and Contact Services.* The Company will render calculating, bill exception processing, back office processing, posting, printing, inserting, mailing and related services to Client associated with the preparation and issuance of customer bills, notices, inserts and similar mailings. The Company will provide cash processing, revenue recovery, account reconciliations and adjustments, and related services to Client associated with the collection of revenue and management of accounts receivable. The Company will provide customer contact and related services to Client, including customer contact center management, operation and administration; management of key customer relationships; communications associated with the commencement, transfer, maintenance and disconnection of service; sales of optional products and services; the receipt and processing of emergency calls; the handling of customer complaints; and responses to customer billing, credit, collection, order take and inquiry, outage, meter reading, retail choice and other inquiries.

26 *Miscellaneous Services.* The Company will render to any Client such other services, not hereinabove described, as may properly be rendered by the Company to such Client

within the meaning and intent of the Public Utility Holding Company Act of 1935 and any other applicable statutes and the orders, rules and regulations of the Securities and Exchange Commission and any other governmental bodies having jurisdiction, as from time to time the Company may be equipped to render and such Client may desire to have performed.

ARTICLE 3

ALLOCATION METHODS

1 *Specific Direct Salary Charges to Clients.* To the extent that time spent by the officers and employees of the Company rendering services hereunder is related to services rendered to a specific Client, a direct salary charge, computed as provided in Article 4, shall be made to such Client.

2 *Apportioned Direct Salary Charges to Clients.* To the extent that the time spent by such officers and employees is related to services rendered to the Clients generally, or to any specified group of the Clients, a direct salary charge, computed as provided in Article 4, shall be made to the Clients generally, or to such specified group of the Clients, and allocated to each such Client using an allocation method approved by the Securities and Exchange Commission as set forth on Exhibit A hereto.

3 *Direct Salary Charges for Services to the Company.* To the extent that time spent by any officer or employee of the Company is related to services rendered to the Company, a direct salary charge computed as provided in Article 4 shall be allocated among the Clients in the same proportions which the direct salary charges to such Clients made pursuant to Sections 1 and 2 of this Article III, for services of officers and employees, bear to the aggregate of such direct salary charges.

4 *Apportionment of Employee Benefits.* The employee benefit expenses which are related to direct salary charges made pursuant to sub-paragraphs (1), (2) and (3) of Article 3 shall be apportioned among the Clients, as applicable, in the proportions which the respective direct salary charges made pursuant to the rendering of such services to each such Client bear to the aggregate of such direct salary charges.

5 *Other Expenses.* All expenses, other than salaries and employee benefit expenses incurred by the Company in connection with services rendered to a specific Client shall be charged directly to such Client. All such expenses incurred by the Company in connection with services rendered to the Clients generally or to any specified group of Clients shall be apportioned in the manner set forth in Section 2 of this Article 3 for the apportionment of salary charges. All such expenses incurred by the Company in connection with services rendered to the Company shall be apportioned in the manner set forth in Section 3 of this Article 3 for the apportionment of salary charges.

ARTICLE 4

COMPUTATION OF SALARY CHARGES

Direct Salary Charges The direct salary charge per hour which shall be made for the time of any officer or employee for services rendered in any calendar month shall be computed by dividing his total compensation for such month by the aggregate of (1) the number of scheduled working hours for which he was compensated, including hours paid for but not worked, and (2) hours worked in excess of his regular work schedule, whether or not compensated for.

Exhibit A

BASES OF ALLOCATION

The SEC approved Bases of Allocation shown below will be used by the Corporate Services Accounting Department for apportioning Job Order charges to affiliates. Any change in an allocation method that causes either a \$50,000 or 5% change in the cost that would be charged to a company must be brought to the SEC for approval under the 60-Day Letter process.

BASIS 1

GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's gross fixed assets to the total gross fixed assets of all benefited affiliates; the remaining 50% will be allocated on the basis of the relation of the affiliate's total operating expenses to the total operating expenses of all benefited affiliates. All companies may be included in this allocation.

BASIS 2

GROSS FIXED ASSETS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its total gross fixed assets to the sum of the total gross fixed assets of all benefited affiliates. All companies may be included in this allocation.

BASIS 7

GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE

- Fifty percent of the total job order charges will be allocated on the basis of the relation of the affiliate's total operating expenses to the total of all the benefited affiliates' total operating expense; the remaining 50% will be allocated on the basis of the relation of the affiliate's gross depreciable property to the gross depreciable property of all benefited affiliates. All companies may be included in this allocation.

BASIS 8

GROSS DEPRECIABLE PROPERTY

- Job order charges will be allocated to each benefited affiliate on the basis of the relationship of its total depreciable property to the sum of the total depreciable property of all benefited affiliates. All companies may be included in this allocation.

BASIS 9

AUTOMOBILE UNITS

- Job order charges will be allocated to each benefited affiliate on the basis of its number of automobile units to the total number of all automobile units of the benefited affiliates. All companies may be included in this allocation.

BASIS 10

NUMBER OF RETAIL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its number of retail customers to the total number of all retail customers of the benefited affiliates. All companies may be included in this allocation.

BASIS 11

NUMBER OF REGULAR EMPLOYEES

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates. All companies may be included in this allocation.

BASIS 13

FIXED ALLOCATION

- Job order charges will be allocated to each benefitted affiliate on the basis of fixed percentages on an individual project basis. All companies may be included in this allocation.

BASIS 14

NUMBER OF TRANSPORTATION CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Transportation Customers to the total of all Transportation Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 15

NUMBER OF COMMERCIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Commercial Customers to the total of all Commercial Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 16

NUMBER OF RESIDENTIAL CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its Residential Customers to the total of all Residential Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 17

NUMBER OF HIGH PRESSURE CUSTOMERS

- Job order charges will be allocated to each benefited affiliate on the basis of the relation of its High Pressure Customers to the total of all High Pressure Customers of the benefited affiliates. This allocation is only used by the following companies: Columbia Gas of Virginia, Columbia Gas of Kentucky, Columbia Gas of Ohio, Columbia Gas of Pennsylvania and Columbia Gas of Maryland.

BASIS 20

DIRECT COSTS

- Job order charges will be allocated to each benefitted affiliate on the basis of the relation of its direct costs billed by Service Corporation to the total of all direct costs billed by Service Corporation. All companies may be included in this allocation.

Thelen Reid & Priest LLP
Attorneys At Law

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June 30, 2005

Mr. Robert P. Wason
Branch Chief, Auditing and Financial Policy
and Chief Financial Analyst
Office of Public Utility Regulation
United States Securities and
Exchange Commission
100 F Street, NW
Washington, DC 20549

Re: NiSource

Dear Mr. Wason:

Pursuant to the requirements specified in the SEC's NiSource Order, dated October 30, 2000 (HCAR No. 27263) ("Order") and your letter ("Letter"), dated January 14, 2005 to me, as counsel for NiSource Corporate Services Company ("NCSC"), concerning the NCSC Service Agreement ("Agreement"), we advise, on behalf of NCSC, that:

1. the description of services performed under the Agreement is being clarified as shown in the marked copy of the Description of Services (Appendix A in the Agreement) submitted as Exhibit 1 hereto. There are no other changes to the Agreement, including the methods of allocation; and

2. certain functions being performed by NCSC under the Agreement are being outsourced as follows:

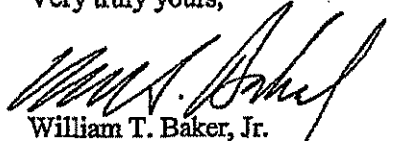
(a) NCSC and International Business Machines Corporation ("IBM") have entered into an agreement ("IBM Agreement") under which IBM will provide a range of business support services to NCSC, including processes within the human resources, finance and accounting, supply chain (procurement), customer contact, meter-to-cash (billing and collections) and information technology areas. These functions will be carried out by IBM jointly with, and under the direction and policy of, NCSC and NiSource, Inc. ("NiSource");

(b) Under the terms of the IBM Agreement, which becomes effective on July 1, 2005, 572 employees of NCSC and other subsidiaries of NiSource are expected to become employees of IBM or its subcontractors. In addition, another 445 positions will be eliminated by NCSC and its associate companies during the balance of this year and in 2006. Of this total of 1017, 673 are employees of NCSC and, of these NCSC employees, 375 will become employees of IBM performing similar functions for NCSC. The arrangement with IBM will not affect the methods of allocation NCSC uses to assign costs. Under the current SEC-approved Agreement, NCSC has the option to obtain resources from third parties in order to carry out its functions.

The 10-year agreement is estimated to deliver upwards of \$530 million in operating and capital cost savings to NiSource over the term of the contract, as well as provide technology advances and enhanced service capabilities. NiSource's cost to achieve will include \$35 million in one-time severance expenses and approximately \$35 million in transition costs. In addition, NiSource expects to incur approximately \$50 million in governance costs over the 10-year life of the IBM Agreement, and will report a \$21 million one-time, non-cash pension expense related to severed employees and employees who accept positions with IBM. Reference is made to NiSource's Current Report on Form 8-K, filed June 24, 2005, for more complete information concerning the IBM Agreement.

On behalf of NCSC, we request that this letter be treated as a 60-day letter under the Order and the Letter.

Very truly yours,


William T. Baker, Jr.
Counsel for NiSource Corporate
Service Company

WTB/mm
Enclosure

NY #666302 v1

APPENDIX A

NISOURCE CORPORATE SERVICES COMPANY

Services Available to Clients
Methods of Charging Therefor and
Miscellaneous Terms and Conditions of Service Agreement

ARTICLE 1

DEFINITIONS

- 1 The term "Company" shall mean NiSource Corporate Services Company and its successors.
- 2 The term "Service Agreement" shall mean an agreement, of which this Appendix A constitutes a part, for the rendition of services by the Company.
- 3 The term "Client" shall mean any corporation to which services may be rendered by the Company under a Service Agreement.

ARTICLE 2

DESCRIPTION OF SERVICES

Descriptions of the expected services to be provided by the Company are detailed below. The descriptions are deemed to include services associated with, or related or similar to, the services contained in such descriptions. The details listed under each heading are intended to be illustrative rather than inclusive and are subject to modification from time to time in accordance with the state of the art and the needs of the Clients.

1 *Accounting and Statistical Services.* The Company will advise and assist the Clients in all aspects of accounting, including financial accounting, plant accounting, regulatory accounting, tax accounting, maintenance of books and records, safeguarding of assets, accounts payable, accounts receivable, reconciliations, accounting research, reporting, operations and maintenance analysis, and related accounting functions. The Company will also provides services related to developing, analyzing and interpreting financial statements, directors' reports, regulatory reports, operating statistics and other financial reports. The Company also will ensure compliance with generally accepted accounting principles and provides guidance on exposure drafts, financial accounting standards, and interpretations issued by the Financial Accounting Standards Board. The Company will advises and assists the Clients in the formulation of accounting practices and policies and will conduct special studies as may be requested by the Clients.

2 *Auditing Services.* The Company will conduct periodic audits of the general records of the Clients, will supervise the auditing of local and field office records of the Client, and will coordinate the audit programs of the Clients with those of the independent accountants in the annual examination of their accounts.

3 *Budget Services.* The Company will advise and assist the Clients in matters involving the preparation and development of budgets and budgetary controls.

4 *Business Promotion Services.* The Company will advise and assist the Clients in the preparation and use of advertising, in the development of residential, commercial and industrial business, and in the rendering of aid to local appliance distributors and dealers in the advertising and promotion of appliance sales.

5 *Corporate Services.* The Company will advise and assist the Clients in connection with corporate matters and with proceedings involving regulatory bodies.

6 *Depreciation Services.* The Company will advise and assist the Clients in matters pertaining to depreciation practices, including (1) the making of studies to determine the estimated service life of various types of plant, annual depreciation accrual rates, salvage experience, and trends in depreciation reserves indicated by such studies; (2) assistance in the organization and training of the depreciation departments of the Clients; and (3) dissemination to the Clients of information concerning current developments in depreciation practices.

7 *Economic Services.* The Company will advise and assist the Clients in matters involving economic research and planning and in the development of specific economic studies.

8 *Electronic Communications Services.* The Company will advise and assist the Clients in connection with the planning, installation and operation of radio networks, remote control and telemetering devices, microwave relay systems and all other applications of electronics to the fields of communication and control.

9 *Employee Services.* The Company will advise and assist the Clients in connection with employee relations matters, including recruitment, employee placement, training, compensation, safety, labor relations and health, welfare and employee benefits. The Company will also advise and assist the Clients in connection with temporary labor matters, including assessment, selection, contract negotiation, administration, service provider relationships, compliance, review and reporting.

10 *Engineering and Research Services.* The Company will advise and assist the Clients in connection with the engineering phases of all construction and operating matters, including estimates of costs of construction, preparation of plans and designs, engineering and supervision of the fabrication of natural gas facilities, standardization of engineering procedures, and supervision and inspection of construction. The Company will also conduct both basic and specific research in fields related to the operations of the Clients.

11 *Gas Dispatching Services.* The Company will advise and assist the Clients in the dispatching of the gas supplies available to the Clients, and in determining and effecting the most efficient routing and distribution of such supplies in the light of the respective needs therefor and the applicable laws and regulations of governmental bodies. If requested by the Clients, the Company will provide a central dispatcher or dispatchers to handle the routing and dispatching of gas.

12 *Information Technology Services.* The Company will advise and assist provides Clients daily in matters involving information technology, including management, operations, control, monitoring, testing, evaluation, data access security, disaster recovery planning, technical research, and support services to all users of the corporate network computing environment within the Company. The Company will also provide and assist the Client with application development, maintenance, modifications, upgrades and ongoing production support for a portfolio of systems and software that are used by the Clients. In addition, the Company will provide the Clients with an ongoing evaluation and monitoring of the network computing environment to identify and resolve problems, ensure efficient use of software and hardware, and ensure that timely upgrades are made to meet the demands of the Clients. The Company will also maintains information concerning the disposition and location of Information Technology assets.

13 *Information Services.* The Company will advise and assist the Clients in matters involving the furnishing of information to customers, employees, investors and other interested groups, and to the public generally, including the preparation of booklets, photographs, motion pictures and other means of presentation, and assistance to Clients in their advertising programs.

14 *Insurance Services.* The Company will advise and assist the Clients in general insurance matters, in obtaining policies, making inspections and settling claims.

15 *Legal Services.* The Company will provide Clients with legal services (including legal services, as necessary or advisable, in connection with or in support of any of the other services provided hereunder), including, but not limited to, general corporate matters and internal corporate maintenance, contract drafting and negotiation, litigation, liability and risk assessment, financing, securities offerings, state and federal regulatory compliance, state and federal regulatory support and rule interpretation and advice (relating to the all aspects of SEC compliance, PUHCA, FERC, FPA, PURPA), bankruptcy and collection matters, employment and labor relations investigations, union contracting, EEOC issues, and all other matters for which Clients require such legal services.

16 *Office Space.* As may from time to time be available, the Company will provide suitable space in its offices for the use of the Clients and their officers and employees.

17 *Officers.* Any Client may, with the consent of the Company, elect to any office of the Client any officer or employee of the Company whose compensation is paid, in whole or in part, by the Company. Services rendered to the Client by such person as an officer shall be billed by the Company to the Client and paid for as provided in Articles 3 and 4, and the Client shall not be required to pay any compensation directly to any such person.

18 *Operations Support and Planning Services.* The Company will advise and assist the Clients in connection with operations support and planning, including logistics and scheduling; workforce planning; corrosion and leakage programs; estimates of gas requirements and gas availability; gas transmission, measurement, storage and distribution; construction requirements; construction management; operating standards and practices; regulatory compliance; training; management of transportation and sales programs; negotiation of gas purchase and sale contracts; energy marketing and trading; security services; measurement,

regulation and conditioning equipment; meter testing, calibration and repair; hydraulic gas network modeling, facility mapping and GIS technologies; and other operating matters.

19 *Purchasing, and Storage and Disposition Services.* The Company will render advice and assistance to the Clients in connection with supply chain activities, including the standardization, purchase, lease, license and acquisition and storage of equipment, materials, and supplies, services, software, intellectual property and other assets, as well as shipping, storage and disposition of same. The Company will also render advice and assistance to, upon request of the Client, in connection with the negotiation of the purchases, sale, acquisition or disposition of assets and services and the placing of purchase orders for the account of the Client.

20 *Rate Services.* The Company will advise and assist the Clients in all rate matters, including the design and preparation of schedules and tariffs, the analysis of rate filings of producers and pipeline suppliers, and the preparation and presentation of testimony and exhibits to regulatory authorities.

21 *Tax Services.* The Company will advise and assist the Clients in tax matters, in the preparation of tax returns and in connection with proceedings relating to taxes.

22 *Transportation Services.* The Company will advise and assist the Clients in connection with the purchase, lease, operation and maintenance of motor vehicles and the operation of aircraft owned or leased by the Company or the Clients.

23 *Treasury Services.* The Company provides services such as cash management, long and short term financing for NiSource and all Clients, investment of temporarily available cash, retirement of long term debt, investment management oversight of all benefits plans, special economic studies as requested, and support for various regulatory proceedings, as requested.

24 *Land/Surveying Services.* The Company will provide land asset management, land contract management, and surveying services in connection with Clients' acquisition, leasing, maintenance, and disposal of interests in real property, including the maintenance of land records and the recording of instruments relating to such interests in real property, where necessary.

25 *Customer Billing, Collection, and Contact Services.* The Company will render calculating, bill exception processing, back office processing, posting, printing, inserting, mailing and related services to Client associated with the preparation and issuance of customer bills, notices, inserts and similar mailings. The Company will provide cash processing, revenue recovery, account reconciliations and adjustments, and related services to Client associated with the collection of revenue and management of accounts receivable. The Company will provide customer contact and related services to Client, including customer contact center management, operation and administration; management of key customer relationships; communications associated with the commencement, transfer, maintenance and disconnection of service; sales of optional products and services; the receipt and processing of emergency calls; the handling of customer complaints; and responses to customer billing, credit, collection, order take and inquiry, outage, meter reading, retail choice and other inquiries.

26 *Miscellaneous Services.* The Company will render to any Client such other services, not hereinabove described, as may properly be rendered by the Company to such Client within the meaning and intent of the Public Utility Holding Company Act of 1935 and any other applicable statutes and the orders, rules and regulations of the Securities and Exchange Commission and any other governmental bodies having jurisdiction, as from time to time the Company may be equipped to render and such Client may desire to have performed.

ARTICLE 3

ALLOCATION METHODS

1 *Specific Direct Salary Charges to Clients.* To the extent that time spent by the officers and employees of the Company rendering services hereunder is related to services rendered to a specific Client, a direct salary charge, computed as provided in Article 4, shall be made to such Client.

2 *Apportioned Direct Salary Charges to Clients.* To the extent that the time spent by such officers and employees is related to services rendered to the Clients generally, or to any specified group of the Clients, a direct salary charge, computed as provided in Article 4, shall be made to the Clients generally, or to such specified group of the Clients, and allocated to each such Client using an allocation method approved by the Securities and Exchange Commission as set forth on Exhibit A hereto.

3 *Direct Salary Charges for Services to the Company.* To the extent that time spent by any officer or employee of the Company is related to services rendered to the Company, a direct salary charge computed as provided in Article 4 shall be allocated among the Clients in the same proportions which the direct salary charges to such Clients made pursuant to Sections 1 and 2 of this Article III, for services of officers and employees, bear to the aggregate of such direct salary charges.

4 *Apportionment of Employee Benefits.* The employee benefit expenses which are related to direct salary charges made pursuant to sub-paragraphs (1), (2) and (3) of Article 3 shall be apportioned among the Clients, as applicable, in the proportions which the respective direct salary charges made pursuant to the rendering of such services to each such Client bear to the aggregate of such direct salary charges.

5 *Other Expenses.* All expenses, other than salaries and employee benefit expenses incurred by the Company in connection with services rendered to a specific Client shall be charged directly to such Client. All such expenses incurred by the Company in connection with services rendered to the Clients generally or to any specified group of Clients shall be apportioned in the manner set forth in Section 2 of this Article 3 for the apportionment of salary charges. All such expenses incurred by the Company in connection with services rendered to the Company shall be apportioned in the manner set forth in Section 3 of this Article 3 for the apportionment of salary charges.

ARTICLE 4

COMPUTATION OF SALARY CHARGES

Direct Salary Charges The direct salary charge per hour which shall be made for the time of any officer or employee for services rendered in any calendar month shall be computed by dividing his total compensation for such month by the aggregate of (1) the number of scheduled working hours for which he was compensated, including hours paid for but not worked, and (2) hours worked in excess of his regular work schedule, whether or not compensated for.



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

OFFICE OF
PUBLIC UTILITY REGULATION

October 6, 2005

Mr. William T. Baker, Jr.
Counsel for NiSource Corporate Service Company
Thelen Reid & Priest LLP
875 Third Avenue
New York, NY 10022

RESPONSE OF THE OFFICE OF
PUBLIC UTILITY REGULATION
DIVISION OF INVESTMENT MANAGEMENT

By your letter dated June 30, 2005 and your email of September 19, 2005 (collectively "60-Day Letters"), NiSource, Inc. ("NiSource"), a registered holding company, and its subsidiary, NiSource Corporate Services Company ("NCSC"), notified the Commission that it proposes to outsource functions of the NCSC Service Agreement ("Agreement").

The 60-Day Letters are a result of an Order (October 30, 2000, HCAR 27263) and a letter dated January 14, 2005 that required NiSource to give written notification to the Commission of changes made to NCSC not less than 60-days prior to the proposed effectiveness of the change.

NCSC and International Business Machines Corporation ("IBM") have entered into an agreement ("IBM Agreement") under which IBM will provide a range of business support services to NCSC, including processes within human resources, finance and accounting, supply chain (procurement), customer contact, meter-to-cash (billing and collections) and information technology areas. These functions will be carried out by IBM jointly with, and under the direction and policy of, NCSC and NiSource. Under the terms of the IBM Agreement, which becomes effective on July 1, 2005, 572 employees of NCSC and other subsidiaries of NiSource are expected to become employees of IBM or its subcontractors. In addition, another 445 positions will be eliminated by NCSC and its associate companies during the balance of this year and in 2006. Of this total 1017 employees, 673 are employees of NCSC and, of these NCSC employees, 375 will become employees of IBM performing similar functions for NCSC. The agreement with IBM will not affect the methods of allocation NCSC uses to assign costs. Under the current SEC approved Agreement, NCSC has the option to obtain resources from third parties in order to carry out its functions.

The 10-year agreement is estimated to deliver upwards of \$530 million in operating and capital cost savings to NiSource over the term of the contract, as well as provide technology advances and enhanced service capabilities. NiSource's cost to achieve this will include \$35 million in one time severance expenses and approximately \$35 million in transition costs. In addition, NiSource expects to incur approximately \$50 million in governance costs over the 10-year life of the IBM Agreement, and will report a \$21 million one-time, non-cash pension expense related to severed employees and employees who accept positions with IBM.

The description of services performed under the Agreement have been clarified in Appendix A of the 60-Day letter. No other changes to the agreement, including the methods of allocation, have been made.

It is our opinion, based on the particular facts and representations stated in your letters, that NiSource's proposal is consistent with the 60-Day Letter procedures authorized by the Commission in its order dated October 30, 2000 ("2000 Order"). Furthermore, it does not appear that a declaration is necessary with regard to the proposed changes.

Because this determination is based on the facts and representations in your letters, you should note that any different facts or circumstances might require a different conclusion. Pursuant to the 2000 Order, NiSource is required to give further written notification to the Commission with regard to changes in the organization of NCSC, the type and character of the companies to be serviced, the methods of allocating costs to associate companies, or in the scope or character of the services to be rendered subject to section 13 of the Act, or any rule, regulation or order thereunder.

Sincerely,



Robert P. Wason
Branch Chief, Auditing
And Financial Policy and
Chief Financial Analyst

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 68

Refer to the Application, Schedule L, Sixty Ninth Revised Sheet No. 5, the red-line version. Footnote 1 of the tariff page states that "The Gas Cost Adjustment applicable to a customer who is receiving service under Rate Schedule GS or IUS and received service under Rate Schedule SVGTS shall be \$10.4012 per Mcf only for those months of the prior twelve months during which they were served under Rate Schedule SVGTS." The GS and IUS rate sheets show a Gas Cost Adjustment ("GCA") of \$8.4354 per Mcf. Explain why the GCA is different for these customers if they were served under Rate Schedule SVGTS in the prior twelve months.

Response of Columbia Gas of Kentucky:

Please refer to Sheet 32 of Columbia's tariff, ACTUAL COST ADJUSTMENT. The rate in the footnote is computed in Columbia's Gas Cost Adjustment filings. The rate is different because as a Rate Schedule SVGTS customer, the customers would have purchased their natural gas commodity from a marketer in the Choice program and not Columbia. Therefore, the customers are not subject to the over/under recovery component of the natural gas purchases and the GCA is different.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 69

Refer to the Application, Schedule L, Sixty Ninth Revised Sheet No. 91, the red-line version. Columbia currently has a proposed tariff pending with the Commission in Case No. 2005-00184¹ regarding interruptible rates and banking and balancing service.

- a. Has Columbia incorporated all of the proposed changes in Case No. 2005-00184 into this case's proposed tariffs?
- b. If no, identify which tariff revisions from Case No. 2005-00184 are not incorporated.
- c. If no, has Columbia discussed this with Constellation New-Energy Gas Division, LLC ("Constellation")?
- d. If Columbia has discussed the revisions with Constellation, is Constellation in agreement with the applicable proposed tariffs in this case?

Response of Columbia Gas of Kentucky:

- a. Yes, all of the proposed changes in Case No. 2005-00184 and shown on the proposed Sheets 91 and 91a of Columbia's tariff have been incorporated into the proposed tariffs on Sheets 91 and 92 in this case.
 - Additional changes are proposed in this case, specifically:
 - Changing the description of the service section from Volume Bank to Banking and Balancing Service,
 - Changing the cash-out provision to an indexed gas price,
 - Adding a financial incentive for the customer to abide by the allowed bank tolerance and defining the failure to abide by the bank tolerance as an "imbalance",
 - Substituting the term "Balancing Service Interruption" for the term "Daily Delivery Interruption", and
 - Adding a provision to permit and allow "Monthly Bank Transfers".
- b., c., and d. Not applicable

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 57

Refer to the Direct Testimony of Panpilas W. Fischer, page 3.

- a. In calculating the Kentucky income taxes shown in the Application, did Mr. Fischer utilize the 6 percent or the 7 percent tax rate? Explain the response.
- b. If the 7 percent tax rate was used, submit a recalculation of all schedules and the determination of the revenue requirements using the 6 percent tax rate.

Response of Columbia Gas of Kentucky:

- a. The 6% tax rate was utilized to calculate Kentucky income taxes because this is the rate in effect as of 1-1-07.
- b. N/A. Revenue recognition has already been determined using the 6% income tax rate.

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**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 58

Refer to the Direct Testimony of June M. Konold ("Konold Testimony"), pages 3 and 4.

- a. What situation or circumstance was Statement of Financial Accounting Standards No. 158 intended to address?
- b. Concerning Columbia's requested accounting treatment, has FERC previously authorized an accounting treatment similar to Columbia's request for pension and other post employment benefits? Explain the response.

Response of Columbia Gas of Kentucky:

- a. SFAS No. 158 requires an employer to recognize the over funded or under funded status of a single-employer defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity. SFAS No. 158 also requires an employer to measure the funded status of a plan as of the date of its year-end statement of financial position.
- b. Columbia of Kentucky is not aware of any previous FERC authorizations or denials of accounting treatment for pension and other post employment benefits similar to Columbia's proposal.

On March 29, 2007, the FERC provided guidance to all jurisdictional entities to ensure proper and consistent implementation of SFAS No. 158 for FERC financial reporting purposes. As stated in that guidance, "this guidance is for FERC financial accounting and reporting purposes only and is without prejudice to the ratemaking practice or treatment that should be afforded the items addressed herein."

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 59

Refer to the Konold Testimony, page 5, and Attachments JMK-1 and JMK-2. For purposes of this question, assume the following:

- Columbia's request for the PISCC is approved as proposed.
- The assumptions presented in Attachment JMK-1 are still in force.
- Columbia files a new general rate case, with a test year ending in December of the same year as the assumptions in Attachment JMK-1.
- The rates as proposed in the new general rate case become effective in June of the year following the period shown in Attachment JMK-1.
 - a. Extend the calculations shown in Attachment JMK-1 through to the appropriate date based on the assumptions and show the accounting entries reflecting the incorporation of the PISCC into base rates.
 - b. Provide the accounting entries to reverse the deferrals shown in Attachment JMK-2 and indicate when those reversing entries would be made to Columbia's books.

Response of Columbia Gas of Kentucky:

a. Using the assumptions outlined above, below are the journal entries that reflect the extension of the calculations shown in Attachment JMK-1 and the accounting entries reflecting the incorporation of the PISCC into base rates.

1. To record monthly PISCC charges to the work order from July through May. (Total amount recorded for this period would be \$363 x 11 months = \$3,993)

Dr. 101 (Special Sub-Account)	\$	363
Cr. 432-PISCC		\$ 363

Public Service Commission Data Request Set 2
Question No. 59 (Cont'd)
Columbia Gas of Kentucky Respondent: **June M. Konold**

At the end of May, the Plant Account would contain \$85,000 related to Gas Plant In Service and \$4,858 related to PISCC or a total of \$89,858.

	Gas Plant In Service	PISCC	Total Plant
January, X1	\$ 25,000	\$ -	\$ 25,000
February	\$ 30,000	\$ -	\$ 30,000
March	\$ 20,000	\$ -	\$ 20,000
April	\$ 10,000	\$ 160	\$ 10,160
May	\$ -	\$ 342	\$ 342
June	\$ -	\$ 363	\$ 363
July	\$ -	\$ 363	\$ 363
August	\$ -	\$ 363	\$ 363
September	\$ -	\$ 363	\$ 363
October	\$ -	\$ 363	\$ 363
November	\$ -	\$ 363	\$ 363
December	\$ -	\$ 363	\$ 363
January, X2	\$ -	\$ 363	\$ 363
February	\$ -	\$ 363	\$ 363
March	\$ -	\$ 363	\$ 363
April	\$ -	\$ 363	\$ 363
May	\$ -	\$ 363	\$ 363
Total	<u>\$ 85,000</u>	<u>\$ 4,858</u>	<u>\$ 89,858</u>

2. Assuming an annual depreciation rate of 2.66%, the following entry would be made in June to record the monthly amount included in customer bills for PISCC and Gas Plant in Service. $(\$89,858 \times 2.66\%) / 12 = \199

Dr. 14x - Accounts Receivable \$ 199
Cr. 48x - Revenue \$ 199

Dr. 403 - Depreciation Exp. \$ 199
Cr. 108 - Acc. Provision for Depr. \$ 199

b. The accounting entries to reverse the deferrals shown in attachment JMK-2 would occur as amounts attributable to these deferrals are collected in rates. The entries to record the reversals are as follows:

1. To record the monthly amount included in customer bills for depreciation and property taxes. (Entries would commence in June based on the assumptions in the request.)

Dr. 14x - Accounts Receivable \$ xxx
Cr. 48x - Revenue \$ xxx

Public Service Commission Data Request Set 2
Question No. 59 (Cont'd)
Columbia Gas of Kentucky Respondent: **June M. Konold**

2. To erode the regulatory asset over the life of the asset and recognize depreciation and property tax expense as amounts are included in rates.

Dr. 403 – Depreciation Expense	\$	xxx
Dr. 408 – Taxes Other Than Income	\$	xxx
Cr. 182 – Regulatory Asset	\$	xxx

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 60

Refer to the Application, Schedule B-3.2.

- a. The following accounts appear to be fully depreciated as of test-year end. Explain in detail why a depreciation expense has been calculated for the account.
 1. Account No. 375.20 – Structures & Improvements-City Gate M&R.
 2. Account No. 375.30 – Structures & Improvements-General M&R.
 3. Account No. 378.10 – M&R Station Equipment-General.
 4. Account No. 392.21 – Transportation Equipment-Trailers \$1,000 or less.
 5. Account No. 394.20 – Tools, Shop & Garage Equipment-Shop Equipment.

- b. Explain why the following accounts show a zero or negative balance for depreciation reserve and why there is a calculated depreciation expense for the account.
 1. Account No. 303.10 – Miscellaneous Intangible Plant-DIS Software.
 2. Account No. 391.11 – Office Furniture & Equipment-Data Handling.
 3. Account No. 394.10 – Tools, Shop & Garage Equipment-Garage & Service.

Response of Columbia Gas of Kentucky:

- a. (1-5) In Schedule B 3.2, the depreciation expense represents a forecasted estimate and was calculated on all depreciable accounts based on the plant balance times the proposed accrual rates. This would include the five accounts in question. However, because these accounts are fully reserved, the presentation should exclude a calculation for them. The effect would be to reduce the expense in the Schedule by \$8,714.

- b. (1) Account 303.10 is an amortized account. In Schedule B 3.2, all accounts that are amortized were presented at their actual annual expense, based on history. However, since this account is now completely retired, the presentation should exclude this historical amount. The effect would be to reduce the expense in the Schedule by \$109.

- b. (2)** Account 391.11 is an amortized account that is amortized over a 15 year period. The rate of 6.67%, or $1/15^{\text{th}}$, is applied to the account and the assets are retired as they reach their 15th year of accrual. However, the account contains a plant asset recorded with a cost of -\$20,000 that is approximately half amortized. The impact of the accrual on this specific asset has affected the reserve for this account to be negative. An investigation of the amount determined that the -\$20,000 should have been recorded against Account 391.10, which is amortized over a 20 year period. A transfer of the charge and its reserve will be made and Account 391.11 will no longer have a negative reserve balance. The annual impact on depreciation will be a reduction of \$334.
- b. (3)** Account 394.10 is an amortized account that is amortized over a 25 year period. The rate of 4%, or $1/25^{\text{th}}$, is applied to the account and the assets are retired as they reach their 25th year of accrual. However, the account includes a retirement work order charge from October 2004 for the removal of a Lexington diesel tank for \$13,799. This cost has impacted the reserve to its current negative balance. An investigation of the transaction determined that the charge should be transferred to the depreciable Account 375.70, Structures & Improvements to ensure the future accrual, which will transpire once a new study is performed. Furthermore, Account 394.10 will no longer have a negative reserve balance.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 61

Refer to the Application, Schedule B-4. Are any of the construction work in progress ("CWIP") balances shown on this schedule subject to Allowance for Funds Used During Construction ("AFUDC") treatment? If yes, indicate the accounts and the balance subject to AFUDC.

Response of Columbia Gas of Kentucky:

The following accounts are subject to the application of AFUDC:

303.30	MISC INTANGIBLE PLANT	\$87,010
374.40	LAND RIGHTS-OTHER DIST	\$69,237
375.40	REGULATING STRUCTURES	\$23,004
375.70	OTHER STRUCTURES	\$3,324
376.00	MAINS	\$2,308,886
378.20	M&R EQUIP-REG	\$147,019
380.00	SERVICES	\$71,431
381.00	METERS	\$501
382.00	METER INSTALLATIONS	\$94,258
383.00	HOUSE REGULATORS	\$48,282
385.00	IND M&R EQUIPMENT	\$68,865
387.45	OTHER EQ-TELEMETERING	\$67,178



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
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ORDER DATED April 10, 2007**

Question No. 62

Refer to the Application, Schedule B-5.2. Explain in detail why Columbia has included purchased gas expense and liquefied petroleum gas expense in its determination of cash working capital.

Response of Columbia Gas of Kentucky:

The purchased gas expense and liquefied petroleum gas expense included on Schedule B-5.2 represents employee labor and any assigned labor related expense as a result of chart reading for dual purpose meters. These costs are recovered through base rates, rather than the gas cost mechanism.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
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Question No. 63

Refer to the Application, Schedule C-2.2. For each of the accounts listed below, explain the reason(s) for the change in the account balance between the prior year and the test year.

- a. Account No. 421 – Miscellaneous Non-Operating Income – Gain on the Disposal of Property, sheet 2 of 11.
- b. Account No. 430 – Interest Expense – Parent Company Debt, sheet 2 of 11.
- c. Account No. 480 – Residential Revenue, sheet 2 of 11.
- d. Account No. 481.1 – Commercial Revenue, sheet 2 of 11.
- e. Account No. 481.2 – Industrial Revenue, sheet 3 of 11.
- f. Account No. 489 – Transportation Revenue – Commercial, sheet 3 of 11.
- g. Account No. 489 – Transportation Revenue – Residential, sheet 3 of 11.
- h. Account No. 495 – Other Gas Revenue, sheet 4 of 11.
- i. Account Nos. 801-803 – Natural Gas Field & Transmission Line Purchases, sheet 4 of 11.
- j. Account No. 804 – Natural Gas City Gate Purchases, sheet 5 of 11.
- k. Account No. 805 – Other Gas Purchases, sheet 5 of 11.
- l. Account No. 806 – Exchange Gas, sheet 5 of 11.
- m. Account No. 808 – Gas Withdrawn from Storage, sheet 5 of 11.
- n. Account No. 903 – Customer Records & Collections – Utility Services, sheet 8 of 11.
- o. Account No. 904 – Uncollectible Accounts, sheets 8 of 11.

Public Service Commission Data Request Set 2
Question No. 63 (Cont'd)
Columbia Gas of Kentucky Respondent: **Kelly Humrichouse**

- p. Account No. 920 – Administrative and General Salaries, sheet 10 of 11.
- q. Account No. 926 – Employee Pensions and Benefits, sheet 11 of 11.

Response of Columbia Gas of Kentucky:

- a. Account 421-Miscellaneous Non-Operating Income increased \$.9 million primarily due to additional off-system sales capacity release revenue sharing whereby Kentucky and its customers share equally the revenue generated from these transactions.
- b. Account 430-Interest Expense-Parent Company Debt decreased \$.7 million primarily due to lower interest rates.
- c. Account 480-Residential Revenue increased \$19.7 million primarily due to higher gas cost recovery rates.
- d. Account 481.1-Commercial Revenue increased \$18.3 million primarily due to higher gas cost recovery rates and higher sales volumes.
- e. Account 481.2-Industrial Revenue increased \$.5 million primarily due to higher gas cost recovery rates.
- f. Account 489-Transportation Revenue-Commercial decreased \$2.0 million primarily due to less CHOICE throughput.
- g. Account 489-Transportation Revenue-Residential decreased \$2.4 million primarily due to less CHOICE throughput.
- h. Account 495-Other Gas Revenue increased \$7.1 million primarily due to higher off-system sales arrangements. Revenue recorded for off-system sales is offset dollar for dollar in gas costs.
- i. Account 801-803 Natural Gas Field & Transmission Line Purchases increased \$22.2 million primarily due to higher non-local short term gas rates and volumes purchased.
- j. Account 804-Natural Gas City Gate Purchases decreased \$14.0 million primarily due to lower short term city gas purchases.
- k. Account 805-Other Gas Purchase increased \$25.9 million primarily due to recording deferred gas costs for transportation end users bank volumes. The end user deferred costs were slightly offset by the amortization of an actual cost adjustment and the deferral of current period over/under recovery of gas costs.

Public Service Commission Data Request Set 2
Question No. 63 (Cont'd)
Columbia Gas of Kentucky Respondent: **Kelly Humrichhouse**

- l. Account 806-Exchange Gas expense decreased \$33.6 million primarily due to recording gas costs for transportation end users bank volumes.
- m. Account 808-Gas Withdrawn from Storage expense increased \$43.2 million primarily due to higher storage injections and higher rate in 2005.
- n. Account 903-Customer Records & Collections expense decreased \$1.0 million primarily due to activities related to the IBM agreement. The IBM costs for customer records and collections are billed to Kentucky via the Service Corporation monthly bill and charged to account 923.
- o. Account 904-Uncollectible Accounts expense increased \$.3 million primarily due to higher charge-offs.
- p. Account 920-Administrative and General Salaries decreased \$.7 million primarily due to the reversal of the company bonus accrual and lower severance costs.
- q. Account 926-Employee Pensions and Benefits decreased \$1.1 million primarily due to a reduction in accrued pension expense.



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Question No. 64

Refer to the Application, Schedule D-2.1.

- a. Refer to sheet 3 of 6. Define the term "non-traditional sales" as it is used for this proposed adjustment.
- b. Refer to sheet 6 of 6. Would Columbia agree that the most current PSC Assessment rate should be utilized when the Commission makes its determination of the revenue requirement?

Response of Columbia Gas of Kentucky:

- a. The term "non-traditional sales" refers to arrangements that result in revenues generated by Columbia Gas of Kentucky beginning April 1, 2005 for the sale of unbundled or rebundled gas supply and capacity products, including the sale of a right to such arrangements. Such arrangements are defined to include, but are not limited to: flowing gas sales, incremental gas sales, physical gas options, exchanges and contract management fees. Columbia Gas of Kentucky also includes arrangement for marketed capacity release within the term "off system sales."
- b. The PSC Assessment used in the development of the revenue requirement represents the most recent assessment received by Columbia Gas of Kentucky and covers the period July 1, 2006 through June 30, 2007.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
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Question No. 65

Refer to the Application, Schedule D-2.6.

- a. Explain in detail why Columbia believes it should be permitted to recognize depreciation expense on CWIP balances.
- b. Provide a calculation of the annualized depreciation expense using the test-year-end balances for plant in service and the current depreciation rates.

Response of Columbia Gas of Kentucky:

- a. Although not yet booked to Account 101-Gas Plant in Service, a portion of the Construction Work in Progress (CWIP) dollars were in service and provided a benefit to the customers as of September 30, 2006. \$416,315 of the \$3,021,930 total CWIP balance as of September 30, 2006 has been identified as being in service.
- b. See response to data request 2007-00008 AG Set 1-008 Attachment 1.

Columbia Gas of Kentucky Respondents: **Kelly L. Humrichouse & Susanne M. Taylor**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
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Question No. 66

Refer to the Application, Schedule D-2.8.

- a. Provide supporting documentation for the amounts shown on Schedule D-2.8, sheet 1 of 2, for lines 1, 5, and 6.
- b. Explain why the \$188,891 on line 9 of Schedule D-2.8, sheet 1 of 2, is treated as a positive amount while on WPD-2.8 the amount is negative.
- c. Refer to Schedule D-2.8, sheet 2 of 2. Explain in detail why it is reasonable to amortize these one-time costs over a 3-year period. Include any analyses or studies performed by or for Columbia that support this recommendation.
- d. For each line item of one-time costs shown on Schedule D-2.8, sheet 2 of 2, indicate how many years Columbia, NiSource, and NCSC should benefit from the cost changes.

Response of Columbia Gas of Kentucky:

- A. Supporting documentation for the amounts shown on Schedule D-2.8, sheet 1 of 2, for lines 1, 5, and 6 are provided in PSC-2-066 Attachment a – Line 1, PSC-2-066 Attachment a – Line 5, and PSC-2-066 Attachment a – Line 6.
- B. The three out-of-period charges and credits for the year Oct 05 – Sept 06 are:
 1. (\$140,572) represents amortization of employee outplacement costs over a 6 month period.
 2. (\$138,598) represents revisions of benefit expenses that were recorded in the prior year.
 3. \$90,279 represents revisions of severance expenses that were recorded in the prior year based on the original severance model assumptions.

These adjustments were made to exclude non-recurring items reflected in Columbia's test year expense level and not otherwise adjusted. These

adjustments are positive on Schedule D-2.8 Sheet 1 of 2 to reverse the negative non-recurring entries as shown on WPD-2.8.

- C. An analysis was performed to review the time between rate cases using various methods. A three year amortization was chosen because it represents an outcome falling in the middle of these outcomes.

The average time, in months, between rate cases for Columbia since 1975 is 35.16. The average time between rate cases for the last 5 Columbia rate cases is 45.75 months. However, this average changes to 40.33 months based upon inclusion of step increases effective 10/1/1995 and 10/1/1996 as a result of the settlement related to Case 94-179. An average of all cases since 1975 excluding the shortest and longest periods provides an average of 31.21 months. This detail is provided on WPD-2.7 Sheet 1 of 1.

Please see the response provided for AG Data Request Set 1 Data Request 041 which refers to LG&E's 3 year amortization as a result of Case No. 2003-0043.

- D. "Cost Changes" have been defined as lower capital investments and/or lower expense levels for consideration of this response. As such, this response will not consider customer service enhancements. Items listed on D-2.8 Sheet 2 of 2 lines, 4,5,6,9,10,11, and 13 do not all align directly with the transition of one effort or function but instead are more comprehensive in nature.

Exclusive of general rate cases, Columbia will experience cost changes from capital investment projects over the expected life of the system. An amortization will be recognized annually to deplete the anticipated useful life of each asset group. Amortizations of Information Technology systems generally range from 5 to 10 years. Information technology investments can out last this expected life and continue to provide support beyond the amortization period or can be superseded by improved technology prior to the end of its remaining "book" life. Cost changes from lower expense levels can be expected to continue through the end of the IBM contract period.

Inclusive of a general rate case, cost changes embedded in the cost of service level are passed along to customers through the development of a lower revenue requirement and are, therefore, not retained as a cost change.

Case No. 2007-00008

PSC-2-066

Attachment - a, Line 1, page 1 of 1

Supporting Documentation for Schedule D-2.8, sheet 1 of 2, line 1

Test Year Corporate Service Bills

Test Year Corporate Service Contract Bills*	
October-05	1,107,727.40
November-05	920,667.79
December-05	997,317.16
January-06	237,422.65
February-06	840,975.48
March-06	978,913.78
April-06	981,893.32
May-06	668,066.96
June-06	837,339.92
July-06	954,042.34
August-06	754,635.91
September-06	771,347.03
Grand Total of Actual Contract Bills	<u>10,050,349.74</u>
Corporate Service Bill Estimate 9/05 reversal*	(1,170,262.00)
Corporate Service Bill Estimate 9/06 estimate*	661,707.00
Test Year Corporate Service Billings	<u>9,541,794.74</u>

* Corporate Service bills the affiliates on a one-month lag; therefore, an estimate is used in the current month bookings, and then reversed out the subsequent month.

Case No. 2007-00008

PSC-2-066

Attachment - a, Line 5, page 1 of 3

Supporting Documentation for Schedule D-2.8, sheet 1 of 2, line 5

Contractual IBM Increase to 2007 Level

Detailed Annual Service Fees by Tower (\$)	Total NiSource Test Year 9/30/2006 (A)	Total NiSource Calendar Year 2007** (B)	Total NiSource Calendar Year 2007 over 2006 (B)-(A)=(C)	CKY Allocation * (D)	CKY Portion of 2007 (C)*(D)
IT	71,473,151.00	90,149,321.13	18,676,170.13	3.06%	571,490.81
Finance	9,100,869.00	12,834,617.78	3,733,748.78	3.22%	120,226.71
HR	8,520,398.00	6,220,169.11	(2,300,228.89)	2.41%	(55,435.52)
Supply Chain	4,478,806.00	7,102,300.09	2,623,494.09	3.19%	83,689.46
Meter to Cash	27,243,910.00	29,081,964.27	1,838,054.27	5.18%	95,211.21
Contact Centers	18,092,836.00	19,343,513.86	1,250,677.86	3.70%	46,275.08
Sales Centers	445,886.00	846,298.77	400,412.77	0.00%	-
Annual Service Fees	139,355,856.00	165,578,185.00	26,222,329.00	3.29%	861,457.75
Capital Transfer (3.22%) ***					(27,738.94)
Contractual IBM Increase for 2007 Level					<u>833,718.81</u>

* Obtained by computing CKY's portion of total NiSource IBM fixed costs by Tower for the Test Year ended 9/30/06
Refer to Attachment a - Line 5, page 3 of 3 for CKY allocation percentages

** Amounts obtained from Amendment 14 of the IBM Contract Dated 11/21/06 + Delta SC from Amendment 15,
Refer to Attachment a - Line 5, page 2 of 3 for annual contract amounts with IBM

*** Capital percentage used was the average capital transfer rate from the prior twelve months actuals.

Revised Total Fees - Including Amendment 14 11/21/06 + Delta SC from Amend 15	6 months											6 months		Total			
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015					
Detailed Annual Service Fees by Tower (\$)																	
IT	33,737,947	74,850,968	90,149,321	92,182,872	91,415,569	91,471,904	84,041,770	79,878,278	78,024,000	74,392,646	33,074,516	823,219,790					
Finance	2,448,692	10,312,259	12,834,618	12,497,145	12,062,223	12,520,303	12,477,382	11,655,761	11,374,192	11,095,598	5,478,156	114,756,329					
HR	5,990,161	5,845,967	6,220,169	7,003,344	7,072,855	6,115,279	6,342,003	5,555,157	5,468,674	5,386,703	2,773,851	63,774,162					
Supply Chain	1,552,601	5,294,729	7,102,300	7,313,193	9,148,593	7,900,658	7,828,152	8,279,654	7,274,612	7,150,718	3,749,617	72,595,226					
Meter to Cash	16,319,471	26,048,226	29,081,964	28,936,732	28,527,851	28,396,977	28,267,700	27,828,225	27,595,794	27,572,080	12,827,322	281,402,542					
Contact Centers	8,369,064	18,835,451	19,343,514	18,795,122	19,154,859	20,255,808	21,404,807	21,162,049	20,735,640	20,361,050	11,122,392	199,639,755					
Sales Centers	56,229	674,742	846,299	805,480	758,487	709,548	672,917	639,711	612,486	593,982	289,551	6,659,432					
Annual Service Fees	74,862,231	141,962,341	165,576,185	167,533,889	168,140,435	167,370,476	161,034,731	154,999,034	151,085,599	146,552,777	69,315,606	1,562,047,236					

Case No. 2007-00008

PSC-2-066

Attachment - a, Line 5, page 3 of 3

Supporting Documentation for Schedule D-2.8, sheet 1 of 2, line 5

Contractual IBM Increase to 2007 Level

Detailed Annual Service Fees by Tower (\$)	Total NiSource Test Year 9/30/2006 (A)	CKY's Portion of Test Year Costs At 9/30/2006 (B)	CKY's Percentage of Test Year Costs At 9/30/2007 (B)/(A)
IT	71,473,151.00	2,186,291.44	3.06%
Finance	9,100,869.00	292,607.29	3.22%
HR	8,520,398.00	205,200.63	2.41%
Supply Chain	4,478,806.00	142,991.48	3.19%
Meter to Cash	27,243,910.00	1,411,592.93	5.18%
Contact Centers	18,092,836.00	669,048.49	3.70%
Sales Centers	445,886.00	-	0.00%
Annual Service Fees	139,355,856.00	4,907,732.26	3.52%

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PSC-2-066
Attachment - a, Line 6, page 1 of 2
Supporting Documentation for Schedule D-2.8, sheet 1 of 2, line 6
Contractual IBM Increase to 2007 Level

Labor

CKY

Projected February 2007 Labor	Attachment - a, page 6 of 6	165,804 (1)
Approved merit increase		<u>3%</u>
Merit		4,974
Annualized		<u>12 Months</u>
Gross labor increase for merits		<u>59,689</u>
Capital Transfer (3.22%)		<u>0.9678</u>
Net labor increase		<u>57,767</u> (2)

Benefits

February Benefits	Attachment - a, page 6 of 6	47,798
February Labor	(1)	165,804
Percentage		28.83% (3)
Net Labor Increase		(2) <u>57,767</u>
Benefit percentage		(3) <u>28.83%</u>
Gross Increase in Benefits		<u>16,653</u>
Capital Transfer (3.22%)		<u>0.9678</u>
Net Benefits Increase		<u>16,117</u>
Total NCSC 2007 labor and benefits increase		<u>73,884</u>

Case No. 2007-00008
PSC-2-066
Attachment - a, Line 6, page 2 of 2
Supporting Documentation for Schedule D-2.8, sheet 1 of 2, line 6
Contractual IBM Increase to 2007 Level

DirectFlag	Desc Short	ResourceType	ResourceTypeDesc	CKY
Direct	Labor	1000	Hourly Labor - Overtime.	1,420.06
		1003	Salaried Labor	164,384.31
	Labor Total			<u>165,804.37</u>
Indirect	Benefits	9005	Pension and Retirement Plans	19,627.47
		9007	Thrift Plan Expense	6,280.82
		9008	Dental	1,193.55
		9009	Group Life	501.39
		9010	Long Term Disability	748.42
		9011	Post Ret Benefits (FAS106)	6,072.92
		9013	Other Benefits	364.12
		9022	CMEP	831.52
		9023	HMO	11,823.99
		9024	Flex Credits	296.30
		9025	Medicare	57.41
				<u>47,797.90</u>

* Information pulled from CSSBUD O&M 0&12 Budget data as of January 2007



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
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Question No. 67

Refer to the Application, Schedule D-2.9. Provide documentation supporting the annualized expense for property insurance, workers compensation, and miscellaneous other.

Response of Columbia Gas of Kentucky:

Please see work paper WPD-2.9, sheet 1 of 3 for the development of the supporting documentation for the annualized expense shown on Schedule D-2.9. This work paper represents a print out of the September 30, 2006 payments made by the Company. The testimony of Kelly Humrichouse at page 15 lines 16 through 21 further explains the annualized expense.





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Question No. 70

Refer to the Application, WPD-2.2, sheet 2 of 8.

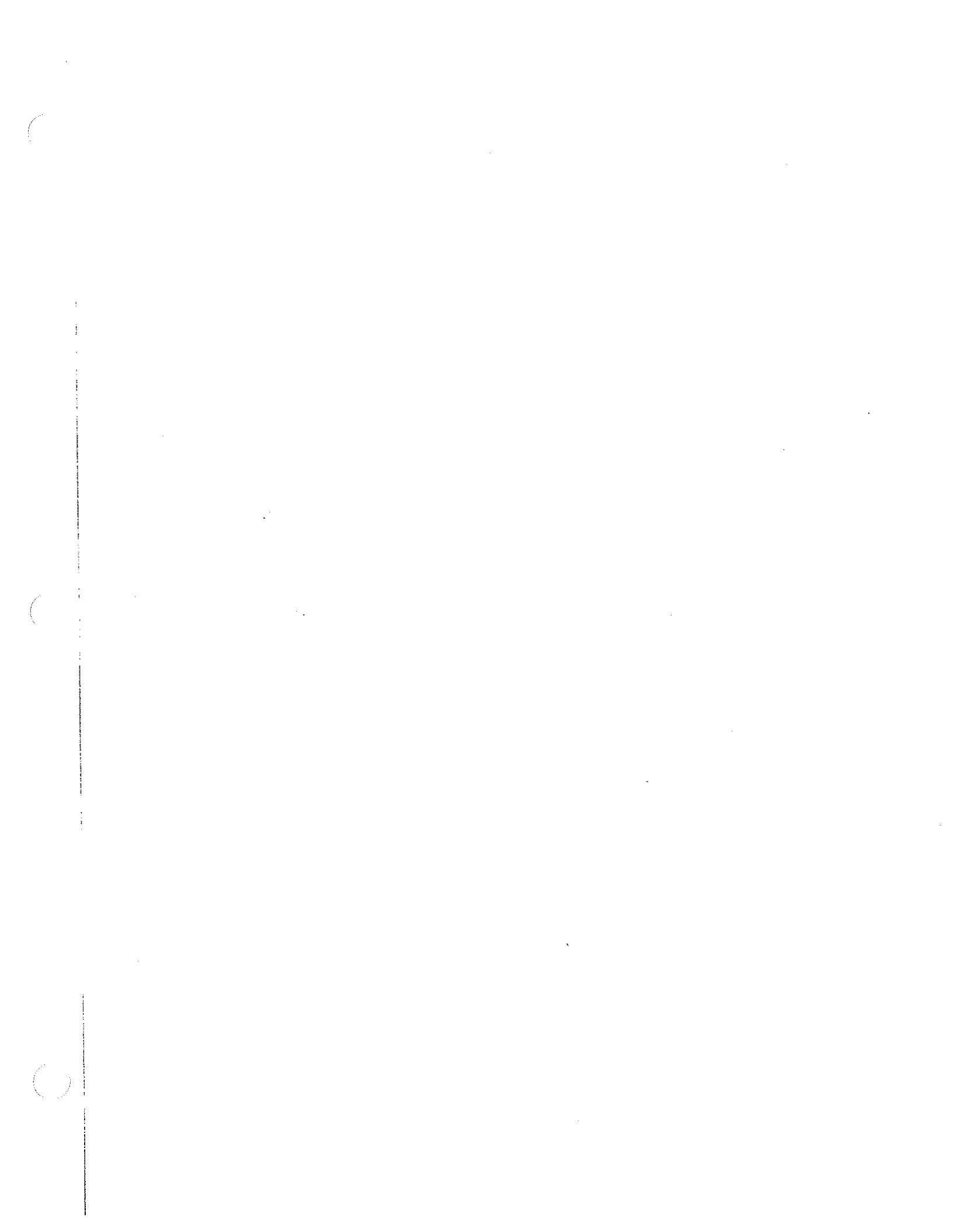
- a. Explain in detail why Columbia proposes to recognize a union pay increase that is not effective until December 1, 2007, which is 15 months after the end of the test year.
- b. Define the term "Premium Pay" and explain what labor is covered by this category of expense.
- c. Explain in detail the basis for the 3.5 percent increase in overtime and premium pay. Include in the response the date this increase is to become effective.

Response of Columbia Gas of Kentucky:

- a. The December 2007 union pay increase is known and measurable and falls within the rate year.
- b. Premium Pay includes both shift differential pay and upgrade pay. Under Columbia's bargaining agreement, an employee is paid shift differential pay if the employee works the second or third shifts, and an employee who is temporarily assigned to a higher rated position is paid the rate of pay of the higher rated position, or the upgrade pay. The annual labor level identified as premium pay has been provided on WPD-2.2 Sheet 3 of 8.
- c. The basis for the increase in overtime and premium pay includes consideration for the application of an anticipated merit increase applied to the overtime and premium pay levels as incurred in the test year.
- d. The merit increase of 3.5% for clerical occurred as of March 2007. At the time of filing this case, the union contract was not yet ratified. WPD-2.2 Sheet 2 of 8 used a 2.5% anticipated increase for December 2006 and a 3.0% anticipated increase for December 2007 related to union employees. This contract has since been ratified and these merit increases and merit dates are both supported by this contract. A further per hour rate structure increase was agreed to that is effective December 2007 as well. This allows for a 10 cent increase per hour for each union employee.

Public Service Commission Data Request Set 2
Question No. 70 (Cont'd)
Columbia Gas of Kentucky Respondent: **Kelly L. Humrichouse**

The estimated 3.5% merit increase used for both premium pay and overtime was conservative based upon the now known and measurable sequence of union increases.



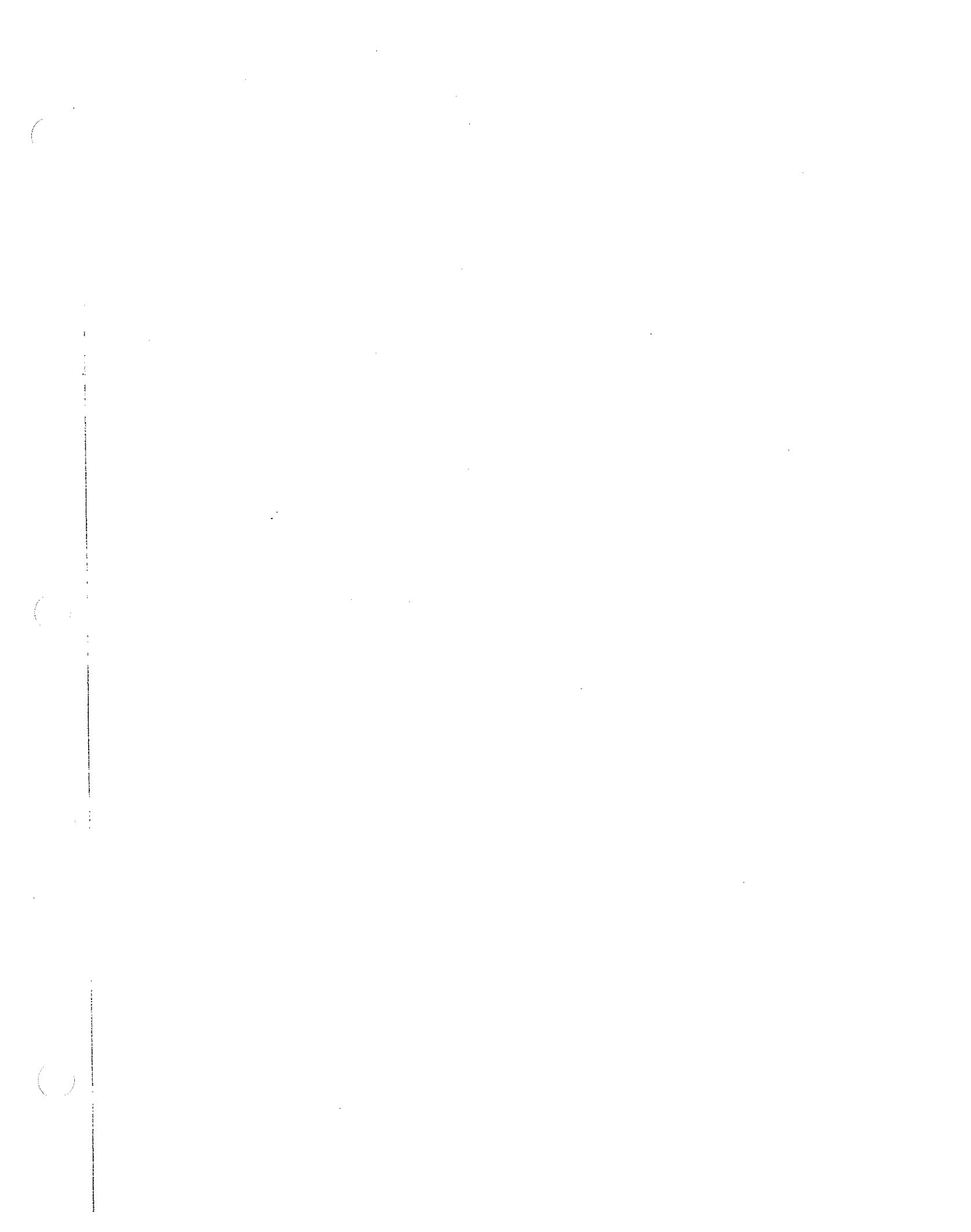
**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED April 10, 2007**

Question No. 71

Refer to the Application, WPD-2.3. Explain the reason(s) for the reversal entries shown on this workpaper.

Response of Columbia Gas of Kentucky:

During the first nine months of the calendar year 2005, the Company was accruing incentive costs based on the assumption that performance goals would be achieved. In October 2005, the incentive accruals booked through September were reversed. No incentive compensation was accrued in the first 9 months of 2006, therefore for the test year, twelve months ending September 30, 2006; the company had a credit level of incentive compensation recorded in O&M expense as shown on WPD-2.3.



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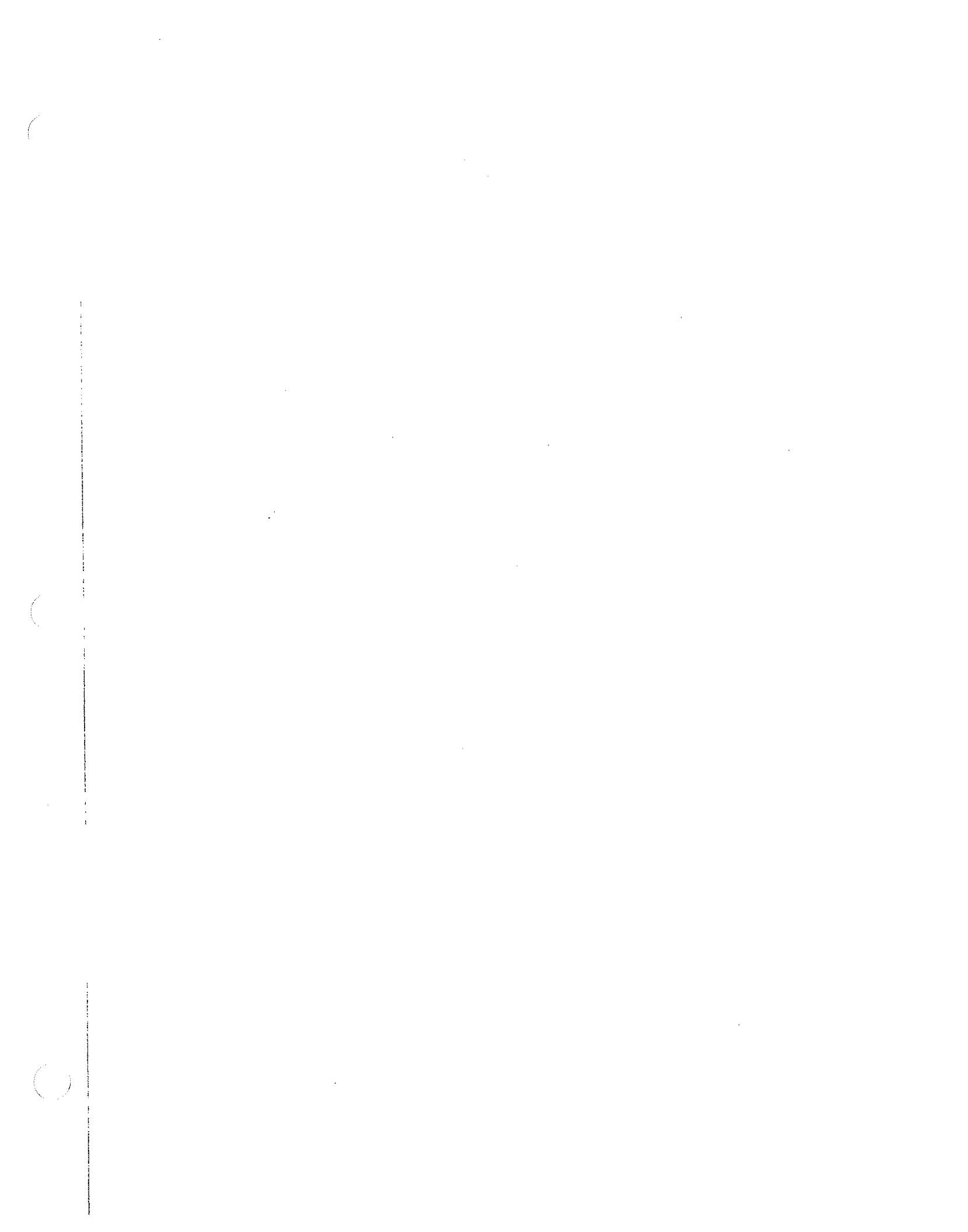
Question No. 72

Refer to the Application, WPD-2.7. For the rate cases listed at lines 9 through 11, provide the total actual rate case expense incurred by Columbia.

Response of Columbia Gas of Kentucky:

The table below shows the amount of rate case expense for Columbia's last three rate cases. Please note that all three cases were settled, therefore, the amounts may have been different if the cases were fully litigated. Also, the primary reasons for the increase in costs from the 1994 case to the 2002 case, besides inflation over the 8 year period, is the need for a depreciation consultant and a class cost of service consultant.

Case No 90-063	\$64,564
Case No 94-179	\$95,518
Case No. 2002-00145	\$351,028



Public Service Commission Data Request Set 2
Question No. 73
Columbia Gas of Kentucky Respondent: **Kelly L. Humrichouse**

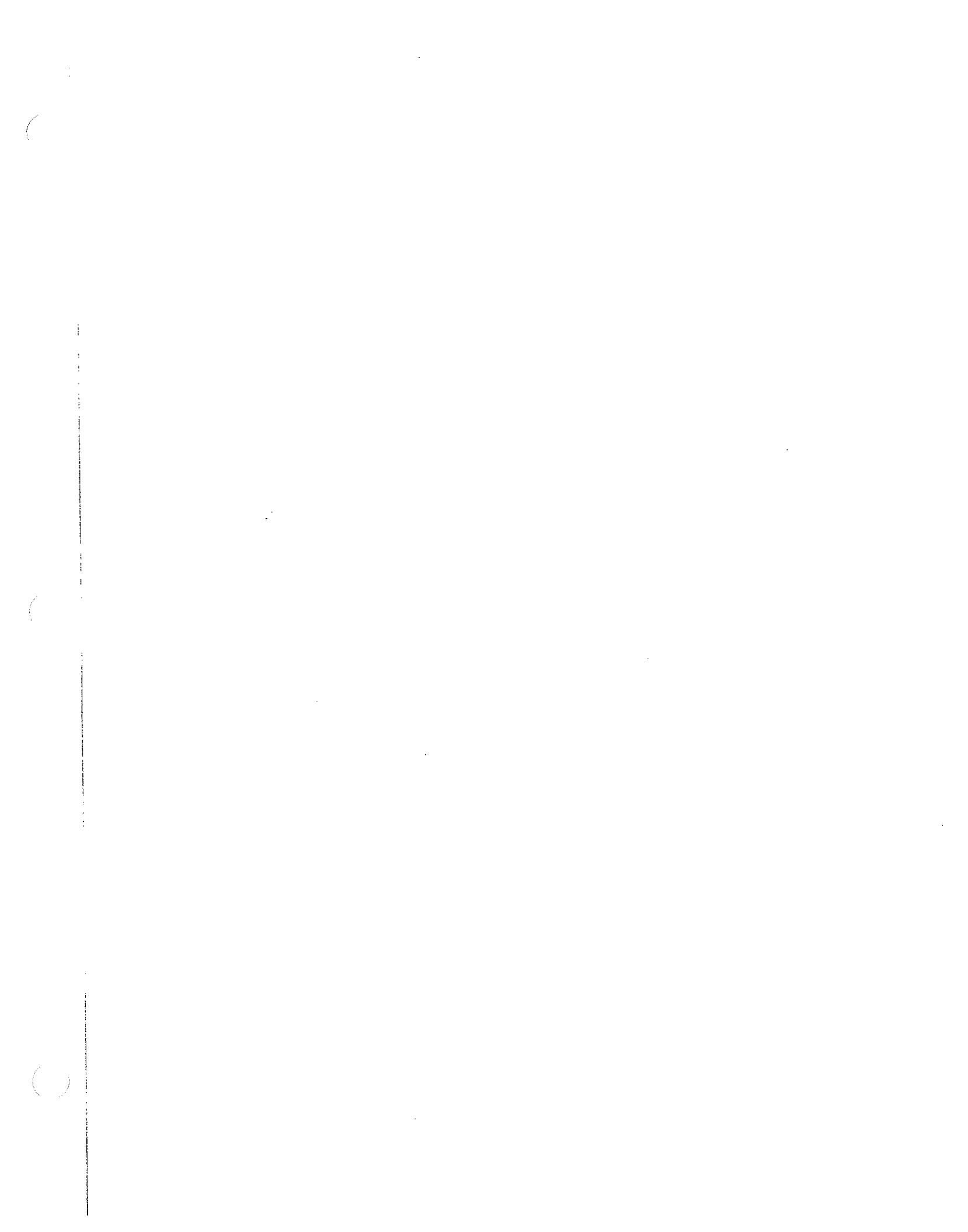
**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
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Question No. 73

Refer to the Application, WPD-2.8. Provide the cost information for the listed items as of September 30, 2006.

Response of Columbia Gas of Kentucky:

Please refer to responses to Data Requests AG Set 1 Questions 49 and 50 for cost information for items listed on WPD-2.8.



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Question No. 74

Refer to the response to the Staff's First Data Request dated January 25, 2007 ("Staff's First Request"), Item 16. Columbia was requested to provide comparative schedules showing by months for the test year and the year preceding the test year, the total company balance in each gas plant and reserve account or subaccount included in Columbia's chart of accounts. The response supplied the information for only Account Nos. 101, 105, 106, 107, 108, and 111. These accounts do not constitute each one of Columbia's gas plant and reserve account or subaccounts. Resubmit the response, using at a minimum the level of account detail shown in the Application, Schedule B-2.1.

Response of Columbia Gas of Kentucky:

Please see the following attachments related to 2007-00008-PSC 2-074:

- | | |
|------------------|---|
| Attachment 1.PDF | Detail of gas plant account balances contained in accounts 101/106 for the period 10-04/09-05. |
| Attachment 2.PDF | Detail of gas plant account balances contained in accounts 101/106 for the period 10-05/09-06. |
| Attachment 3.PDF | Detail of gas plant account balances contained in account 107 for the period 10-04/09-06. |
| Attachment 4.PDF | Detail of reserve balances by gas plant account contained in accounts 108/111 for the period 10-04/09-06. |

Any differences in account 101 between the balances previously submitted in response to PSC question 00016, and those contained in the attachments, are the result of the capital lease amounts being contained in account 101, but not reflected in the detail of the gas plant accounts.

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 10/2004
 Period Ending: 10/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pkt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pkt, DIS Software	\$726,190.93	\$0.00	\$0.00	\$0.00	\$726,190.93
30320 Intangible Pkt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pkt, Misc Software	\$1,148,965.34	\$0.00	\$0.00	\$0.00	\$1,148,965.34
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$881,063.67	\$0.00	\$0.00	\$0.00	\$881,063.67
37440 Land Rgts, Other Distr Sys	\$426,470.15	\$0.00	\$0.00	\$0.00	\$426,470.15
37450 Rights of Way	\$2,671,984.79	\$0.00	\$0.00	\$0.00	\$2,671,984.79
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$532,236.50	\$0.00	\$0.00	\$0.00	\$532,236.50
37560 Str, Distribn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,141,169.79	\$0.00	\$0.00	\$0.00	\$7,141,169.79
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$124,639,997.92	\$246,579.49	\$33,194.68	\$0.00	\$124,919,772.09
37810 Mea & Reg Sta Eq, General	\$0.00	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$3,997,267.45	\$0.00	(\$611.94)	\$0.00	\$3,996,655.51
37830 Mea & Reg Sta Eq, Local Gas	\$57,672.69	\$0.00	\$0.00	\$0.00	\$57,672.69
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$69,179,165.57	\$306,785.84	(\$53,540.40)	\$0.00	\$69,432,411.01
38100 Meters	\$9,575,367.06	\$0.00	\$0.00	(\$17,003.33)	\$9,558,363.73
38200 Meter Installations	\$7,080,026.37	\$22,868.30	(\$4,037.75)	\$0.00	\$7,098,856.92
38300 House Regulators	\$1,894,304.64	\$44,648.82	(\$515.38)	\$0.00	\$1,938,438.07
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$2,017,502.37	\$0.00	(\$10,144.19)	\$0.00	\$2,007,358.18
38720 Other Equip, Odorization	\$212,002.37	\$0.00	\$0.00	\$0.00	\$212,002.37
38741 Other Equip, Telephone	\$343,135.04	\$0.00	\$0.00	\$0.00	\$343,135.04
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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 10/2004
 Period Ending: 10/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101,000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$869,885.35	\$0.00	\$0.00	\$0.00	\$869,885.35
38744 Other Equip, Oth Communicatn	\$30,335.85	\$0.00	\$0.00	\$0.00	\$30,335.85
38745 Other Equip, Telemetering	\$964,090.77	\$0.00	\$0.00	\$0.00	\$964,090.77
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,295,855.37	\$0.00	\$0.00	\$0.00	\$1,295,855.37
39111 OF&E, Data Handling Equip	\$113,436.59	\$0.00	\$0.00	\$0.00	\$113,436.59
39112 OF&E, Information Systems	\$299,779.10	\$0.00	\$0.00	\$0.00	\$299,779.10
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$13,787.48	\$0.00	\$0.00	\$0.00	\$13,787.48
39410 Tools, Garage & Service Eq	\$30,209.14	\$0.00	\$0.00	\$0.00	\$30,209.14
39411 Tools, CNG Equip, Stationary	\$818,313.56	\$0.00	\$0.00	\$0.00	\$818,313.56
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,802,493.95	\$12,473.45	\$0.00	\$0.00	\$1,814,967.40
39500 Laboratory Equipment, Gas	\$10,552.86	\$0.00	\$0.00	\$0.00	\$10,552.86
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$132,851.28	\$0.00	\$0.00	\$0.00	\$132,851.28
KY	\$243,120,311.34	\$633,355.90	(\$35,654.99)	(\$17,003.33)	\$243,701,008.92
Subtotal	\$243,120,311.34	\$633,355.90	(\$35,654.99)	(\$17,003.33)	\$243,701,008.92
101,120 Gas Plant In Service Subtotal	\$243,120,311.34	\$633,355.90	(\$35,654.99)	(\$17,003.33)	\$243,701,008.92
101,120 Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,555,864.30)	\$0.00	\$0.00	\$0.00	(\$9,555,864.30)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
Asset - 1025					04/12/2007 11:07:44

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 10/2004
Period Ending: 10/2004

Business Segment GL Account State	Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution						
101.120 Contributions In Aid of Con						
KY						
38200 Meter Installations		(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators		(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq		(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
	Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
	KY					
101.120 Contributions in Aid of Con Subtotal		(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
101.140 Non-taxable Relocation Reim						
KY						
37500 Mains		(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
	Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
	KY					
101.140 Non-taxable Relocation Reim Subtotal		(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	\$0.00
106.000 Gas CCNC						
KY						
30300 Intangible Plt, General		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software		\$275,480.28	\$3,638.41	\$0.00	\$0.00	\$279,118.69
37440 Land Rqts, Other Distr Sys		\$46,901.98	\$0.00	\$0.00	\$0.00	\$46,901.98
37450 Rights of Way		\$69,280.61	\$0.00	\$0.00	\$0.00	\$69,280.61
37540 Str, Regulating		\$7,866.06	\$0.00	\$0.00	\$0.00	\$7,866.06
37570 Str, Other Distribution Sys		\$12,073.80	\$0.00	\$0.00	\$0.00	\$12,073.80
37600 Mains		\$3,605,719.67	(\$214,878.71)	\$0.00	\$0.00	\$3,390,840.96
37820 Mea & Reg Sta Eq, Regulating		\$125,302.56	\$8,283.09	\$0.00	\$0.00	\$133,585.75
38000 Services		\$11,564.06	(\$2,920.66)	\$0.00	\$0.00	\$8,743.40
38100 Meters		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38500 Industrial Mea & Reg Sta Eq		\$53,584.10	\$1,717.96	\$0.00	\$0.00	\$55,302.06
38720 Other Equip, Odorization		\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38745 Other Equip, Telemetering		\$121,722.88	\$0.00	\$0.00	\$0.00	\$121,722.88
39112 OF&E, Information Systems		\$19,078.88	\$0.00	\$0.00	\$0.00	\$19,078.88
39430 Tools, Tools and Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Asset - 1025					
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Account Summary by State

NI Source
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 10/2004
 Period Ending: 10/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution 106,000 Gas CCNC KY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$4,352,625.91	(\$204,159.91)	\$0.00	\$0.00	\$4,148,466.00
Subtotal	\$4,352,625.91	(\$204,159.91)	\$0.00	\$0.00	\$4,148,466.00
106,000 Gas CCNC Subtotal	\$236,141,456.89	\$429,195.99	(\$35,654.99)	(\$17,003.33)	\$236,517,994.56
Gas Distribution Subtotal	\$236,141,456.89	\$429,195.99	(\$35,654.99)	(\$17,003.33)	\$236,517,994.56
Columbia Gas of Kentucky Subtotal	\$236,141,456.89	\$429,195.99	(\$35,654.99)	(\$17,003.33)	\$236,517,994.56
Financial/SEC Subtotal	\$236,141,456.89	\$429,195.99	(\$35,654.99)	(\$17,003.33)	\$236,517,994.56
Grand Total:	\$236,141,456.89	\$429,195.99	(\$35,654.99)	(\$17,003.33)	\$236,517,994.56

Account Summary by State

NjSource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 11/2004
 Period Ending: 11/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Plt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Plt, DIS Software	\$726,190.93	\$0.00	\$0.00	\$0.00	\$726,190.93
30320 Intangible Plt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$1,148,965.34	\$88,311.41	\$0.00	\$0.00	\$1,237,276.75
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$881,063.67	\$0.00	\$0.00	\$0.00	\$881,063.67
37440 Land Rgts, Other Distr Sys	\$426,470.15	\$11,000.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,671,984.79	\$0.00	\$0.00	\$0.00	\$2,671,984.79
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$532,236.50	\$0.00	\$0.00	\$0.00	\$532,236.50
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,141,169.79	\$4,316.75	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$124,919,772.09	\$276,189.40	(\$52,248.75)	\$0.00	\$125,143,712.74
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$3,996,655.51	\$0.00	(\$935.17)	\$0.00	\$3,995,720.34
37830 Mea & Reg Sta Eq, Local Gas	\$57,672.69	\$0.00	\$0.00	\$0.00	\$57,672.69
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$69,432,411.01	\$171,549.07	(\$50,254.31)	\$0.00	\$69,553,705.77
38100 Meters	\$3,558,363.73	\$0.00	(\$94,260.54)	\$0.00	\$3,464,103.19
38200 Meter Installations	\$7,098,856.92	\$13,221.74	(\$3,613.27)	\$0.00	\$7,108,465.39
38300 House Regulators	\$1,938,438.07	\$30,454.09	(\$427.58)	\$0.00	\$1,968,464.58
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$2,007,358.18	\$1,893.69	(\$6,311.43)	\$0.00	\$2,002,940.44
38720 Other Equip, Odorization	\$212,002.37	\$0.00	(\$28,979.19)	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$343,135.04	\$0.00	\$0.00	\$0.00	\$343,135.04

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Account Summary by State

NI Source

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 11/2004
 Period Ending: 11/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$869,885.35	\$0.00	\$0.00	\$0.00	\$869,885.35
38744 Other Equip, Oth Communicatn	\$30,335.85	\$49,966.95	\$0.00	\$0.00	\$80,302.80
38745 Other Equip, Telemetering	\$964,090.77	\$0.00	\$0.00	\$0.00	\$964,090.77
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,295,855.37	\$0.00	\$0.00	\$0.00	\$1,295,855.37
39111 OF&E, Data Handling Equip	\$113,436.59	\$0.00	\$0.00	\$0.00	\$113,436.59
39112 OF&E, Information Systems	\$299,779.10	\$730.29	\$0.00	\$0.00	\$300,509.39
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$13,787.48	\$0.00	\$0.00	\$0.00	\$13,787.48
39410 Tools, Garage & Service Eq	\$30,209.14	\$0.00	\$0.00	\$0.00	\$30,209.14
39411 Tools, CNG Equip, Stationary	\$818,313.56	\$0.00	\$0.00	\$0.00	\$818,313.56
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,814,967.40	\$7,662.19	\$0.00	\$0.00	\$1,822,629.59
39500 Laboratory Equipment, Gas	\$10,552.86	\$0.00	\$0.00	\$0.00	\$10,552.86
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$132,851.28	\$0.00	\$0.00	\$0.00	\$132,851.28
KY Subtotal	\$243,701,008.92	\$655,295.58	(\$237,020.24)	\$0.00	\$244,119,284.26
101.000 Gas Plant In Service Subtotal	\$243,701,008.92	\$655,295.58	(\$237,020.24)	\$0.00	\$244,119,284.26
101.120 Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,555,864.30)	\$0.00	\$0.00	\$0.00	(\$9,555,864.30)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

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Asset - 1025

Account Summary by State

NI Source
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 11/2004
Period Ending: 11/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.120 Contributions in Aid of Con Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
KY	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
106.000 Gas CCNC					
KY					
30300 Intangible Pit, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$279,118.69	\$39,264.02	\$0.00	\$0.00	\$318,382.71
37440 Land Rgts, Other Distr Sys	\$46,901.98	\$0.00	\$0.00	\$0.00	\$46,901.98
37450 Rights of Way	\$69,280.61	\$170.41	\$0.00	\$0.00	\$69,451.02
37540 Str, Regulating	\$7,866.06	\$0.00	\$0.00	\$0.00	\$7,866.06
37570 Str, Other Distribution Sys	\$12,073.60	(\$4,316.75)	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$3,390,840.96	\$182,744.54	\$0.00	\$0.00	\$3,573,585.50
37820 Mea & Reg Sta Eq, Regulating	\$133,585.75	\$38,266.19	\$0.00	\$0.00	\$171,851.94
38000 Services	\$8,743.40	\$0.00	\$0.00	\$0.00	\$8,743.40
38100 Meters	\$0.00	\$516,815.56	\$0.00	\$0.00	\$516,815.56
38500 Industrial Mea & Reg Sta Eq	\$55,302.06	\$715.62	\$0.00	\$0.00	\$56,017.68
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38745 Other Equip, Telemetering	\$121,722.88	\$2,295.15	\$0.00	\$0.00	\$124,018.03
39112 OF&E, Information Systems	\$19,078.88	\$0.00	\$0.00	\$0.00	\$19,078.88
39430 Tools, Tools and Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Asset - 1025					

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 11/2004
Period Ending: 11/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$4,148,466.00	\$775,954.74	\$0.00	\$0.00	\$4,924,420.74
106.000 Gas CCNC Subtotal	\$4,148,466.00	\$775,954.74	\$0.00	\$0.00	\$4,924,420.74
Gas Distribution Subtotal	\$236,517,994.56	\$1,431,250.32	(\$237,020.24)	\$0.00	\$237,712,224.64
Columbia Gas of Kentucky Subtotal	\$236,517,994.56	\$1,431,250.32	(\$237,020.24)	\$0.00	\$237,712,224.64
Financial/SEC Subtotal	\$236,517,994.56	\$1,431,250.32	(\$237,020.24)	\$0.00	\$237,712,224.64
Grand Total:	\$236,517,994.56	\$1,431,250.32	(\$237,020.24)	\$0.00	\$237,712,224.64

Account Summary by State

NI Source

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 12/2004
 Period Ending: 12/2004

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
101,000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pit, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pit, DIS Software	\$726,190.93	\$0.00	(\$713,161.37)	\$0.00	\$13,029.56
30320 Intangible Pit, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$1,237,276.75	\$0.00	\$0.00	\$0.00	\$1,237,276.75
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$881,063.67	\$0.00	\$0.00	\$0.00	\$881,063.67
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,671,984.79	\$823.38	\$0.00	\$0.00	\$2,672,808.17
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$532,236.50	\$6,338.61	\$0.00	\$0.00	\$538,575.11
37560 Str, Distribtr Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$125,143,712.74	\$1,041,441.95	(\$94,365.30)	\$0.00	\$126,090,789.39
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$3,995,720.34	\$19,320.86	(\$1,125.78)	\$0.00	\$4,013,915.42
37830 Mea & Reg Sta Eq, Local Gas	\$57,672.69	\$0.00	\$0.00	\$0.00	\$57,672.69
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$69,553,705.77	\$810,263.50	(\$24,359.73)	\$0.00	\$70,339,609.54
38100 Meters	\$9,454,113.19	\$0.00	(\$10,843.34)	\$0.00	\$9,453,269.85
38200 Meter Installations	\$7,108,465.39	\$0.00	(\$1,751.22)	\$0.00	\$7,223,519.96
38300 House Regulators	\$1,968,464.58	\$256,961.57	(\$327.96)	\$0.00	\$2,225,098.19
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$2,002,940.44	\$20,915.39	\$0.00	\$0.00	\$2,023,855.83
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$343,135.04	\$0.00	\$0.00	\$0.00	\$343,135.04
		Asset - 1025			

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Account Summary by State

NI Source
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 12/2004
 Period Ending: 12/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$869,885.35	\$0.00	\$0.00	\$0.00	\$869,885.35
38744 Other Equip, Oth Communicatn	\$80,302.80	\$0.00	\$0.00	\$0.00	\$80,302.80
38745 Other Equip, Telemetering	\$964,090.77	\$10,309.29	\$0.00	\$0.00	\$974,400.06
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,295,855.37	\$0.00	(\$38,301.68)	\$0.00	\$1,257,553.69
39111 OF&E, Data Handling Equip	\$113,436.59	\$0.00	(\$70,807.81)	\$0.00	\$42,628.78
39112 OF&E, Information Systems	\$300,509.39	\$40,083.46	\$0.00	\$0.00	\$340,592.85
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$13,787.48	\$0.00	(\$13,787.48)	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$30,209.14	\$0.00	(\$1,462.68)	\$0.00	\$28,746.46
39411 Tools, CNG Equip, Stationary	\$818,313.56	\$0.00	\$0.00	\$0.00	\$818,313.56
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,822,629.59	\$0.00	(\$32,445.72)	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,552.86	\$0.00	(\$244.88)	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$132,851.28	\$0.00	(\$28,429.09)	\$0.00	\$104,422.19
Subtotal	\$244,119,284.26	\$2,323,263.80	(\$1,031,414.04)	\$0.00	\$245,411,134.02
101.120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,555,864.30)	\$0.00	\$0.00	\$0.00	(\$9,555,864.30)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
Subtotal	\$244,119,284.26	\$2,323,263.80	(\$1,031,414.04)	\$0.00	\$245,411,134.02

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 12/2004
Period Ending: 12/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions In Aid of Con KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq KY	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.120 Contributions In Aid of Con Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.140 Non-taxable Relocation Reim KY					
37600 Mains	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
106.000 Gas CCNC KY					
30300 Intangible PIt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible PIt, Misc Software	\$318,382.71	\$102,521.22	\$0.00	\$0.00	\$420,903.93
37440 Land Rgts, Other Distr Sys	\$46,901.98	\$0.00	\$0.00	\$0.00	\$46,901.98
37450 Rights of Way	\$69,451.02	\$361.64	\$0.00	\$0.00	\$69,812.66
37540 Str, Regulating	\$7,866.06	\$2,321.13	\$0.00	\$0.00	\$10,187.19
37570 Str, Other Distribution Sys	\$7,756.85	\$0.00	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$3,573,585.50	(\$31,466.39)	\$0.00	\$0.00	\$3,542,119.11
37820 Mea & Reg Sta Eq, Regulating	\$171,851.94	(\$5,566.20)	\$0.00	\$0.00	\$166,285.74
38000 Services	\$8,743.40	\$33,317.81	\$0.00	\$0.00	\$42,061.21
38100 Meters	\$516,815.56	\$276,006.91	\$0.00	\$0.00	\$792,822.47
38500 Industrial Mea & Reg Sta Eq	\$56,017.68	(\$9,608.24)	\$0.00	\$0.00	\$46,409.44
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$0.00	\$28,389.60	\$0.00	\$0.00	\$28,389.60
38745 Other Equip, Telemetering	\$124,018.03	\$177,747.19	\$0.00	\$0.00	\$301,765.22
39110 OF&E, Unspecified	\$0.00	\$6,525.66	\$0.00	\$0.00	\$6,525.66
Subtotal	\$6,525.66	\$6,525.66	\$0.00	\$0.00	\$6,525.66
Asset - 1025					
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Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 12/2004
 Period Ending: 12/2004

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution 106.000 Gas CCNC KY					
39112 OF&E, Information Systems	\$19,078.88	\$0.00	\$0.00	\$0.00	\$19,078.88
39430 Tools, Tools and Other	\$0.00	\$46,590.78	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$4,924,420.74	\$627,142.11	\$0.00	\$0.00	\$5,551,562.85
106.000 Gas CCNC Subtotal	\$4,924,420.74	\$627,142.11	\$0.00	\$0.00	\$5,551,562.85
Gas Distribution Subtotal	\$237,712,224.64	\$2,950,405.91	(\$1,031,414.04)	\$0.00	\$239,631,216.51
Columbia Gas of Kentucky Subtotal	\$237,712,224.64	\$2,950,405.91	(\$1,031,414.04)	\$0.00	\$239,631,216.51
Financial/SEC Subtotal	\$237,712,224.64	\$2,950,405.91	(\$1,031,414.04)	\$0.00	\$239,631,216.51
Grand Total:	\$237,712,224.64	\$2,950,405.91	(\$1,031,414.04)	\$0.00	\$239,631,216.51

Account Summary by State

NIsource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 01/2005

Period Ending: 01/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101,000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Plt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Plt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Plt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$1,237,276.75	\$0.00	\$0.00	\$0.00	\$1,237,276.75
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$881,063.67	\$0.00	\$0.00	\$0.00	\$881,063.67
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,672,808.17	\$0.00	\$0.00	\$0.00	\$2,672,808.17
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$538,575.11	\$0.00	\$0.00	\$0.00	\$538,575.11
37560 Str, Distribn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$126,090,789.39	\$292,606.94	(\$23,836.48)	\$0.00	\$126,359,559.85
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,013,915.42	\$2,411.62	(\$2,475.84)	\$0.00	\$4,013,851.20
37830 Mea & Reg Sta Eq, Local Gas	\$57,672.69	\$0.00	\$0.00	\$0.00	\$57,672.69
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$70,339,609.54	\$166,976.74	(\$13,677.67)	\$0.00	\$70,492,908.61
38100 Meters	\$9,453,269.85	\$0.00	\$0.00	\$0.00	\$9,453,269.85
38200 Meter Installations	\$7,223,519.96	\$14,406.65	(\$1,643.06)	\$0.00	\$7,236,283.55
38300 House Regulators	\$2,225,098.19	\$21,867.32	(\$300.13)	\$0.00	\$2,246,665.38
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$2,023,855.83	\$0.00	(\$5,879.82)	\$0.00	\$2,019,976.01
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$343,135.04	\$0.00	\$0.00	\$0.00	\$343,135.04

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Asset - 1025

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 01/2005
 Period Ending: 01/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$869,885.35	\$0.00	\$0.00	\$0.00	\$869,885.35
38744 Other Equip, Oth Communicatn	\$80,302.80	\$0.00	\$0.00	\$0.00	\$80,302.80
38745 Other Equip, Telemetering	\$974,400.06	\$0.00	\$0.00	\$0.00	\$974,400.06
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,257,553.69	\$0.00	\$0.00	\$0.00	\$1,257,553.69
39111 OF&E, Data Handling Equip	\$42,628.78	\$0.00	\$0.00	\$0.00	\$42,628.78
39112 OF&E, Information Systems	\$340,592.85	\$0.00	\$0.00	\$0.00	\$340,592.85
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$28,746.46	\$0.00	\$0.00	\$0.00	\$28,746.46
39411 Tools, CNG Equip, Stationary	\$818,313.56	\$0.00	\$0.00	\$0.00	\$818,313.56
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$104,422.19	\$0.00	\$0.00	\$0.00	\$104,422.19
KY	\$245,411,134.02	\$498,269.27	(\$45,813.00)	\$0.00	\$245,963,590.29
Subtotal					
101.000 Gas Plant In Service Subtotal	\$245,411,134.02	\$498,269.27	(\$45,813.00)	\$0.00	\$245,963,590.29
101.120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,555,864.30)	\$0.00	\$0.00	\$0.00	(\$9,555,864.30)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 01/2005
Period Ending: 01/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con KY					
36200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq KY	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.120 Contributions in Aid of Con Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
106.000 Gas CCNC					
KY					
30300 Intangible Plt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$420,903.93	\$750.38	\$0.00	\$0.00	\$421,654.31
37440 Land Rgts, Other Distr Sys	\$46,901.98	\$0.00	\$0.00	\$0.00	\$46,901.98
37450 Rights of Way	\$69,812.86	(\$26,479.30)	\$0.00	\$0.00	\$43,333.56
37540 Str, Regulating	\$10,187.19	\$0.00	\$0.00	\$0.00	\$10,187.19
37570 Str, Other Distribution Sys	\$7,756.85	\$0.00	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$3,542,119.11	(\$109,955.12)	\$0.00	\$0.00	\$3,432,163.99
37820 Mea & Reg Sta Eq, Regulating	\$166,285.74	(\$1,011.57)	\$0.00	\$0.00	\$164,674.17
38000 Services	\$42,061.21	\$7,577.10	\$0.00	\$0.00	\$49,638.31
38100 Meters	\$792,822.47	\$42,681.62	\$0.00	\$0.00	\$835,504.09
38500 Industrial Mea & Reg Sta Eq	\$46,409.44	\$127.72	\$0.00	\$0.00	\$46,537.16
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,389.60	\$0.00	\$0.00	\$0.00	\$28,389.60
38745 Other Equip, Telemetering	\$301,765.22	\$3.52	\$0.00	\$0.00	\$301,768.74
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
Asset - 1025					

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 01/2005
 Period Ending: 01/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39112 OF&E, Information Systems	\$19,078.88	\$0.00	\$0.00	\$0.00	\$19,078.88
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$5,551,562.85	(\$86,905.65)	\$0.00	\$0.00	\$5,464,657.20
106.000 Gas CCNC Subtotal	\$5,551,562.85	(\$86,905.65)	\$0.00	\$0.00	\$5,464,657.20
Gas Distribution Subtotal	\$239,631,216.51	\$411,363.62	(\$45,813.00)	\$0.00	\$239,996,767.13
Columbia Gas of Kentucky Subtotal	\$239,631,216.51	\$411,363.62	(\$45,813.00)	\$0.00	\$239,996,767.13
Financial/SEC Subtotal	\$239,631,216.51	\$411,363.62	(\$45,813.00)	\$0.00	\$239,996,767.13
Grand Total:	\$239,631,216.51	\$411,363.62	(\$45,813.00)	\$0.00	\$239,996,767.13

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 02/2005
 Period Ending: 02/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30380 Intangible PIt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible PIt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible PIt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible PIt, Misc Software	\$1,237,276.75	\$39,592.82	(\$253,756.00)	\$0.00	\$1,023,111.57
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$881,063.67	\$0.00	\$0.00	\$0.00	\$881,063.67
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,672,808.17	\$0.00	\$0.00	\$0.00	\$2,672,808.17
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$538,575.11	\$0.00	\$0.00	\$0.00	\$538,575.11
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$126,359,559.85	\$60,704.93	(\$2,768.46)	\$0.00	\$126,417,496.32
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,013,851.20	\$3,210.33	(\$231.57)	\$0.00	\$4,016,829.96
37830 Mea & Reg Sta Eq, Local Gas	\$57,672.69	\$0.00	\$0.00	\$0.00	\$57,672.69
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$70,492,908.61	\$172,387.91	(\$14,637.96)	\$0.00	\$70,650,658.56
38100 Meters	\$9,453,269.85	\$0.00	\$0.00	\$0.00	\$9,453,269.85
38200 Meter Installations	\$7,236,283.55	\$19,343.38	(\$1,870.96)	\$0.00	\$7,253,755.97
38300 House Regulators	\$2,246,665.38	\$23,271.54	(\$318.05)	\$0.00	\$2,269,618.87
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$2,019,976.01	\$0.00	\$1,362.04	\$0.00	\$2,021,338.05
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$343,135.04	\$0.00	\$0.00	\$0.00	\$343,135.04
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 02/2005
Period Ending: 02/2005

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adj	Ending Balance
Utility Account					
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$869,885.35	\$0.00	\$0.00	\$0.00	\$869,885.35
38744 Other Equip, Oth Communicath	\$80,302.80	\$21,649.55	\$0.00	\$0.00	\$101,952.35
38745 Other Equip, Telemetering	\$974,400.06	\$0.00	\$0.00	(\$3,410.65)	\$970,989.41
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,257,553.69	\$0.00	\$0.00	\$1,775.00	\$1,259,328.69
39111 OF&E, Data Handling Equip	\$42,628.78	\$0.00	\$0.00	\$0.00	\$42,628.78
39112 OF&E, Information Systems	\$340,592.85	\$0.00	\$0.00	\$1,635.65	\$342,228.50
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$28,746.46	\$0.00	\$0.00	\$0.00	\$28,746.46
39411 Tools, CNG Equip, Stationary	\$818,313.56	\$0.00	\$0.00	\$0.00	\$818,313.56
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$104,422.19	\$0.00	\$0.00	\$0.00	\$104,422.19
Subtotal	\$245,863,590.29	\$340,160.46	(\$272,222.96)	\$0.00	\$245,931,527.79
101.000 Gas Plant In Service					
KY					
101.120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,555,864.30)	\$0.00	\$0.00	\$0.00	(\$9,555,864.30)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
Subtotal	\$245,863,590.29	\$340,160.46	(\$272,222.96)	\$0.00	\$245,931,527.79
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 02/2005
Period Ending: 02/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions In Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.120 Contributions In Aid of Con Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
KY Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
106.000 Gas CCNC					
KY					
30300 Intangible Pit, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$421,654.31	\$234.48	\$0.00	\$0.00	\$421,888.79
37440 Land Rgts, Other Distr Sys	\$46,901.98	\$0.00	\$0.00	\$0.00	\$46,901.98
37450 Rights of Way	\$43,333.36	\$0.00	\$0.00	\$0.00	\$43,333.36
37540 Str, Regulating	\$10,187.19	\$0.00	\$0.00	\$0.00	\$10,187.19
37570 Str, Other Distribution Sys	\$7,756.85	\$36,314.80	\$0.00	\$0.00	\$44,071.65
37600 Mains	\$3,432,163.99	(\$545,563.87)	\$0.00	\$0.00	\$2,886,600.12
37820 Mea & Reg Sta Eq, Regulating	\$164,674.17	(\$3,210.33)	\$0.00	\$0.00	\$161,463.84
38000 Services	\$49,638.31	\$11,246.24	\$0.00	\$0.00	\$60,884.55
38100 Meters	\$835,504.09	\$7,270.94	\$0.00	\$0.00	\$842,775.03
38500 Industrial Mea & Reg Sta Eq	\$46,537.16	\$264.50	\$0.00	\$0.00	\$46,801.66
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,389.60	\$0.00	\$0.00	\$0.00	\$28,389.60
38745 Other Equip, Telemetering	\$301,768.74	\$498.58	\$0.00	\$0.00	\$302,267.32
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
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Account Summary by State

NiSource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 02/2005
 Period Ending: 02/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39112 OF&E, Information Systems	\$19,078.88	\$0.00	\$0.00	\$0.00	\$19,078.88
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$5,464,657.20	(\$492,944.66)	\$0.00	\$0.00	\$4,971,712.54
106.000 Gas CCNC Subtotal	\$5,464,657.20	(\$492,944.66)	\$0.00	\$0.00	\$4,971,712.54
Gas Distribution Subtotal	\$239,996,767.13	(\$152,784.20)	(\$272,222.96)	\$0.00	\$239,571,759.97
Columbia Gas of Kentucky Subtotal	\$239,996,767.13	(\$152,784.20)	(\$272,222.96)	\$0.00	\$239,571,759.97
Financial/SEC Subtotal	\$239,996,767.13	(\$152,784.20)	(\$272,222.96)	\$0.00	\$239,571,759.97
Grand Total:	\$239,996,767.13	(\$152,784.20)	(\$272,222.96)	\$0.00	\$239,571,759.97

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 03/2005
 Period Ending: 03/2005

Business Segment GL Account State	Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution						
101.000 Gas Plant In Service						
KY						
30100 Organization Costs		\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Plt, General		\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Plt, DIS Software		\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Plt, FARA Software		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software		\$1,023,111.57	\$0.00	\$0.00	\$0.00	\$1,023,111.57
30410 Land		\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind		\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys		\$881,063.67	\$0.00	\$0.00	\$0.00	\$881,063.67
37440 Land Rgts, Other Distr Sys		\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way		\$2,672,808.17	\$0.00	\$0.00	\$0.00	\$2,672,808.17
37520 Str, City Gate Mea & Reg		\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg		\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating		\$538,575.11	\$0.00	(\$1,300.42)	\$0.00	\$537,274.69
37560 Str, Distribtn Industrial M&R		\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys		\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased		\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication		\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains		\$126,417,496.32	\$1,009,068.02	(\$23,004.42)	\$0.00	\$127,403,559.92
37810 Mea & Reg Sta Eq, General		\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating		\$4,015,829.96	\$44,939.10	(\$1,568.68)	\$0.00	\$4,060,200.38
37830 Mea & Reg Sta Eq, Local Gas		\$57,672.69	\$0.00	\$0.00	\$0.00	\$57,672.69
37910 Mea & Reg Sta Eq, City Gate		\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services		\$70,650,658.56	\$258,866.20	(\$16,223.47)	\$0.00	\$70,893,301.29
38100 Meters		\$9,453,269.85	\$0.00	\$0.00	\$0.00	\$9,453,269.85
38200 Meter Installations		\$7,253,755.97	\$6,975.08	(\$2,542.82)	\$0.00	\$7,258,188.23
38300 House Regulators		\$2,269,618.87	\$33,242.23	(\$191.15)	\$0.00	\$2,302,669.95
38400 House Regulator Installation		\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq		\$2,021,338.05	\$8,482.48	(\$4,225.46)	\$0.00	\$2,025,595.07
38720 Other Equip, Odorization		\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone		\$343,135.04	\$0.00	\$0.00	\$0.00	\$343,135.04
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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 03/2005
 Period Ending: 03/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$869,885.35	\$0.00	(\$5,809.13)	\$342.77	\$864,418.99
38744 Other Equip, Oth Communicatn	\$101,952.35	\$0.00	\$0.00	\$0.00	\$101,952.35
38745 Other Equip, Telemetering	\$970,989.41	\$0.00	\$0.00	(\$342.77)	\$970,646.64
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,259,328.69	\$0.00	\$0.00	\$0.00	\$1,259,328.69
39111 OF&E, Data Handling Equip	\$42,628.78	\$0.00	\$0.00	\$0.00	\$42,628.78
39112 OF&E, Information Systems	\$342,228.50	\$0.00	\$0.00	\$0.00	\$342,228.50
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$28,746.46	\$0.00	\$0.00	\$0.00	\$28,746.46
39411 Tools, CNG Equip, Stationary	\$818,313.56	\$0.00	\$0.00	\$0.00	\$818,313.56
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$104,422.19	\$0.00	\$0.00	\$0.00	\$104,422.19
		\$1,361,573.11	(\$54,865.55)	\$0.00	\$247,238,235.35
KY Subtotal	\$245,931,527.79	\$1,361,573.11	(\$54,865.55)	\$0.00	\$247,238,235.35
101.080 Gas Plant In Service Subtotal	\$245,931,527.79	\$1,361,573.11	(\$54,865.55)	\$0.00	\$247,238,235.35
101.120 Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,555,864.30)	\$0.00	\$0.00	\$0.00	(\$9,555,864.30)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 03/2005
 Period Ending: 03/2005

Business Segment GL Account State	Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution						
101.120 Contributions In Aid of Con						
KY						
	38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
	38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
	38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
	KY Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.120 Contributions In Aid of Con Subtotal						
		(\$9,891,263.77)	\$0.00	\$0.00	\$0.00	(\$9,891,263.77)
101.140 Non-taxable Relocation Reim						
KY						
	37600 Mains	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
	KY Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
101.140 Non-taxable Relocation Reim Subtotal						
		(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
106.000 Gas CCNC						
KY						
	30300 Intangible Plt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	30330 Intangible Plt, Misc Software	\$421,888.79	\$299,516.87	\$0.00	\$0.00	\$721,405.46
	37440 Land Rgts, Other Distr Sys	\$46,901.98	\$0.00	\$0.00	\$0.00	\$46,901.98
	37450 Rights of Way	\$43,333.36	\$0.00	\$0.00	\$0.00	\$43,333.36
	37540 Str, Regulating	\$10,187.19	\$0.00	\$0.00	\$0.00	\$10,187.19
	37570 Str, Other Distribution Sys	\$44,071.65	\$0.00	\$0.00	\$0.00	\$44,071.65
	37600 Mains	\$2,886,600.12	(\$851,950.38)	\$0.00	\$0.00	\$2,034,649.74
	37820 Mea & Reg Sta Eq, Regulating	\$161,463.84	(\$44,939.10)	\$0.00	\$0.00	\$116,524.74
	38000 Services	\$60,884.55	(\$11,181.63)	\$0.00	\$0.00	\$49,702.92
	38100 Meters	\$842,775.03	\$18,286.38	\$0.00	\$0.00	\$861,061.41
	38500 Industrial Mea & Reg Sta Eq	\$46,801.66	(\$8,477.18)	\$0.00	\$0.00	\$38,324.48
	38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
	38742 Other Equip, Radio	\$28,389.60	\$0.00	\$0.00	\$0.00	\$28,389.60
	38744 Other Equip, Oth Communicatn	\$0.00	\$167,418.73	\$0.00	\$0.00	\$167,418.73
	38745 Other Equip, Telemetering	\$302,267.32	\$9,348.80	\$0.00	(\$179,719.92)	\$131,896.20
	Asset - 1025					

Account Summary by State

NiSource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 03/2005
 Period Ending: 03/2005

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$19,078.88	\$95,410.77	\$0.00	\$179,719.92	\$294,209.57
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$4,971,712.54	(\$226,566.94)	\$0.00	\$0.00	\$4,745,145.60
106.000 Gas CCNC Subtotal	\$4,971,712.54	(\$226,566.94)	\$0.00	\$0.00	\$4,745,145.60
Gas Distribution Subtotal	\$239,571,759.97	\$1,135,006.17	(\$54,865.55)	\$0.00	\$240,651,900.59
Columbia Gas of Kentucky Subtotal	\$239,571,759.97	\$1,135,006.17	(\$54,865.55)	\$0.00	\$240,651,900.59
Financial/SEC Subtotal	\$239,571,759.97	\$1,135,006.17	(\$54,865.55)	\$0.00	\$240,651,900.59
Grand Total:	\$239,571,759.97	\$1,135,006.17	(\$54,865.55)	\$0.00	\$240,651,900.59

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 04/2005
Period Ending: 04/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant in Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pit, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pit, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Pit, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$1,023,111.57	\$110,892.50	\$0.00	\$0.00	\$1,134,004.07
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$881,063.67	\$0.00	\$0.00	\$0.00	\$881,063.67
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,672,808.17	\$518.08	\$0.00	\$0.00	\$2,673,326.25
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$537,274.69	\$9,677.85	\$1,285.12	\$0.00	\$548,237.46
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$127,403,559.92	\$549,011.55	\$166,819.04	(\$13,336.59)	\$128,106,053.92
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,060,200.38	\$31,507.39	\$22,236.93	\$0.00	\$4,113,944.70
37830 Mea & Reg Sta Eq, Local Gas	\$57,672.69	\$0.00	\$0.00	\$0.00	\$57,672.69
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$70,893,301.29	\$219,721.10	(\$21,510.45)	\$0.00	\$71,091,511.94
38100 Meters	\$9,453,269.85	\$0.00	\$0.00	\$0.00	\$9,453,269.85
38200 Meter Installations	\$7,258,188.23	\$4,894.28	(\$4,682.29)	\$0.00	\$7,258,400.22
38300 House Regulators	\$2,302,669.95	\$22,509.11	(\$486.58)	\$0.00	\$2,324,682.48
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$2,025,595.07	\$0.00	(\$29,336.91)	\$0.00	\$1,996,258.16
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$343,135.04	\$368,010.85	\$0.00	\$0.00	\$711,145.89

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 04/2005
Period Ending: 04/2005

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
101,000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$864,418.99	\$0.00	\$0.00	\$0.00	\$864,418.99
38744 Other Equip, Oth Communicatn	\$101,952.35	\$19,518.71	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$970,646.64	\$0.00	(\$35,142.61)	\$0.00	\$935,504.03
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,259,328.69	\$0.00	\$0.00	(\$3,169.40)	\$1,256,159.29
39111 OF&E, Data Handling Equip	\$42,628.78	\$0.00	\$0.00	\$4,759.40	\$47,388.18
39112 OF&E, Information Systems	\$342,228.50	\$119,653.22	\$0.00	(\$1,590.00)	\$460,291.72
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$28,746.46	\$0.00	\$0.00	\$0.00	\$28,746.46
39411 Tools, CNG Equip, Stationary	\$818,313.56	\$0.00	(\$297,031.22)	\$0.00	\$521,282.34
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.97	\$0.00	\$0.00	\$0.00	\$1,790,183.97
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$104,422.19	\$0.00	\$0.00	\$0.00	\$104,422.19
Subtotal	\$247,238,235.35	\$1,455,914.44	(\$197,858.97)	(\$13,336.59)	\$248,482,954.23
101,000 Gas Plant In Service Subtotal	\$247,238,235.35	\$1,455,914.44	(\$197,858.97)	(\$13,336.59)	\$248,482,954.23
101.120 Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,555,864.30)	\$0.00	\$0.00	\$13,336.59	(\$9,542,527.71)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
Subtotal	(\$10,784,613.43)	\$0.00	\$0.00	\$0.00	(\$10,784,613.43)

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 04/2005
Period Ending: 04/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$13,336.59	(\$9,877,927.18)
101.120 Contributions in Aid of Con Subtotal	(\$9,891,263.77)	\$0.00	\$0.00	\$13,336.59	(\$9,877,927.18)
101.140 Non-taxable Relocation Reim KY					
37600 Mains	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
KY Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
106.000 Gas CCNC KY					
30300 Intangible Pft, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pft, Misc Software	\$721,405.46	(\$345,767.11)	\$0.00	\$0.00	\$375,638.35
37440 Land Rgts, Other Distr Sys	\$46,901.98	(\$8,013.81)	\$0.00	\$0.00	\$38,888.17
37450 Rights of Way	\$43,333.36	\$0.00	\$0.00	\$0.00	\$43,333.36
37540 Str, Regulating	\$10,187.19	(\$9,677.65)	\$0.00	\$0.00	\$509.54
37570 Str, Other Distribution Sys	\$44,071.65	\$0.00	\$0.00	\$0.00	\$44,071.65
37600 Mains	\$2,034,649.74	(\$479,862.30)	\$0.00	\$0.00	\$1,554,787.44
37820 Mea & Reg Sta Eq, Regulating	\$116,524.74	\$31,630.59	\$0.00	\$0.00	\$148,155.33
38000 Services	\$49,702.92	\$1,297.98	\$0.00	\$0.00	\$51,000.90
38100 Meters	\$961,061.41	\$83,950.95	\$0.00	\$0.00	\$1,045,012.36
38500 Industrial Mea & Reg Sta Eq	\$38,324.48	\$0.00	\$0.00	\$0.00	\$38,324.48
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,389.60	\$3.03	\$0.00	\$0.00	\$28,392.63
38744 Other Equip, Oth Communicatn	\$167,418.73	(\$167,418.73)	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering	\$131,896.20	\$3,441.78	\$0.00	(\$174.59)	\$135,163.39
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KY Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 04/2005
Period Ending: 04/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
KY	\$294,209.57	(\$95,410.77)	\$0.00	\$174.59	\$198,973.39
39110 OF&E, Unspecified	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39112 OF&E, Information Systems	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39430 Tools, Tools and Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$4,745,145.60	(\$985,826.04)	\$0.00	\$0.00	\$3,759,319.56
Subtotal	\$4,745,145.60	(\$985,826.04)	\$0.00	\$0.00	\$3,759,319.56
106.000 Gas CCNC Subtotal	\$240,651,900.59	\$470,088.40	(\$197,858.97)	(\$0.00)	\$240,924,130.02
Gas Distribution Subtotal	\$240,651,900.59	\$470,088.40	(\$197,858.97)	(\$0.00)	\$240,924,130.02
Columbia Gas of Kentucky Subtotal	\$240,651,900.59	\$470,088.40	(\$197,858.97)	(\$0.00)	\$240,924,130.02
Financial/SEC Subtotal	\$240,651,900.59	\$470,088.40	(\$197,858.97)	(\$0.00)	\$240,924,130.02
Grand Total:	\$240,651,900.59	\$470,088.40	(\$197,858.97)	(\$0.00)	\$240,924,130.02

Account Summary by State

niSource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 05/2005
Period Ending: 05/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pft, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pft, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Pft, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pft, Misc Software	\$1,134,004.07	\$30,042.30	\$0.00	\$0.00	\$1,164,046.87
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$881,063.67	\$0.00	(\$602.44)	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,673,326.25	(\$173.32)	\$0.00	\$0.00	\$2,673,152.93
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$548,237.46	\$0.00	(\$2,047.70)	\$0.00	\$546,189.76
37580 Str, Distribn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Maine	\$128,106,053.92	\$277,538.09	(\$82,581.89)	\$0.00	\$128,301,010.32
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,113,944.70	\$2,828.70	(\$296.05)	\$0.00	\$4,116,477.35
37830 Mea & Reg Sta Eq, Local Gas	\$57,672.69	\$0.00	(\$2,926.05)	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$71,081,511.94	\$271,545.44	(\$210,829.20)	\$0.00	\$71,152,228.18
38100 Meters	\$9,453,269.85	\$0.00	(\$1,290.41)	\$0.00	\$9,451,979.44
38200 Meter Installations	\$7,258,400.22	\$8,192.58	(\$2,989.89)	\$0.00	\$7,263,602.91
38300 House Regulators	\$2,324,682.48	\$33,845.80	(\$354.82)	\$0.00	\$2,358,173.46
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$1,996,258.16	\$7,268.45	(\$22,434.58)	\$0.00	\$1,981,092.03
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 05/2005
Period Ending: 05/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$864,418.99	\$0.00	\$0.00	\$0.00	\$864,418.99
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$935,504.03	\$0.00	\$0.00	\$0.00	\$935,504.03
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,256,159.29	\$0.00	\$0.00	\$0.00	\$1,256,159.29
39111 OF&E, Data Handling Equip	\$47,388.18	\$0.00	\$0.00	\$0.00	\$47,388.18
39112 OF&E, Information Systems	\$460,291.72	\$0.00	\$0.00	\$0.00	\$460,291.72
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$28,746.46	\$0.00	\$0.00	\$0.00	\$28,746.46
39411 Tools, CNG Equip, Stationary	\$521,282.34	\$0.00	\$0.00	\$0.00	\$521,282.34
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$104,422.19	\$0.00	\$0.00	\$0.00	\$104,422.19
		\$631,088.54	(\$326,352.83)	\$0.00	\$248,787,689.94
KY Subtotal	\$248,482,954.23	\$631,088.54	(\$326,352.83)	\$0.00	\$248,787,689.94
101.000 Gas Plant In Service Subtotal	\$248,482,954.23	\$631,088.54	(\$326,352.83)	\$0.00	\$248,787,689.94
101.120 Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,542,527.71)	\$0.00	\$0.00	\$0.00	(\$9,542,527.71)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
		\$0.00	\$0.00	\$0.00	(\$14,111.51)
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 05/2005
Period Ending: 05/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions In Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
Subtotal	(\$9,877,927.18)	\$0.00	\$0.00	\$0.00	(\$9,877,927.18)
101.120 Contributions In Aid of Con Subtotal	(\$9,877,927.18)	\$0.00	\$0.00	\$0.00	(\$9,877,927.18)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,440,216.59)	\$0.00	\$0.00	\$0.00	(\$1,440,216.59)
106.000 Gas CCNC					
KY					
30300 Intangible PIt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible PIt, Misc Software	\$375,638.35	(\$29,046.56)	\$0.00	\$0.00	\$346,591.79
37440 Land Rgts, Other Distr Sys	\$38,888.17	\$0.00	\$0.00	\$0.00	\$38,888.17
37450 Rights of Way	\$43,333.36	\$0.00	\$0.00	\$0.00	\$43,333.36
37540 Str, Regulating	\$509.54	\$0.00	\$0.00	\$0.00	\$509.54
37570 Str, Other Distribution Sys	\$44,071.65	\$0.00	\$0.00	\$0.00	\$44,071.65
37600 Mains	\$1,554,787.44	(\$21,144.10)	\$0.00	\$0.00	\$1,533,643.34
37820 Mea & Reg Sta Eq, Regulating	\$148,155.33	(\$2,828.70)	\$0.00	\$0.00	\$145,326.63
38000 Services	\$51,000.90	(\$36,779.99)	\$0.00	\$0.00	\$14,220.91
38100 Meters	\$1,045,012.36	\$40,357.53	\$0.00	\$0.00	\$1,085,369.89
38500 Industrial Mea & Reg Sta Eq	\$38,324.48	\$7,750.53	\$0.00	\$0.00	\$46,075.01
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,392.63	\$0.00	\$0.00	\$0.00	\$28,392.63
38744 Other Equip, Oth Communicatn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering	\$135,163.39	\$0.00	\$0.00	\$0.00	\$135,163.39
Asset - 1025					

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 05/2005
 Period Ending: 05/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution 106.000 Gas CCNC KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$3,759,319.56	(\$41,691.29)	\$0.00	\$0.00	\$3,717,628.27
106.000 Gas CCNC Subtotal	\$3,759,319.56	(\$41,691.29)	\$0.00	\$0.00	\$3,717,628.27
Gas Distribution Subtotal	\$240,924,130.02	\$589,397.25	(\$326,352.83)	\$0.00	\$241,187,174.44
Columbia Gas of Kentucky Subtotal	\$240,924,130.02	\$589,397.25	(\$326,352.83)	\$0.00	\$241,187,174.44
Financial/SEC Subtotal	\$240,924,130.02	\$589,397.25	(\$326,352.83)	\$0.00	\$241,187,174.44
Grand Total:	\$240,924,130.02	\$589,397.25	(\$326,352.83)	\$0.00	\$241,187,174.44

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 06/2005
 Period Ending: 06/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101,000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Plt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Plt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Plt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$1,164,046.87	\$0.00	\$0.00	\$0.00	\$1,164,046.87
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,673,152.93	\$0.00	\$0.00	\$0.00	\$2,673,152.93
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$546,189.76	\$0.00	\$0.00	\$0.00	\$546,189.76
37560 Str, Distribn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$128,301,010.32	\$268,098.56	(\$127,022.24)	\$0.00	\$128,442,086.64
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,116,477.35	\$17,489.13	(\$1,815.33)	\$0.00	\$4,132,151.15
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$71,152,228.18	\$267,038.48	(\$61,049.35)	\$0.00	\$71,358,217.31
38100 Meters	\$9,451,979.44	\$0.00	\$0.00	\$0.00	\$9,451,979.44
38200 Meter Installations	\$7,263,602.91	\$8,114.87	(\$2,870.97)	\$0.00	\$7,268,846.81
38300 House Regulators	\$33,766.72	\$0.00	(\$566.16)	\$0.00	\$32,991,374.02
38400 House Regulator Installation	\$2,358,173.48	\$0.00	\$0.00	\$0.00	\$2,358,173.48
38500 Industrial Mea & Reg Sta Eq	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38720 Other Equip, Odorization	\$1,981,092.03	\$0.00	(\$5,587.44)	\$0.00	\$1,975,504.59
38741 Other Equip, Telephone	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
		Asset - 1025			

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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 06/2005
 Period Ending: 06/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101,000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$864,418.99	\$0.00	\$0.00	\$0.00	\$864,418.99
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$935,504.03	\$0.00	\$0.00	\$0.00	\$935,504.03
38746 Other Equip, Customr Info Strv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,256,159.29	\$0.00	\$0.00	\$0.00	\$1,256,159.29
39111 OF&E, Data Handling Equip	\$47,388.18	\$0.00	\$0.00	\$0.00	\$47,388.18
39112 OF&E, Information Systems	\$460,291.72	\$0.00	\$0.00	\$0.00	\$460,291.72
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$28,746.46	\$0.00	\$0.00	\$3,290.19	\$32,036.65
39411 Tools, CNG Equip, Stationary	\$521,282.34	\$0.00	\$0.00	\$0.00	\$521,282.34
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$104,422.19	\$0.00	\$0.00	(\$3,290.19)	\$101,132.00
Subtotal	\$248,787,689.94	\$594,507.76	(\$198,911.49)	\$0.00	\$249,183,286.21
101,000 Gas Plant In Service Subtotal	\$248,787,689.94	\$594,507.76	(\$198,911.49)	\$0.00	\$249,183,286.21
101,120 Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,542,527.71)	(\$11,661.06)	\$0.00	\$0.00	(\$9,554,188.77)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 06/2005
 Period Ending: 06/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions In Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
Subtotal	(\$9,877,927.18)	(\$11,661.06)	\$0.00	\$0.00	(\$9,889,588.24)
101.120 Contributions In Aid of Con Subtotal	(\$9,877,927.18)	(\$11,661.06)	\$0.00	\$0.00	(\$9,889,588.24)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,440,216.59)	(\$8,936.63)	\$0.00	\$0.00	(\$1,449,153.22)
Subtotal	(\$1,440,216.59)	(\$8,936.63)	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,440,216.59)	(\$8,936.63)	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible PIt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible PIt, Misc Software	\$346,591.79	\$453.31	\$0.00	\$0.00	\$347,045.10
37440 Land Rgts, Other Distr Sys	\$38,888.17	\$0.00	\$0.00	\$0.00	\$38,888.17
37450 Rights of Way	\$43,333.36	\$0.00	\$0.00	\$0.00	\$43,333.36
37540 Str, Regulating	\$509.54	\$0.00	\$0.00	\$0.00	\$509.54
37570 Str, Other Distribution Sys	\$44,071.65	\$0.00	\$0.00	\$0.00	\$44,071.65
37600 Mains	\$1,533,643.34	(\$194,011.54)	\$0.00	\$0.00	\$1,339,631.80
37820 Mea & Reg Sta Eq, Regulating	\$145,326.63	(\$15,438.35)	\$0.00	\$0.00	\$129,888.28
38000 Services	\$14,220.91	\$4,815.79	\$0.00	\$0.00	\$19,036.70
38100 Meters	\$1,085,369.89	\$70,582.98	\$0.00	\$0.00	\$1,155,952.87
38500 Industrial Mea & Reg Sta Eq	\$46,075.01	\$13,479.62	\$0.00	\$0.00	\$59,554.63
38720 Other Equip, Odorfzation	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,392.63	\$0.00	\$0.00	\$0.00	\$28,392.63
38744 Other Equip, Oth Communicatn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering	\$135,163.39	\$0.00	\$0.00	\$0.00	\$135,163.39
Subtotal	\$1,339,631.80	\$13,479.62	\$0.00	\$0.00	\$1,353,111.42
Asset - 1025					
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Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 06/2005
 Period Ending: 06/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$3,717,628.27	(\$120,118.19)	\$0.00	\$0.00	\$3,597,510.08
106.000 Gas CCNC Subtotal	\$3,717,628.27	(\$120,118.19)	\$0.00	\$0.00	\$3,597,510.08
Gas Distribution Subtotal	\$241,187,174.44	\$453,791.88	(\$198,911.49)	\$0.00	\$241,442,054.83
Columbia Gas of Kentucky Subtotal	\$241,187,174.44	\$453,791.88	(\$198,911.49)	\$0.00	\$241,442,054.83
Financial/SEC Subtotal	\$241,187,174.44	\$453,791.88	(\$198,911.49)	\$0.00	\$241,442,054.83
Grand Total:	\$241,187,174.44	\$453,791.88	(\$198,911.49)	\$0.00	\$241,442,054.83

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 07/2005
 Period Ending: 07/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pkt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pkt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Pkt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pkt, Misc Software	\$1,164,046.87	\$0.00	\$0.00	\$0.00	\$1,164,046.87
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,673,152.93	\$0.00	\$0.00	\$0.00	\$2,673,152.93
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$546,189.76	\$0.00	\$0.00	\$0.00	\$546,189.76
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$128,442,086.64	(\$37,069.10)	(\$31,407.10)	\$0.00	\$128,373,610.44
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,132,151.15	\$0.00	\$0.00	\$0.00	\$4,132,151.15
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$71,358,217.31	\$260,866.30	(\$65,772.52)	\$0.00	\$71,553,311.09
38100 Meters	\$9,451,979.44	\$326,378.18	\$0.00	\$0.00	\$9,778,357.62
38200 Meter Installations	\$7,288,848.81	\$9,343.10	(\$2,070.79)	\$0.00	\$7,276,119.12
38300 House Regulators	\$2,391,374.02	\$39,735.83	(\$264.92)	\$0.00	\$2,430,844.93
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$1,975,504.59	\$0.00	(\$1,374.41)	\$0.00	\$1,974,130.18
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
		Asset - 1025			

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Account Summary by State

NI Source
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 07/2005
Period Ending: 07/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101,000 Gas Plant in Service					
KY					
38742 Other Equip, Radio	\$864,418.99	\$0.00	\$0.00	\$0.00	\$864,418.99
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$935,504.03	\$0.00	\$0.00	\$0.00	\$935,504.03
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,256,159.29	\$0.00	\$0.00	\$0.00	\$1,256,159.29
39111 OF&E, Data Handling Equip	\$47,388.18	\$0.00	\$0.00	\$0.00	\$47,388.18
39112 OF&E, Information Systems	\$460,291.72	\$0.00	\$0.00	\$0.00	\$460,291.72
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$32,036.65	\$0.00	\$0.00	\$0.00	\$32,036.65
39411 Tools, CNG Equip, Stationary	\$521,282.34	\$0.00	\$0.00	\$0.00	\$521,282.34
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$101,132.00	\$0.00	\$0.00	\$0.00	\$101,132.00
KY	\$249,183,286.21	\$599,254.31	(\$100,889.74)	\$0.00	\$249,681,650.78
Subtotal	\$249,183,286.21	\$599,254.31	(\$100,889.74)	\$0.00	\$249,681,650.78
101,120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,188.77)	\$0.00	\$0.00	\$0.00	(\$9,554,188.77)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 07/2005
Period Ending: 07/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY Subtotal	(\$9,889,588.24)	\$0.00	\$0.00	\$0.00	(\$9,889,588.24)
101.120 Contributions in Aid of Con Subtotal	(\$9,889,588.24)	\$0.00	\$0.00	\$0.00	(\$9,889,588.24)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible Plt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$347,045.10	\$395.37	\$0.00	\$0.00	\$347,440.47
37440 Land Rgts, Other Distr Sys	\$38,888.17	\$0.00	\$0.00	\$0.00	\$38,888.17
37450 Rights of Way	\$43,333.36	\$0.00	\$0.00	\$0.00	\$43,333.36
37540 Str, Regulating	\$509.54	\$0.00	\$0.00	\$0.00	\$509.54
37570 Str, Other Distribution Sys	\$44,071.65	\$0.00	\$0.00	\$0.00	\$44,071.65
37600 Mains	\$1,339,631.80	\$342,385.33	\$0.00	\$0.00	\$1,682,017.13
37820 Mea & Reg Sta Eq, Regulating	\$129,888.28	\$0.00	\$0.00	\$0.00	\$129,888.28
38000 Services	\$19,036.70	\$4,605.69	\$0.00	\$0.00	\$23,642.39
38100 Meters	\$1,155,952.87	(\$289,589.18)	\$0.00	\$0.00	\$866,363.69
38500 Industrial Mea & Reg Sta Eq	\$9,554.63	\$58,458.29	\$0.00	\$0.00	\$118,012.92
38720 Other Equip, Odortization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,392.63	\$0.00	\$0.00	\$0.00	\$28,392.63
38744 Other Equip, Oth Communicatn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering	\$135,163.39	\$0.00	\$0.00	\$0.00	\$135,163.39
Asset - 1025					

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 07/2005
Period Ending: 07/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$3,597,510.08	\$116,255.50	\$0.00	\$0.00	\$3,713,765.58 ✓
106.000 Gas CCNC Subtotal	\$3,597,510.08	\$116,255.50	\$0.00	\$0.00	\$3,713,765.58 ✓
Gas Distribution Subtotal	\$241,442,054.83	\$715,509.81	(\$100,889.74)	\$0.00	\$242,056,674.90
Columbia Gas of Kentucky Subtotal	\$241,442,054.83	\$715,509.81	(\$100,889.74)	\$0.00	\$242,056,674.90
Financial/SEC Subtotal	\$241,442,054.83	\$715,509.81	(\$100,889.74)	\$0.00	\$242,056,674.90
Grand Total:	\$241,442,054.83	\$715,509.81	(\$100,889.74)	\$0.00	\$242,056,674.90

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 08/2005
Period Ending: 08/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101,000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pit, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pit, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Pit, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$1,164,046.87	\$0.00	\$0.00	\$0.00	\$1,164,046.87
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,673,152.93	\$0.00	\$0.00	\$0.00	\$2,673,152.93
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$546,189.76	\$0.00	\$0.00	\$0.00	\$546,189.76
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$126,373,610.44	\$12,209.41	(\$39,575.97)	\$0.00	\$251,814.94
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,132,151.15	\$40,417.10	\$0.00	\$0.00	\$4,172,568.25
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$71,553,311.09	\$0.00	(\$48,090.40)	\$0.00	\$71,505,220.69
38100 Meters	\$9,778,357.62	(\$4,067.00)	\$0.00	\$0.00	\$9,774,290.62
38200 Meter Installations	\$7,276,119.12	\$0.00	(\$2,895.99)	\$0.00	\$7,273,223.13
38300 House Regulators	\$2,430,844.93	\$0.00	(\$289.54)	\$0.00	\$2,430,555.39
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$1,974,130.18	\$0.00	(\$1,805.49)	\$0.00	\$1,972,324.69
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89

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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 08/2005
 Period Ending: 08/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$864,418.99	\$0.00	\$0.00	\$0.00	\$864,418.99
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$935,504.03	\$2,298.67	\$0.00	\$0.00	\$937,802.70
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,256,159.29	\$0.00	\$0.00	\$0.00	\$1,256,159.29
39111 OF&E, Data Handling Equip	\$47,388.18	\$0.00	\$0.00	\$0.00	\$47,388.18
39112 OF&E, Information Systems	\$460,291.72	\$0.00	\$0.00	\$0.00	\$460,291.72
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$32,036.65	\$0.00	\$0.00	\$0.00	\$32,036.65
39411 Tools, CNG Equip, Stationary	\$521,282.34	\$0.00	\$0.00	\$0.00	\$521,282.34
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$101,132.00	\$0.00	\$0.00	\$0.00	\$101,132.00
Subtotal	\$249,681,650.78	\$50,858.18	(\$92,657.39)	\$0.00	\$249,639,851.57
101.120 Gas Plant In Service Subtotal	\$249,681,650.78	\$50,858.18	(\$92,657.39)	\$0.00	\$249,639,851.57
101.120 Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,188.77)	\$0.00	\$0.00	\$0.00	(\$9,554,188.77)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 08/2005
Period Ending: 08/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions In Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
Subtotal	(\$9,889,588.24)	\$0.00	\$0.00	\$0.00	(\$9,889,588.24)
101.120 Contributions In Aid of Con Subtotal	(\$9,889,588.24)	\$0.00	\$0.00	\$0.00	(\$9,889,588.24)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible Plt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$347,440.47	\$28.86	\$0.00	\$0.00	\$347,469.33
37440 Land Rgts, Other Distr Sys	\$38,888.17	\$0.00	\$0.00	\$0.00	\$38,888.17
37450 Rights of Way	\$43,333.36	\$0.00	\$0.00	\$0.00	\$43,333.36
37540 Str, Regulating	\$509.54	\$0.00	\$0.00	\$0.00	\$509.54
37570 Str, Other Distribution Sys	\$44,071.65	\$0.00	\$0.00	\$0.00	\$44,071.65
37600 Mains	\$1,682,017.13	\$318,043.41	\$0.00	\$0.00	\$2,000,060.54
37820 Mea & Reg Sta Eq, Regulating	\$129,888.28	(\$40,417.10)	\$0.00	\$0.00	\$89,471.18
38000 Services	\$23,642.39	\$2,617.82	\$0.00	\$0.00	\$26,260.21
38100 Meters	\$866,363.69	\$44,868.17	\$0.00	\$0.00	\$911,231.86
38500 Industrial Mea & Reg Sta Eq	\$118,012.92	\$24,063.62	\$0.00	\$0.00	\$142,076.54
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,392.63	\$0.00	\$0.00	\$0.00	\$28,392.63
38744 Other Equip, Oth Communicatn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering	\$135,163.39	(\$1,523.04)	\$0.00	\$0.00	\$133,640.35
Asset - 1025					
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Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 08/2005
 Period Ending: 08/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$3,713,765.58	\$347,681.74	\$0.00	\$0.00	\$4,061,447.32
106.000 Gas CCNC Subtotal	\$3,713,765.58	\$347,681.74	\$0.00	\$0.00	\$4,061,447.32
Gas Distribution Subtotal	\$242,056,674.90	\$398,539.92	(\$92,657.39)	\$0.00	\$242,362,557.43
Columbia Gas of Kentucky Subtotal	\$242,056,674.90	\$398,539.92	(\$92,657.39)	\$0.00	\$242,362,557.43
Financial/SEC Subtotal	\$242,056,674.90	\$398,539.92	(\$92,657.39)	\$0.00	\$242,362,557.43
Grand Total:	\$242,056,674.90	\$398,539.92	(\$92,657.39)	\$0.00	\$242,362,557.43

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 09/2005
 Period Ending: 09/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant in Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Plt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Plt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Plt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$1,164,046.87	\$0.00	\$0.00	\$0.00	\$1,164,046.87
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,673,152.93	\$41.48	\$0.00	\$0.00	\$2,673,194.41
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$546,189.76	\$0.00	\$0.00	\$0.00	\$546,189.76
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$128,546,243.88	\$236,101.97	(\$31,430.59)	\$0.00	\$128,550,915.26
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,172,568.25	\$46,683.62	\$0.00	\$0.00	\$4,219,251.87
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$71,505,220.69	\$0.00	\$0.00	\$0.00	\$71,505,220.69
38100 Meters	\$9,774,290.62	\$0.00	\$0.00	\$0.00	\$9,774,290.62
38200 Meter Installations	\$7,273,223.13	\$0.00	\$0.00	\$0.00	\$7,273,223.13
38300 House Regulators	\$2,430,555.39	\$0.00	\$0.00	\$0.00	\$2,430,555.39
38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
38500 Industrial Mea & Reg Sta Eq	\$1,972,324.69	\$0.00	(\$11,329.40)	\$0.00	\$1,960,995.29
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 09/2005
Period Ending: 09/2005

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
101,000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$864,418.99	\$0.00	\$0.00	\$0.00	\$864,418.99
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$937,802.70	\$0.00	\$0.00	\$0.00	\$937,802.70
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,256,159.29	\$0.00	\$0.00	\$0.00	\$1,256,159.29
39111 OF&E, Data Handling Equip	\$47,388.18	\$0.00	\$0.00	\$0.00	\$47,388.18
39112 OF&E, Information Systems	\$460,291.72	\$0.00	\$0.00	\$0.00	\$460,291.72
39226 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$32,036.65	\$0.00	\$0.00	\$0.00	\$32,036.65
39411 Tools, CNG Equip, Stationary	\$521,282.34	\$0.00	\$0.00	\$0.00	\$521,282.34
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$101,132.00	\$0.00	\$0.00	\$0.00	\$101,132.00
KY Subtotal	\$249,639,851.57	\$282,827.07	(\$42,759.99)	\$0.00	\$249,879,918.65
101,000 Gas Plant In Service Subtotal	\$249,639,851.57	\$282,827.07	(\$42,759.99)	\$0.00	\$249,879,918.65
101,120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,188.77)	\$0.00	\$0.00	\$0.00	(\$9,554,188.77)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 09/2005
Period Ending: 09/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con					
KY	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38200 Meter Installations	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38300 House Regulators	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
38500 Industrial Mea & Reg Sta Eq	(\$9,889,588.24)	\$0.00	\$0.00	\$0.00	(\$9,889,588.24)
KY Subtotal	(\$9,889,588.24)	\$0.00	\$0.00	\$0.00	(\$9,889,588.24)
101.120 Contributions in Aid of Con Subtotal	(\$9,889,588.24)	\$0.00	\$0.00	\$0.00	(\$9,889,588.24)
101.140 Non-taxable Relocation Reim					
KY	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30300 Intangible Pit, General	\$347,469.33	\$65.27	\$0.00	\$0.00	\$347,534.60
30330 Intangible Pit, Misc Software	\$38,888.17	\$0.00	\$0.00	\$0.00	\$38,888.17
37440 Land Rgts, Other Distr Sys	\$43,333.36	\$0.00	\$0.00	\$0.00	\$43,333.36
37450 Rights of Way	\$509.54	\$0.00	\$0.00	\$0.00	\$509.54
37540 Str, Regulating	\$44,071.65	\$0.00	\$0.00	\$0.00	\$44,071.65
37570 Str, Other Distribution Sys	\$2,000,060.54	(\$865,090.52)	\$0.00	\$0.00	\$1,134,970.02
37600 Mains	\$89,471.18	(\$42,637.72)	\$0.00	\$0.00	\$46,833.46
37820 Mea & Reg Sta Eq, Regulating	\$26,260.21	\$163.93	\$0.00	\$0.00	\$26,424.14
38000 Services	\$911,231.86	\$43,658.84	\$0.00	\$0.00	\$954,891.70
38100 Meters	\$142,076.54	\$19.84	\$0.00	\$0.00	\$142,096.38
38500 Industrial Mea & Reg Sta Eq	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38720 Other Equip, Odorization	\$28,392.63	\$0.00	\$0.00	\$0.00	\$28,392.63
38742 Other Equip, Radio	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38744 Other Equip, Oth Communicatn	\$133,640.35	\$0.00	\$0.00	\$0.00	\$133,640.35
38745 Other Equip, Telemetering	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
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Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 09/2005
 Period Ending: 09/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution 106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$4,061,447.32	(\$683,819.36)	\$0.00	\$0.00	\$3,377,627.96
106.000 Gas CCNC Subtotal	\$4,061,447.32	(\$683,819.36)	\$0.00	\$0.00	\$3,377,627.96
Gas Distribution Subtotal	\$242,362,557.43	(\$400,992.29)	(\$42,759.99)	\$0.00	\$241,918,805.15
Columbia Gas of Kentucky Subtotal	\$242,362,557.43	(\$400,992.29)	(\$42,759.99)	\$0.00	\$241,918,805.15
Financial/SEC Subtotal	\$242,362,557.43	(\$400,992.29)	(\$42,759.99)	\$0.00	\$241,918,805.15
Grand Total:	\$242,362,557.43	(\$400,992.29)	(\$42,759.99)	\$0.00	\$241,918,805.15

Account Summary by State

NI Source

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 10/2005
 Period Ending: 10/2005

Business Segment GL Account State	Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution						
101.000 Gas Plant In Service						
KY						
	30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
	30300 Intangible Pit, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
	30310 Intangible Pit, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
	30320 Intangible Pit, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	30330 Intangible Pit, Misc Software	\$1,164,046.87	\$0.00	\$0.00	\$0.00	\$1,164,046.87
	30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
	37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
	37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
	37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
	37450 Rights of Way	\$2,673,194.41	\$0.00	\$0.00	\$0.00	\$2,673,194.41
	37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
	37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
	37540 Str, Regulating	\$546,189.76	\$0.00	\$0.00	\$0.00	\$546,189.76
	37560 Str, Distribin Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
	37570 Str, Other Distribution Sys	\$7,145,486.54	\$0.00	\$0.00	\$0.00	\$7,145,486.54
	37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
	37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
	37600 Mains	\$128,550,915.26	\$223,905.60	(\$10,676.00)	\$0.00	\$128,764,144.86
	37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
	37820 Mea & Reg Sta Eq, Regulating	\$4,219,251.87	\$0.00	(\$5,032.50)	\$0.00	\$4,214,219.37
	37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
	37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
	38000 Services	\$71,505,220.69	\$839,002.46	(\$42,160.84)	\$0.00	\$72,302,062.31
	38100 Meters	\$9,774,290.62	\$0.00	(\$27,071.51)	\$0.00	\$9,747,219.11
	38200 Meter Installations	\$7,273,223.13	\$37,353.03	(\$1,950.80)	\$0.00	\$7,308,625.36
	38300 House Regulators	\$2,430,555.39	\$99,590.45	(\$235.05)	\$0.00	\$2,529,910.79
	38400 House Regulator Installation	\$2,392,131.96	\$0.00	\$0.00	\$0.00	\$2,392,131.96
	38500 Industrial Mea & Reg Sta Eq	\$1,960,995.29	\$5,142.22	(\$6,650.58)	\$0.00	\$1,963,486.93
	38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
	38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
			Asset - 1025			
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 10/2005
Period Ending: 10/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$864,418.99	\$0.00	\$0.00	\$0.00	\$864,418.99
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$937,802.70	\$3,534.00	(\$7,675.89)	\$0.00	\$933,660.81
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,256,159.29	\$0.00	\$0.00	\$0.00	\$1,256,159.29
39111 OF&E, Data Handling Equip	\$47,388.18	\$0.00	\$0.00	\$0.00	\$47,388.18
39112 OF&E, Information Systems	\$460,291.72	\$0.00	\$0.00	\$0.00	\$460,291.72
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$32,036.65	\$0.00	\$0.00	\$0.00	\$32,036.65
39411 Tools, CNG Equip, Stationary	\$521,282.34	\$0.00	(\$63,000.93)	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$101,132.00	\$0.00	\$0.00	\$0.00	\$101,132.00
Subtotal	\$249,879,918.65	\$1,212,527.76	(\$164,454.10)	\$0.00	\$250,927,992.31
101.120 Gas Plant In Service Subtotal	\$249,879,918.65	\$1,212,527.76	(\$164,454.10)	\$0.00	\$250,927,992.31
Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,188.77)	\$31.18	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

Asset - 1025

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 10/2005
Period Ending: 10/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions In Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY Subtotal	(\$9,889,588.24)	\$31.18	\$0.00	\$0.00	(\$9,889,557.06)
101.120 Contributions In Aid of Con Subtotal					
	(\$9,889,588.24)	\$31.18	\$0.00	\$0.00	(\$9,889,557.06)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal					
	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible Pit, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$347,534.60	\$4.99	\$0.00	\$0.00	\$347,539.59
37440 Land Rgts, Other Distr Sys	\$38,888.17	\$0.00	\$0.00	\$0.00	\$38,888.17
37450 Rights of Way	\$43,333.36	(\$41,944.16)	\$0.00	\$0.00	\$1,389.20
37540 Str, Regulating	\$509.54	\$0.00	\$0.00	\$0.00	\$509.54
37570 Str, Other Distribution Sys	\$44,071.85	\$0.00	\$0.00	\$0.00	\$44,071.85
37600 Mains	\$1,314,970.02	(\$40,876.53)	\$0.00	\$0.00	\$1,274,093.49
37820 Mea & Reg Sta Eq, Regulating	\$46,833.46	\$0.00	\$0.00	\$0.00	\$46,833.46
38000 Services	\$26,424.14	(\$4,242.31)	\$0.00	\$0.00	\$22,181.83
38100 Meters	\$954,891.70	\$21,896.26	\$0.00	\$0.00	\$976,787.96
38500 Industrial Mea & Reg Sta Eq	\$142,096.38	\$31,381.49	\$0.00	\$0.00	\$173,477.87
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,392.63	\$0.00	\$0.00	\$0.00	\$28,392.63
38744 Other Equip, Oth Communicatn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering	\$133,640.35	\$41,598.95	\$0.00	\$0.00	\$175,239.30
		Asset - 1025			
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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 10/2005
 Period Ending: 10/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Refirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$3,377,627.96	\$7,818.69	\$0.00	\$0.00	\$3,385,446.65
106.000 Gas CCNC Subtotal	\$3,377,627.96	\$7,818.69	\$0.00	\$0.00	\$3,385,446.65
Gas Distribution Subtotal	\$241,918,805.15	\$1,220,377.63	(\$164,454.10)	\$0.00	\$242,974,728.68
Columbia Gas of Kentucky Subtotal	\$241,918,805.15	\$1,220,377.63	(\$164,454.10)	\$0.00	\$242,974,728.68
Financial/SEC Subtotal	\$241,918,805.15	\$1,220,377.63	(\$164,454.10)	\$0.00	\$242,974,728.68
Grand Total:	\$241,918,805.15	\$1,220,377.63	(\$164,454.10)	\$0.00	\$242,974,728.68

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 11/2005

Period Ending: 11/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pit, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pit, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Pit, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$1,164,048.87	\$48,144.18	\$0.00	\$0.00	\$1,213,191.05
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,673,194.41	\$0.00	\$0.00	\$0.00	\$2,673,194.41
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,948.26	\$0.00	\$0.00	\$0.00	\$10,948.26
37540 Str, Regulating	\$546,189.76	\$0.00	(\$2,702.41)	\$0.00	\$543,487.35
37560 Str, Distribn Industrial M&R	\$85,210.20	\$0.00	\$0.00	\$0.00	\$85,210.20
37570 Str, Other Distribution Sys	\$7,145,488.54	\$36,314.80	\$0.00	\$0.00	\$7,181,801.34
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$128,764,144.86	\$334,490.77	(\$61,430.54)	\$0.00	\$129,037,205.09
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,214,219.37	\$0.00	(\$69.57)	\$0.00	\$4,214,149.80
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$72,302,062.31	\$263,652.44	(\$66,233.22)	\$0.00	\$72,499,481.53
38100 Meters	\$9,747,219.11	(\$362.95)	(\$15,695.51)	\$0.00	\$9,731,160.65
38200 Meter Installations	\$7,308,625.36	\$9,640.84	(\$5,707.69)	\$0.00	\$7,312,558.51
38300 House Regulators	\$2,529,910.79	\$33,724.40	(\$534.47)	\$0.00	\$2,563,100.72
38400 House Regulator Installation	\$2,392,131.96	\$0.00	(\$22,963.64)	\$0.00	\$2,369,168.32
38500 Industrial Mea & Reg Sta Eq	\$1,963,486.93	\$3,361.87	(\$12,408.28)	\$0.00	\$1,954,440.52
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
		Asset - 1025			

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Account Summary by State

NIsource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 11/2005
 Period Ending: 11/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101,000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$864,419.99	\$0.00	(\$978.48)	\$0.00	\$863,440.51
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$933,660.81	\$0.00	\$0.00	\$0.00	\$933,660.81
38746 Other Equip, Customr Info Strv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,256,159.29	\$0.00	\$0.00	\$0.00	\$1,256,159.29
39111 OF&E, Data Handling Equip	\$47,388.18	\$0.00	\$0.00	\$0.00	\$47,388.18
39112 OF&E, Information Systems	\$460,291.72	\$29,814.83	\$0.00	\$0.00	\$490,106.55
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$32,036.65	\$0.00	\$0.00	\$0.00	\$32,036.65
39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	\$0.00	\$0.00	\$1,790,183.87
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$101,132.00	\$0.00	\$0.00	\$0.00	\$101,132.00
Subtotal	\$250,927,992.31	\$759,781.18	(\$189,723.81)	\$0.00	\$251,499,049.68
KY					
101,000 Gas Plant In Service Subtotal	\$250,927,992.31	\$759,781.18	(\$189,723.81)	\$0.00	\$251,499,049.68
101,120 Contributions in Aid of Con					
KY					
37456 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 11/2005
Period Ending: 11/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq KY	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.120 Contributions in Aid of Con Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible Pit, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$347,539.59	\$0.00	\$0.00	\$0.00	\$347,539.59
37440 Land Rgts, Other Distr Sys	\$38,888.17	\$0.00	\$0.00	\$0.00	\$38,888.17
37450 Rights of Way	\$1,389.20	\$0.00	\$0.00	\$0.00	\$1,389.20
37540 Str, Regulating	\$509.54	\$0.00	\$0.00	\$0.00	\$509.54
37570 Str, Other Distribution Sys	\$44,071.65	(\$36,314.80)	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$1,274,093.49	\$113,454.55	\$0.00	\$0.00	\$1,387,548.04
37820 Mea & Reg Sta Eq, Regulating	\$46,833.46	\$0.00	\$0.00	\$0.00	\$46,833.46
38000 Services	\$22,181.83	(\$4,738.64)	\$0.00	\$0.00	\$17,443.19
38100 Meters	\$976,787.96	\$13,206.63	\$0.00	\$0.00	\$989,994.59
38500 Industrial Mea & Reg Sta Eq	\$173,477.87	\$7,664.44	\$0.00	\$0.00	\$181,142.31
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,392.63	\$0.00	\$0.00	\$0.00	\$28,392.63
38744 Other Equip, Oth Communicatn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering	\$175,239.30	\$0.00	\$0.00	\$0.00	\$175,239.30
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 11/2005
Period Ending: 11/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution 106.000 Gas CCNC KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$3,385,446.65	\$93,272.18	\$0.00	\$0.00	\$3,478,718.83
106.000 Gas CCNC Subtotal	\$3,385,446.65	\$93,272.18	\$0.00	\$0.00	\$3,478,718.83
Gas Distribution Subtotal	\$242,974,728.68	\$853,053.36	(\$188,723.81)	\$0.00	\$243,639,058.23
Columbia Gas of Kentucky Subtotal	\$242,974,728.68	\$853,053.36	(\$188,723.81)	\$0.00	\$243,639,058.23
Financial/SEC Subtotal	\$242,974,728.68	\$853,053.36	(\$188,723.81)	\$0.00	\$243,639,058.23
Grand Total:	\$242,974,728.68	\$853,053.36	(\$188,723.81)	\$0.00	\$243,639,058.23

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 12/2005
 Period Ending: 12/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101,000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pkt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pkt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Pkt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pkt, Misc Software	\$1,213,191.05	\$38,371.02	\$0.00	\$0.00	\$1,251,562.07
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$437,470.15	\$0.00	\$0.00	\$0.00	\$437,470.15
37450 Rights of Way	\$2,673,194.41	\$0.00	\$0.00	\$0.00	\$2,673,194.41
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$543,487.35	\$0.00	\$0.00	\$0.00	\$543,487.35
37560 Str, Distribn Industrial M&R	\$86,210.20	\$0.00	\$0.00	\$0.00	\$86,210.20
37570 Str, Other Distribution Sys	\$7,181,801.34	(\$103.85)	\$0.00	\$0.00	\$7,181,697.49
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$129,037,205.09	\$639,710.05	(\$27,886.09)	\$0.00	\$129,649,029.05
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,214,149.80	\$0.00	(\$4,054.50)	\$0.00	\$4,210,095.30
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$72,499,461.53	\$116,914.26	(\$375.54)	\$0.00	\$72,616,020.25
38100 Meters	\$9,731,160.65	\$0.00	\$0.00	\$0.00	\$9,731,160.65
38200 Meter Installations	\$7,312,558.51	\$8,697.03	\$0.00	\$0.00	\$7,321,255.54
38300 House Regulators	\$2,563,100.72	\$22,325.20	\$0.00	\$0.00	\$2,585,429.92
38400 House Regulator Installation	\$2,369,168.32	\$0.00	\$0.00	\$0.00	\$2,369,168.32
38500 Industrial Mea & Reg Sta Eq	\$1,954,440.52	\$2,632.53	(\$9,406.32)	\$0.00	\$1,947,666.73
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 12/2005
Period Ending: 12/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$863,440.51	\$0.00	\$0.00	\$0.00	\$863,440.51
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$933,660.81	\$0.00	\$0.00	\$0.00	\$933,660.81
38746 Other Equip, Customr Info Strv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,256,159.29	\$0.00	(\$3,838.24)	\$0.00	\$1,252,321.05
39111 OF&E, Data Handling Equip	\$47,388.18	\$0.00	(\$8,879.79)	\$0.00	\$38,508.39
39112 OF&E, Information Systems	\$490,106.55	\$0.00	(\$23,231.71)	\$0.00	\$466,874.84
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$32,036.65	\$0.00	(\$5,456.64)	\$0.00	\$26,580.01
39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,790,183.87	\$0.00	(\$32,264.28)	\$0.00	\$1,757,919.59
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$101,132.00	\$0.00	(\$1,277.69)	\$0.00	\$99,854.31
Subtotal	\$251,499,049.68	\$828,550.24	(\$116,670.80)	\$0.00	\$252,210,929.12
KY					
101.000 Gas Plant In Service Subtotal	\$251,499,049.68	\$828,550.24	(\$116,670.80)	\$0.00	\$252,210,929.12
101.120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 12/2005
 Period Ending: 12/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.120 Contributions In Aid of Con Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible Pit, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$347,539.59	\$67,433.20	\$0.00	\$0.00	\$414,972.79
37440 Land Rgts, Other Distr Sys	\$38,888.17	\$1.36	\$0.00	\$0.00	\$38,889.53
37450 Rights of Way	\$1,389.20	\$0.00	\$0.00	\$0.00	\$1,389.20
37540 Str, Regulating	\$509.54	\$5,198.99	\$0.00	\$0.00	\$5,708.53
37570 Str, Other Distribution Sys	\$7,758.85	\$0.00	\$0.00	\$0.00	\$7,758.85
37600 Mains	\$1,387,548.04	(\$369,280.63)	\$0.00	\$0.00	\$1,018,267.41
37820 Mea & Reg Sta Eq, Regulating	\$45,833.46	\$7,919.38	\$0.00	\$0.00	\$54,752.84
38000 Services	\$17,443.19	(\$2,887.10)	\$0.00	\$0.00	\$14,556.09
38100 Meters	\$989,994.59	\$167,625.09	\$0.00	\$0.00	\$1,157,619.68
38500 Industrial Mea & Reg Sta Eq	\$181,142.31	\$481,367.46	\$0.00	\$0.00	\$662,509.77
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,392.63	\$0.37	\$0.00	\$0.00	\$28,393.00
38744 Other Equip, Oth Communicatn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering	\$175,239.30	(\$39.70)	\$0.00	\$0.00	\$175,199.60
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Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 12/2005
 Period Ending: 12/2005

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
105.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$46,590.78	\$0.00	\$0.00	\$0.00	\$46,590.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$3,478,718.83	\$357,338.42	\$0.00	\$0.00	\$3,836,057.25
106.000 Gas CCNC Subtotal	\$3,478,718.83	\$357,338.42	\$0.00	\$0.00	\$3,836,057.25
Gas Distribution Subtotal	\$243,639,058.23	\$1,185,888.66	(\$116,670.80)	\$0.00	\$244,708,276.09
Columbia Gas of Kentucky Subtotal	\$243,639,058.23	\$1,185,888.66	(\$116,670.80)	\$0.00	\$244,708,276.09
Financial/SEC Subtotal	\$243,639,058.23	\$1,185,888.66	(\$116,670.80)	\$0.00	\$244,708,276.09
Grand Total:	\$243,639,058.23	\$1,185,888.66	(\$116,670.80)	\$0.00	\$244,708,276.09

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 01/2006
 Period Ending: 01/2006

Business Segment GL Account State	Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution						
101.000 Gas Plant in Service						
KY						
	30100 Organization Coosts	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
	30300 Intangible Pkt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
	30310 Intangible Pkt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
	30320 Intangible Pkt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	30330 Intangible Pkt, Misc Software	\$1,251,562.07	\$0.00	\$0.00	\$0.00	\$1,251,562.07
	30410 Land	\$7,676.39	\$0.00	\$0.00	\$0.00	\$7,676.39
	37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
	37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
	37440 Land Rgts, Other Distr Sys	\$437,470.15	\$19,753.57	\$0.00	\$0.00	\$457,223.72
	37450 Rights of Way	\$2,673,194.41	\$0.00	\$0.00	\$0.00	\$2,673,194.41
	37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
	37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
	37540 Str, Regulating	\$543,487.35	\$0.00	(\$1,254.74)	\$0.00	\$542,232.61
	37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
	37570 Str, Other Distribution Sys	\$7,181,697.49	\$0.00	\$0.00	\$0.00	\$7,181,697.49
	37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
	37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
	37600 Mains	\$129,649,029.05	\$186,666.16	(\$9,881.02)	\$0.00	\$129,825,814.19
	37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
	37820 Mea & Reg Sta Eq, Regulating	\$4,210,095.30	\$38,556.41	(\$2,487.06)	\$0.00	\$4,246,164.65
	37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
	37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services		\$72,616,020.25	\$229,216.09	(\$29,575.81)	\$0.00	\$72,815,660.53
38100 Meters		\$9,731,160.65	\$103,201.56	(\$20,075.04)	\$0.00	\$9,814,287.17
38200 Meter Installations		\$7,321,255.54	\$8,424.24	(\$859.26)	\$0.00	\$7,328,820.52
38300 House Regulators		\$2,585,429.92	\$15,719.97	(\$163.44)	\$0.00	\$2,600,986.45
38400 House Regulator Installation		\$2,369,168.32	\$0.00	\$0.00	\$0.00	\$2,369,168.32
38500 Industrial Mea & Reg Sta Eq		\$1,947,666.73	\$78,402.03	\$0.00	\$0.00	\$2,026,068.76
38720 Other Equip, Odorization		\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone		\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 01/2006
Period Ending: 01/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101,000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$863,440.51	\$0.00	\$0.00	\$0.00	\$863,440.51
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$933,660.81	\$34,162.71	\$0.00	\$0.00	\$967,823.52
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,252,321.05	\$0.00	\$0.00	\$0.00	\$1,252,321.05
39111 OF&E, Data Handling Equip	\$38,508.39	\$0.00	\$0.00	\$0.00	\$38,508.39
39112 OF&E, Information Systems	\$466,874.84	\$0.00	\$0.00	\$0.00	\$466,874.84
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$26,580.01	\$0.00	\$0.00	\$0.00	\$26,580.01
39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,757,919.59	\$513.08	\$0.00	\$0.00	\$1,758,432.67
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$99,854.31	\$0.00	\$0.00	\$0.00	\$99,854.31
KY Subtotal	\$252,210,929.12	\$714,615.82	(\$64,296.37)	\$0.00	\$252,861,248.57
101,120 Gas Plant In Service Subtotal	\$252,210,929.12	\$714,615.82	(\$64,296.37)	\$0.00	\$252,861,248.57
101,120 Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
Asset - 1025					
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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 01/2006
 Period Ending: 01/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions In Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible PIt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible PIt, Misc Software	\$414,972.79	\$0.00	\$0.00	\$0.00	\$414,972.79
37440 Land Rgts, Other Distr Sys	\$38,889.53	(\$19,753.57)	\$0.00	\$0.00	\$19,135.96
37450 Rights of Way	\$1,389.20	\$0.00	\$0.00	\$0.00	\$1,389.20
37540 Str, Regulating	\$5,708.53	\$0.00	\$0.00	\$0.00	\$5,708.53
37570 Str, Other Distribution Sys	\$7,756.85	\$0.00	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$1,018,267.41	(\$19,510.96)	\$0.00	\$0.00	\$998,756.45
37820 Mea & Reg Sta Eq, Regulating	\$54,752.84	(\$13,772.99)	\$0.00	\$0.00	\$40,979.85
38000 Services	\$14,556.09	\$4,888.42	\$0.00	\$0.00	\$19,444.51
38100 Meters	\$1,157,619.68	(\$99,675.56)	\$0.00	\$0.00	\$1,057,944.12
38500 Industrial Mea & Reg Sta Eq	\$662,509.77	(\$78,380.59)	\$0.00	\$0.00	\$584,129.18
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,393.00	\$0.00	\$0.00	\$0.00	\$28,393.00
38744 Other Equip, Oth Communicatn	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering	\$175,199.60	(\$29,188.07)	\$0.00	\$0.00	\$146,011.53
Asset - 1025					
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Account Summary by State

NISource
 Columbia Gas of Kentucky - For Sat of Books: Financial/SEC

Period Beginning: 01/2006
 Period Ending: 01/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$46,590.78	\$22,698.62	\$0.00	\$0.00	\$69,289.40
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$3,836,057.25	(\$232,694.70)	\$0.00	\$0.00	\$3,603,362.55
106.000 Gas CCNC Subtotal	\$3,836,057.25	(\$232,694.70)	\$0.00	\$0.00	\$3,603,362.55
Gas Distribution Subtotal	\$244,708,276.09	\$481,921.12	(\$64,296.37)	\$0.00	\$245,125,900.84
Columbia Gas of Kentucky Subtotal	\$244,708,276.09	\$481,921.12	(\$64,296.37)	\$0.00	\$245,125,900.84
Financial/SEC Subtotal	\$244,708,276.09	\$481,921.12	(\$64,296.37)	\$0.00	\$245,125,900.84
Grand Total:	\$244,708,276.09	\$481,921.12	(\$64,296.37)	\$0.00	\$245,125,900.84

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 02/2006
Period Ending: 02/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant in Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Plt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Plt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Plt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$1,251,562.07	\$0.00	\$0.00	\$0.00	\$1,251,562.07
30410 Land	\$7,878.39	\$0.00	\$0.00	\$0.00	\$7,878.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$457,223.72	\$0.00	\$0.00	\$0.00	\$457,223.72
37450 Rights of Way	\$2,673,194.41	\$0.00	\$0.00	\$0.00	\$2,673,194.41
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$542,232.61	\$0.00	\$0.00	\$0.00	\$542,232.61
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,181,697.49	\$0.00	\$0.00	\$0.00	\$7,181,697.49
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$129,825,814.19	\$69,192.66	(\$11,797.26)	\$0.00	\$129,883,209.59
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,246,164.65	\$0.00	(\$1,122.49)	\$0.00	\$4,245,042.16
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$72,815,660.63	\$183,956.79	(\$51,329.45)	\$0.00	\$72,948,287.87
38100 Meters	\$9,814,287.17	\$0.00	\$0.00	\$0.00	\$9,814,287.17
38200 Meter Installations	\$7,328,820.52	\$8,670.66	(\$4,930.91)	\$0.00	\$7,332,560.27
38300 House Regulators	\$2,600,986.45	\$25,419.83	(\$348.18)	\$0.00	\$2,626,058.10
38400 House Regulator Installation	\$2,369,168.32	\$0.00	\$0.00	\$0.00	\$2,369,168.32
38500 Industrial Mea & Reg Sta Eq	\$2,026,068.76	\$0.00	(\$14.05)	\$0.00	\$2,026,054.71
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
		Asset - 1025			

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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 02/2006
 Period Ending: 02/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant in Service					
KY					
38742 Other Equip, Radio	\$863,440.51	\$0.00	\$0.00	\$0.00	\$863,440.51
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$967,823.52	\$45,606.43	\$0.00	\$0.00	\$1,014,429.95
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,252,321.05	\$0.00	\$0.00	\$0.00	\$1,252,321.05
39111 OF&E, Data Handling Equip	\$38,508.39	\$0.00	\$0.00	\$0.00	\$38,508.39
39112 OF&E, Information Systems	\$466,874.84	\$0.00	\$0.00	\$0.00	\$466,874.84
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$26,580.01	\$0.00	\$0.00	\$0.00	\$26,580.01
39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,758,432.67	\$0.00	\$0.00	\$0.00	\$1,758,432.67
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$99,854.31	\$0.00	\$0.00	\$0.00	\$99,854.31
Subtotal	\$252,861,248.57	\$333,846.37	(\$89,542.34)	\$0.00	\$253,125,552.60
101.000 Gas Plant in Service Subtotal	\$252,861,248.57	\$333,846.37	(\$89,542.34)	\$0.00	\$253,125,552.60
101.120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

Asset - 1025

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 02/2006
Period Ending: 02/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.120 Contributions in Aid of Con Subtotal					
(\$9,889,557.06)					
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal					
(\$1,449,153.22)					
106.000 Gas CCNC					
KY					
30300 Intangible PIt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible PIt, Misc Software	\$414,972.79	\$1,493.14	\$0.00	\$0.00	\$416,465.93
37440 Land Rgts, Other Distr Sys	\$19,135.96	\$0.00	\$0.00	\$0.00	\$19,135.96
37450 Rights of Way	\$1,389.20	\$0.00	\$0.00	\$0.00	\$1,389.20
37540 Str, Regulating	\$5,708.53	\$6,520.54	\$0.00	\$0.00	\$12,229.07
37570 Str, Other Distribution Sys	\$7,756.85	\$0.00	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$998,756.45	\$85,972.82	\$0.00	\$0.00	\$1,084,729.27
37820 Mea & Reg Sta Eq, Regulating	\$40,979.85	\$300.55	\$0.00	\$0.00	\$41,280.40
38000 Services	\$19,444.51	(\$15,990.54)	\$0.00	\$0.00	\$3,453.97
38100 Meters	\$1,057,944.12	\$0.00	\$0.00	\$0.00	\$1,057,944.12
38500 Industrial Mea & Reg Sta Eq	\$584,129.18	\$3,772.32	\$0.00	\$0.00	\$587,901.50
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$28,393.00	\$0.00	\$0.00	\$0.00	\$28,393.00
38744 Other Equip, Oth Communicath	\$0.00	\$95.30	\$0.00	\$0.00	\$95.30
38745 Other Equip, Telemetering	\$146,011.53	(\$44,333.54)	\$0.00	\$0.00	\$101,677.99
Asset - 1025					
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 02/2006
Period Ending: 02/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$69,289.40	\$0.00	\$0.00	\$0.00	\$69,289.40
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$3,603,362.55	\$37,830.59	\$0.00	\$0.00	\$3,641,193.14
106.000 Gas CCNC Subtotal	\$3,603,362.55	\$37,830.59	\$0.00	\$0.00	\$3,641,193.14
Gas Distribution Subtotal	\$245,125,900.84	\$371,676.96	(\$69,542.34)	\$0.00	\$245,428,035.46
Columbia Gas of Kentucky Subtotal	\$245,125,900.84	\$371,676.96	(\$69,542.34)	\$0.00	\$245,428,035.46
Financial/SEC Subtotal	\$245,125,900.84	\$371,676.96	(\$69,542.34)	\$0.00	\$245,428,035.46
Grand Total:	\$245,125,900.84	\$371,676.96	(\$69,542.34)	\$0.00	\$245,428,035.46

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 03/2006
Period Ending: 03/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant in Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pft, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pft, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Pft, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pft, Misc Software	\$1,251,562.07	\$0.00	\$0.00	\$0.00	\$1,251,562.07
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$602.44	\$0.00	\$881,063.67
37440 Land Rgts, Other Distr Sys	\$457,223.72	\$0.00	\$0.00	\$0.00	\$457,223.72
37450 Rights of Way	\$2,673,194.41	\$13.52	\$0.00	\$0.00	\$2,673,207.93
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$542,232.61	\$0.00	\$0.00	\$0.00	\$542,232.61
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,181,697.49	\$0.00	\$0.00	\$0.00	\$7,181,697.49
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$129,883,209.59	\$81,164.70	(\$8,258.84)	\$0.00	\$129,956,115.45
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,245,042.16	\$0.00	\$0.00	\$0.00	\$4,245,042.16
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$72,948,287.87	\$199,017.81	(\$76,938.44)	\$0.00	\$73,070,367.24
38100 Meters	\$9,814,287.17	\$0.00	\$0.00	\$0.00	\$9,814,287.17
38200 Meter Installations	\$7,332,560.27	\$4,906.24	(\$3,103.18)	\$0.00	\$7,334,363.33
38300 House Regulators	\$2,626,058.10	\$25,096.70	(\$455.52)	\$0.00	\$2,650,699.28
38400 House Regulator Installation	\$2,369,168.32	\$0.00	\$0.00	\$0.00	\$2,369,168.32
38500 Industrial Mea & Reg Sta Eq	\$2,026,054.71	\$4,912.35	\$0.00	\$0.00	\$2,030,967.06
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
		Asset - 1025			
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 03/2006
Period Ending: 03/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$863,440.51	\$3,691.45	\$0.00	\$0.00	\$867,131.96
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$1,014,429.95	\$14,174.12	\$0.00	\$0.00	\$1,028,604.07
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,252,321.05	\$0.00	\$0.00	\$0.00	\$1,252,321.05
39111 OF&E, Data Handling Equip	\$38,508.39	\$0.00	\$0.00	\$0.00	\$38,508.39
39112 OF&E, Information Systems	\$466,874.84	\$0.00	\$0.00	\$0.00	\$466,874.84
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$26,580.01	\$0.00	\$0.00	\$0.00	\$26,580.01
39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,758,432.67	\$0.00	\$0.00	\$0.00	\$1,758,432.67
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$99,854.31	\$0.00	\$0.00	\$0.00	\$99,854.31
KY Subtotal	\$253,125,552.60	\$332,976.89	(\$98,153.54)	\$0.00	\$253,370,375.95
101.000 Gas Plant In Service Subtotal	\$253,125,552.60	\$332,976.89	(\$98,153.54)	\$0.00	\$253,370,375.95
101.120 Contributions In Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
Asset - 1025					

Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 03/2006
 Period Ending: 03/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$69,289.40	\$236.38	\$0.00	\$0.00	\$69,525.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$3,641,193.14	\$121,429.76	\$0.00	\$0.00	\$3,762,622.90
106.000 Gas CCNC Subtotal	\$3,641,193.14	\$121,429.76	\$0.00	\$0.00	\$3,762,622.90
Gas Distribution Subtotal	\$245,428,035.46	\$454,406.65	(\$88,153.54)	\$0.00	\$245,794,288.57
Columbia Gas of Kentucky Subtotal	\$245,428,035.46	\$454,406.65	(\$88,153.54)	\$0.00	\$245,794,288.57
Financial/SEC Subtotal	\$245,428,035.46	\$454,406.65	(\$88,153.54)	\$0.00	\$245,794,288.57
Grand Total:	\$245,428,035.46	\$454,406.65	(\$88,153.54)	\$0.00	\$245,794,288.57

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 04/2006
Period Ending: 04/2006

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
101,000 Gas Plant In Service	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
KY					
30100 Organization Costs	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30300 Intangible Pit, General	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30310 Intangible Pit, DIS Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30320 Intangible Pit, FARA Software	\$1,251,562.07	\$0.00	\$0.00	\$0.00	\$1,251,562.07
30330 Intangible Pit, Misc Software	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
30410 Land	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37410 Land, City Gate/Main Line lnd	\$881,063.67	\$0.00	(\$602.44)	\$0.00	\$880,461.23
37420 Land, Other Distribution Sys	\$457,223.72	\$0.00	\$0.00	\$0.00	\$457,223.72
37440 Land Rgts, Other Distr Sys	\$2,673,207.93	\$0.00	\$0.00	\$0.00	\$2,673,207.93
37450 Rights of Way	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37520 Str, City Gate Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37530 Str, General Mea & Reg	\$542,232.61	\$5,198.99	(\$441.50)	\$0.00	\$546,990.10
37540 Str, Regulating	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37560 Str, Distribtn Industrial M&R	\$7,181,697.49	\$0.00	\$0.00	\$0.00	\$7,181,697.49
37570 Str, Other Distribution Sys	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37571 Str, Other Dist Sys, Leased	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37580 Str, Communication	\$129,956,115.45	\$292,126.78	(\$7,964.44)	\$0.00	\$130,240,277.79
37600 Mains	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37810 Mea & Reg Sta Eq, General	\$4,245,042.16	\$0.00	\$0.00	\$0.00	\$4,245,042.16
37820 Mea & Reg Sta Eq, Regulating	\$54,746.54	\$0.00	\$0.00	\$0.00	\$54,746.54
37830 Mea & Reg Sta Eq, Local Gas	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
37910 Mea & Reg Sta Eq, City Gate	\$73,070,367.24	\$161,617.79	(\$78,322.73)	\$0.00	\$73,173,662.30
38000 Services	\$9,814,287.17	\$0.00	\$0.00	\$0.00	\$9,814,287.17
38100 Meters	\$7,334,363.33	\$6,302.19	(\$2,474.20)	\$0.00	\$7,338,191.32
38200 Meter Installations	\$2,650,699.28	\$31,119.86	(\$244.44)	\$0.00	\$2,681,574.70
38300 House Regulators	\$2,369,168.32	\$0.00	\$0.00	\$0.00	\$2,369,168.32
38400 House Regulator Installation	\$2,030,967.06	\$3,159.53	(\$4,158.10)	\$0.00	\$2,029,968.49
38500 Industrial Mea & Reg Sta Eq	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38720 Other Equip, Odorization	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
38741 Other Equip, Telephone					
	Asset - 1025				
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Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 04/2006
 Period Ending: 04/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant in Service					
KY					
38742 Other Equip, Radio	\$867,131.96	\$0.00	\$0.00	\$0.00	\$867,131.96
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$1,028,604.07	\$0.00	\$0.00	\$0.00	\$1,028,604.07
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,252,321.05	\$0.00	\$0.00	\$0.00	\$1,252,321.05
39111 OF&E, Data Handling Equip	\$38,508.39	\$0.00	\$0.00	\$0.00	\$38,508.39
39112 OF&E, Information Systems	\$466,874.84	\$0.00	\$0.00	\$0.00	\$466,874.84
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$26,580.01	\$0.00	\$0.00	\$0.00	\$26,580.01
39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,758,432.67	\$0.00	\$0.00	\$0.00	\$1,758,432.67
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$99,854.31	\$0.00	\$0.00	\$0.00	\$99,854.31
Subtotal	\$253,370,375.95	\$519,525.14	(\$94,207.85)	\$0.00	\$253,795,693.24
101.120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
Subtotal	(\$10,182,915.12)	\$0.00	\$0.00	\$0.00	(\$10,182,915.12)
Subtotal	\$243,607,460.83	\$519,525.14	(\$94,207.85)	\$0.00	\$243,832,778.12
Subtotal	\$253,370,375.95	\$519,525.14	(\$94,207.85)	\$0.00	\$253,795,693.24

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 04/2006
Period Ending: 04/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.120 Contributions in Aid of Con Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible Pit, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$416,590.13	\$0.00	\$0.00	\$0.00	\$416,590.13
37440 Land Rgts, Other Distr Sys	\$19,135.96	\$0.00	\$0.00	\$0.00	\$19,135.96
37450 Rights of Way	\$1,389.20	\$0.00	\$0.00	\$0.00	\$1,389.20
37540 Str, Regulating	\$13,048.21	(\$3,824.93)	\$0.00	\$0.00	\$9,223.28
37570 Str, Other Distribution Sys	\$7,756.85	\$0.00	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$1,212,295.44	(\$84,424.36)	\$0.00	\$0.00	\$1,127,871.08
37820 Mea & Reg Sta Eq, Regulating	\$41,280.40	\$0.00	\$0.00	\$0.00	\$41,280.40
38000 Services	\$12,435.22	\$1,668.94	\$0.00	\$0.00	\$14,104.16
38100 Meters	\$1,058,155.68	\$0.00	\$0.00	\$0.00	\$1,058,155.68
38500 Industrial Mea & Reg Sta Eq	\$589,260.12	(\$3,159.53)	\$0.00	\$0.00	\$586,100.59
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$24,701.55	\$0.00	\$0.00	\$0.00	\$24,701.55
38744 Other Equip, Oth Communicatn	\$95.30	\$0.00	\$0.00	\$0.00	\$95.30
38745 Other Equip, Telemetering	\$87,501.88	\$0.00	\$0.00	\$0.00	\$87,501.88
KY Subtotal	\$87,501.88	\$0.00	\$0.00	\$0.00	\$87,501.88
106.000 Gas CCNC Subtotal	\$87,501.88	\$0.00	\$0.00	\$0.00	\$87,501.88

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 04/2006
Period Ending: 04/2006

Business Segment GL Account State	Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution						
106.000 Gas CCNC		\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
KY		\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39110 OF&E, Unspecified		\$69,525.78	\$0.00	\$0.00	\$0.00	\$69,525.78
39112 OF&E, Information Systems		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39430 Tools, Tools and Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39600 Power Operated Equipment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment		\$3,762,622.90	(\$89,739.88)	\$0.00	\$0.00	\$3,672,883.02
	KY	Subtotal				
		\$3,762,622.90	(\$89,739.88)	\$0.00	\$0.00	\$3,672,883.02
108.000 Gas CCNC Subtotal		\$245,794,288.57	\$429,785.26	(\$94,207.85)	\$0.00	\$246,129,865.98
Gas Distribution Subtotal		\$245,794,288.57	\$429,785.26	(\$94,207.85)	\$0.00	\$246,129,865.98
Columbia Gas of Kentucky Subtotal		\$245,794,288.57	\$429,785.26	(\$94,207.85)	\$0.00	\$246,129,865.98
Financial/SEC Subtotal		\$245,794,288.57	\$429,785.26	(\$94,207.85)	\$0.00	\$246,129,865.98
Grand Total:		\$245,794,288.57	\$429,785.26	(\$94,207.85)	\$0.00	\$246,129,865.98

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 05/2006

Period Ending: 05/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Plt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Plt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Plt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$1,251,562.07	\$25,443.40	\$0.00	\$0.00	\$1,277,005.47
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$457,223.72	\$0.00	\$0.00	\$0.00	\$457,223.72
37450 Rights of Way	\$2,673,207.93	\$0.00	\$0.00	\$0.00	\$2,673,207.93
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$546,990.10	\$0.00	\$0.00	\$0.00	\$546,990.10
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,181,697.49	\$0.00	\$0.00	\$0.00	\$7,181,697.49
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$130,240,277.79	(\$28,153.13)	(\$8,484.33)	\$0.00	\$130,203,640.33
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,245,042.16	\$7,993.61	(\$4,723.80)	\$0.00	\$4,248,311.97
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$73,173,662.30	\$279,984.41	(\$54,855.36)	\$0.00	\$73,398,791.35
38100 Meters	\$9,814,287.17	\$0.00	\$0.00	\$0.00	\$9,814,287.17
38200 Meter Installations	\$7,338,191.32	\$7,540.64	(\$3,609.06)	\$0.00	\$7,342,122.90
38300 House Regulators	\$2,681,574.70	\$30,997.45	(\$231.19)	\$0.00	\$2,712,340.96
38400 House Regulator Installation	\$2,369,168.32	\$0.00	\$0.00	\$0.00	\$2,369,168.32
38500 Industrial Mea & Reg Sta Eq	\$2,029,868.49	\$29.21	\$0.00	\$0.00	\$2,029,897.70
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
		Asset - 1025			

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 05/2006
Period Ending: 05/2006

Business Segment GL Account State	Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution						
101.000 Gas Plant In Service						
KY						
	38742 Other Equip, Radio	\$867,131.96	\$0.00	\$0.00	\$0.00	\$867,131.96
	38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
	38745 Other Equip, Telemetering	\$1,028,604.07	\$0.00	\$0.00	\$0.00	\$1,028,604.07
	38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
	39110 OF&E, Unspecified	\$1,252,321.05	\$0.00	\$0.00	\$0.00	\$1,252,321.05
	39111 OF&E, Data Handling Equip	\$38,508.39	\$0.00	\$0.00	\$0.00	\$38,508.39
	39112 OF&E, Information Systems	\$466,874.84	\$0.00	\$0.00	\$0.00	\$466,874.84
	39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
	39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
	39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	39410 Tools, Garage & Service Eq	\$26,580.01	\$0.00	\$0.00	\$0.00	\$26,580.01
	39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
	39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
	39430 Tools, Tools and Other	\$1,758,432.67	\$0.00	\$0.00	\$0.00	\$1,758,432.67
	39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
	39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
	39800 Miscellaneous Equipment	\$99,854.31	\$0.00	\$0.00	\$0.00	\$99,854.31
	KY Subtotal	\$253,795,693.24	\$323,835.59	(\$71,903.74)	\$0.00	\$254,047,625.09
	101.000 Gas Plant In Service Subtotal	\$253,795,693.24	\$323,835.59	(\$71,903.74)	\$0.00	\$254,047,625.09
101.120 Contributions In Aid of Con						
KY						
	37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
	37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
	37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
	37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
	37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
	37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
	38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 05/2006
Period Ending: 05/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con					
KY					
38200 Meter Installatons	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
KY Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.120 Contributions in Aid of Con Subtotal					
(\$9,889,557.06)					
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal					
(\$1,449,153.22)					
106.000 Gas CCNC					
KY					
30300 Intangible Pkt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pkt, Misc Software	\$416,590.13	(\$25,443.40)	\$0.00	\$0.00	\$391,146.73
37440 Land Rgts, Other Distr Sys	\$19,135.96	\$0.00	\$0.00	\$0.00	\$19,135.96
37450 Rights of Way	\$1,389.20	\$0.00	\$0.00	\$0.00	\$1,389.20
37540 Str, Regulating	\$9,223.28	\$7,842.56	\$0.00	\$0.00	\$17,065.84
37570 Str, Other Distribution Sys	\$7,756.85	\$0.00	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$1,127,971.08	\$213,110.33	\$0.00	\$0.00	\$1,340,981.41
37820 Mea & Reg Sta Eq, Regulating	\$41,280.40	(\$7,993.61)	\$0.00	\$0.00	\$33,286.79
38000 Services	\$14,104.16	(\$5,983.56)	\$0.00	\$0.00	\$8,120.60
38100 Meters	\$1,058,155.68	\$0.00	\$0.00	\$0.00	\$1,058,155.68
38500 Industrial Mea & Reg Sta Eq	\$586,100.59	\$7,038.95	\$0.00	\$0.00	\$593,139.54
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$24,701.55	\$0.00	\$0.00	\$0.00	\$24,701.55
38744 Other Equip, Oth Communicatr	\$95.30	\$0.00	\$0.00	\$0.00	\$95.30
38745 Other Equip, Telemetering	\$87,501.88	\$0.00	\$0.00	\$0.00	\$87,501.88
Asset - 1025					

Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 05/2006
 Period Ending: 05/2006

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$69,525.78	\$0.00	\$0.00	\$0.00	\$69,525.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$3,672,883.02	\$188,571.27	\$0.00	\$0.00	\$3,861,454.29
106.000 Gas CCNC Subtotal	\$3,672,883.02	\$188,571.27	\$0.00	\$0.00	\$3,861,454.29
Gas Distribution Subtotal	\$246,129,865.98	\$512,406.86	(\$71,903.74)	\$0.00	\$246,570,369.10
Columbia Gas of Kentucky Subtotal	\$246,129,865.98	\$512,406.86	(\$71,903.74)	\$0.00	\$246,570,369.10
Financial/SEC Subtotal	\$246,129,865.98	\$512,406.86	(\$71,903.74)	\$0.00	\$246,570,369.10
Grand Total:	\$246,129,865.98	\$512,406.86	(\$71,903.74)	\$0.00	\$246,570,369.10

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 06/2006
 Period Ending: 06/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pit, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pit, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Pit, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pit, Misc Software	\$1,277,005.47	\$0.00	\$0.00	\$0.00	\$1,277,005.47
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$457,223.72	\$5,188.96	\$0.00	\$0.00	\$462,382.68
37450 Rights of Way	\$2,673,207.93	\$0.00	\$0.00	\$0.00	\$2,673,207.93
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$546,990.10	\$7,350.12	\$0.00	\$0.00	\$554,340.22
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,181,697.49	\$0.00	\$0.00	\$0.00	\$7,181,697.49
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$130,203,640.33	\$107,571.27	(\$6,690.05)	\$0.00	\$130,304,521.55
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,248,311.97	\$8,402.96	\$0.00	\$0.00	\$4,256,714.93
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$73,398,791.35	\$384,507.06	(\$69,805.45)	\$0.00	\$73,713,492.96
38100 Meters	\$9,814,287.17	\$0.00	\$0.00	\$0.00	\$9,814,287.17
38200 Meter Installations	\$7,342,122.90	\$10,329.78	(\$3,946.92)	\$0.00	\$7,349,005.76
38300 House Regulators	\$2,712,340.96	\$32,388.68	(\$366.30)	\$0.00	\$2,744,363.34
38400 House Regulator Installation	\$2,369,168.32	\$0.00	\$0.00	\$0.00	\$2,369,168.32
38500 Industrial Mea & Reg Sta Eq	\$2,029,997.70	\$23,294.61	\$0.00	\$0.00	\$2,053,292.31
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Sat of Books: Financial/SEC

Period Beginning: 06/2006
Period Ending: 06/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$867,131.96	\$0.00	\$0.00	\$0.00	\$867,131.96
38744 Other Equip, Oth Communicatn	\$121,471.06	\$0.00	\$0.00	\$0.00	\$121,471.06
38745 Other Equip, Telemetering	\$1,028,604.07	\$0.00	\$0.00	\$0.00	\$1,028,604.07
38746 Other Equip, Customr Info Strv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
38110 OF&E, Unspecified	\$1,252,321.05	\$0.00	\$0.00	\$0.00	\$1,252,321.05
39111 OF&E, Data Handling Equip	\$38,508.39	\$0.00	\$0.00	\$0.00	\$38,508.39
39112 OF&E, Information Systems	\$466,874.84	\$0.00	\$0.00	\$0.00	\$466,874.84
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$26,580.01	\$0.00	\$0.00	\$0.00	\$26,580.01
39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,758,432.67	\$0.00	\$0.00	\$0.00	\$1,758,432.67
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$99,854.31	\$0.00	\$0.00	\$0.00	\$99,854.31
Subtotal	\$254,047,625.09	\$579,503.44	(\$80,808.72)	\$0.00	\$254,546,319.81
KY					
101.120 Gas Plant In Service Subtotal	\$254,047,625.09	\$579,503.44	(\$80,808.72)	\$0.00	\$254,546,319.81
101.120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 06/2006

Period Ending: 06/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.120 Contributions in Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
	Subtotal	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.120 Contributions in Aid of Con Subtotal					
	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
	Subtotal	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal					
	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
105.000 Gas CCNC					
KY					
30300 Intangible PIt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible PIt, Misc Software	\$391,146.73	\$0.00	\$0.00	\$0.00	\$391,146.73
37440 Land Rgts, Other Distr Sys	\$19,135.96	(\$5,158.96)	\$0.00	\$0.00	\$13,977.00
37450 Rights of Way	\$1,389.20	\$0.00	\$0.00	\$0.00	\$1,389.20
37540 Str, Regulating	\$17,065.84	(\$6,909.66)	\$0.00	\$0.00	\$10,156.18
37570 Str, Other Distribution Sys	\$7,756.85	\$0.00	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$1,340,981.41	\$1,310,015.54	\$0.00	\$0.00	\$2,650,996.95
37820 Mea & Reg Sta Eq, Regulating	\$33,286.79	(\$8,275.46)	\$0.00	\$0.00	\$25,011.33
38000 Services	\$8,120.60	(\$3,236.63)	\$0.00	\$0.00	\$4,883.97
38100 Metars	\$1,058,155.68	\$0.00	\$0.00	\$0.00	\$1,058,155.68
38500 Industrial Mea & Reg Sta Eq	\$593,139.54	(\$23,330.16)	\$0.00	\$0.00	\$569,809.38
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$24,701.55	\$0.00	\$0.00	\$0.00	\$24,701.55
38744 Other Equip, Oth Communicatn	\$95.30	\$0.00	\$0.00	\$0.00	\$95.30
38745 Other Equip, Telemetering	\$87,501.88	\$0.00	\$0.00	\$0.00	\$87,501.88

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Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 06/2006
 Period Ending: 06/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$69,525.78	\$0.00	\$0.00	\$0.00	\$69,525.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
KY Subtotal	\$3,861,454.29	\$1,263,104.67	\$0.00	\$0.00	\$5,124,558.96
106.000 Gas CCNC Subtotal	\$3,861,454.29	\$1,263,104.67	\$0.00	\$0.00	\$5,124,558.96
Gas Distribution Subtotal	\$246,570,369.10	\$1,842,608.11	(\$80,808.72)	\$0.00	\$248,332,168.49
Columbia Gas of Kentucky Subtotal	\$246,570,369.10	\$1,842,608.11	(\$80,808.72)	\$0.00	\$248,332,168.49
Financial/SEC Subtotal	\$246,570,369.10	\$1,842,608.11	(\$80,808.72)	\$0.00	\$248,332,168.49
Grand Total:	\$246,570,369.10	\$1,842,608.11	(\$80,808.72)	\$0.00	\$248,332,168.49

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 07/2006
Period Ending: 07/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Plt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Plt, DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$13,029.56
30320 Intangible Plt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$1,277,005.47	\$0.00	\$0.00	\$0.00	\$1,277,005.47
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Ind	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$462,382.68	\$0.00	\$0.00	\$0.00	\$462,382.68
37450 Rights of Way	\$2,673,207.93	\$0.00	\$0.00	\$0.00	\$2,673,207.93
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$554,340.22	\$0.00	\$0.00	\$0.00	\$554,340.22
37560 Str, Distribn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,181,697.49	\$0.00	\$0.00	\$0.00	\$7,181,697.49
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$130,304,521.55	\$421,987.06	(\$1,912.07)	\$0.00	\$130,724,596.54
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,256,714.93	\$0.00	(\$133.49)	\$0.00	\$4,256,581.44
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	\$0.00	\$0.00	\$54,746.64
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$73,713,492.96	\$228,967.57	(\$62,875.36)	\$0.00	\$73,879,585.17
38100 Meters	\$9,814,287.17	\$0.00	\$0.00	\$0.00	\$9,814,287.17
38200 Meter Installations	\$7,349,095.76	\$181,373.05	(\$4,190.71)	\$0.00	\$7,526,168.10
38300 House Regulators	\$2,744,363.34	\$35,862.49	(\$437.13)	\$0.00	\$2,779,788.70
38400 House Regulator Installation	\$2,369,168.32	\$0.00	\$0.00	\$0.00	\$2,369,168.32
38500 Industrial Mea & Reg Sta Eq	\$2,053,292.31	\$82,699.71	\$0.00	\$0.00	\$2,135,992.02
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
		Asset - 1025			
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 07/2006
Period Ending: 07/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant In Service					
KY					
38742 Other Equip, Radio	\$867,131.96	\$0.00	\$0.00	\$0.00	\$867,131.96
38744 Other Equip, Oth Communicatn	\$121,471.08	\$4,952.20	\$0.00	\$0.00	\$126,423.28
38745 Other Equip, Telemetering	\$1,028,604.07	\$2,266.05	\$0.00	\$0.00	\$1,030,870.12
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,252,321.05	\$0.00	\$0.00	\$0.00	\$1,252,321.05
39111 OF&E, Data Handling Equip	\$38,508.39	\$0.00	\$0.00	\$0.00	\$38,508.39
39112 OF&E, Information Systems	\$466,874.84	\$0.00	\$0.00	\$0.00	\$466,874.84
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$26,580.01	\$0.00	\$0.00	\$0.00	\$26,580.01
39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,758,432.67	\$0.00	\$0.00	\$0.00	\$1,758,432.67
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$99,854.31	\$0.00	\$0.00	\$0.00	\$99,854.31
Subtotal	\$254,546,319.81	\$958,108.13	(\$69,548.76)	\$0.00	\$255,434,879.18
101.000 Gas Plant In Service Subtotal	\$254,546,319.81	\$958,108.13	(\$69,548.76)	\$0.00	\$255,434,879.18
101.120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

Asset - 1025

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Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 07/2006
 Period Ending: 07/2006

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
101.120 Contributions in Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38500 Industrial Mea & Reg Sta Eq	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.140 Contributions in Aid of Con Subtotal	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible Plt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$391,146.73	\$0.00	\$0.00	\$0.00	\$391,146.73
37440 Land Rgts, Other Distr Sys	\$13,977.00	\$0.00	\$0.00	\$0.00	\$13,977.00
37450 Rights of Way	\$1,389.20	\$0.00	\$0.00	\$0.00	\$1,389.20
37540 Str, Regulating	\$10,156.18	\$0.00	\$0.00	\$0.00	\$10,156.18
37570 Str, Other Distribution Sys	\$7,756.85	\$0.00	\$0.00	\$0.00	\$7,756.85
37600 Mains	\$2,650,996.95	(\$235,433.56)	\$0.00	\$0.00	\$2,415,563.39
37820 Mea & Reg Sta Eq, Regulating	\$25,011.33	\$2,628.92	\$0.00	\$0.00	\$27,640.25
38000 Services	\$4,883.97	\$4,587.08	\$0.00	\$0.00	\$9,471.05
38100 Meters	\$1,058,155.68	\$0.00	\$0.00	\$0.00	\$1,058,155.68
38500 Industrial Mea & Reg Sta Eq	\$569,809.38	(\$48,531.21)	\$0.00	\$0.00	\$521,278.17
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$24,701.55	\$0.00	\$0.00	\$0.00	\$24,701.55
38744 Other Equip, Oth Communicatn	\$95.30	\$0.00	\$0.00	\$0.00	\$95.30
38745 Other Equip, Telemetering	\$87,501.88	(\$6,784.11)	\$0.00	\$0.00	\$80,717.77
Asset - 1025					
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 07/2006
Period Ending: 07/2006

Business Segment GL Account State	Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution 106.000 Gas CCNC		\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
KY		\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39110 OF&E, Unspecified		\$69,525.78	\$0.00	\$0.00	\$0.00	\$69,525.78
39112 OF&E, Information Systems		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39430 Tools, Tools and Other		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39680 Power Operated Equipment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	KY	\$5,124,558.96	(\$283,532.88)	\$0.00	\$0.00	\$4,841,026.08
	Subtotal	\$5,124,558.96	(\$283,532.88)	\$0.00	\$0.00	\$4,841,026.08
	106.000 Gas CCNC Subtotal	\$248,332,168.49	\$674,575.25	(\$69,548.76)	\$0.00	\$248,937,194.98
	Gas Distribution Subtotal	\$248,332,168.49	\$674,575.25	(\$69,548.76)	\$0.00	\$248,937,194.98
	Columbia Gas of Kentucky Subtotal	\$248,332,168.49	\$674,575.25	(\$69,548.76)	\$0.00	\$248,937,194.98
	Financial/SEC Subtotal	\$248,332,168.49	\$674,575.25	(\$69,548.76)	\$0.00	\$248,937,194.98
	Grand Total:	\$248,332,168.49	\$674,575.25	(\$69,548.76)	\$0.00	\$248,937,194.98

Account Summary by State

NISource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 08/2006
 Period Ending: 08/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant in Service					
KY					
30100 Organization Costs	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
30300 Intangible Pkt, General	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30310 Intangible Pkt, DIS Software	\$13,029.56	\$0.00	(\$13,029.56)	\$0.00	\$0.00
30320 Intangible Pkt, FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Pkt, Misc Software	\$1,277,005.47	\$0.00	(\$493,105.92)	\$0.00	\$783,899.55
30410 Land	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
37410 Land, City Gate/Main Line Inrd	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37420 Land, Other Distribution Sys	\$880,461.23	\$0.00	\$0.00	\$0.00	\$880,461.23
37440 Land Rgts, Other Distr Sys	\$462,382.68	\$0.00	(\$106.98)	\$0.00	\$462,275.70
37450 Rights of Way	\$2,673,207.93	\$0.00	\$0.00	\$0.00	\$2,673,207.93
37520 Str, City Gate Mea & Reg	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37530 Str, General Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37540 Str, Regulating	\$554,340.22	\$9,646.64	\$0.00	\$0.00	\$563,986.86
37560 Str, Distribtn Industrial M&R	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37570 Str, Other Distribution Sys	\$7,181,697.49	\$0.00	\$0.00	\$0.00	\$7,181,697.49
37571 Str, Other Dist Sys, Leased	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37580 Str, Communication	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37600 Mains	\$130,724,596.54	\$168,759.96	(\$2,360.67)	\$0.00	\$130,890,995.83
37810 Mea & Reg Sta Eq, General	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37820 Mea & Reg Sta Eq, Regulating	\$4,256,581.44	\$16,268.50	(\$164.19)	\$0.00	\$4,272,685.75
37830 Mea & Reg Sta Eq, Local Gas	\$54,746.64	\$0.00	(\$436.92)	\$0.00	\$54,309.72
37910 Mea & Reg Sta Eq, City Gate	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
38000 Services	\$73,879,585.17	\$313,694.49	(\$43,131.79)	\$0.00	\$74,150,147.87
38100 Meters	\$9,814,287.17	\$0.00	\$0.00	\$0.00	\$9,814,287.17
38200 Meter Installations	\$7,526,188.10	\$10,719.57	(\$3,120.29)	\$0.00	\$7,533,787.38
38300 House Regulators	\$2,779,788.70	\$36,091.70	(\$251.41)	\$0.00	\$2,815,628.99
38400 House Regulator Installation	\$2,369,168.32	\$0.00	(\$4,509.27)	\$0.00	\$2,364,659.05
38500 Industrial Mea & Reg Sta Eq	\$2,135,992.02	\$0.00	(\$6,761.12)	\$0.00	\$2,129,230.90
38720 Other Equip, Odorization	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38741 Other Equip, Telephone	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 08/2006
Period Ending: 08/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
101.000 Gas Plant in Service KY					
38742 Other Equip, Radio	\$867,131.96	\$0.00	\$0.00	\$0.00	\$867,131.96
38744 Other Equip, Oth Communicatn	\$126,423.26	(\$58.28)	\$0.00	\$0.00	\$126,364.98
38745 Other Equip, Telemetering	\$1,030,870.12	\$0.00	\$0.00	\$0.00	\$1,030,870.12
38746 Other Equip, Customr Info Srv	\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
39110 OF&E, Unspecified	\$1,252,321.05	\$0.00	\$0.00	\$0.00	\$1,252,321.05
39111 OF&E, Data Handling Equip	\$38,508.39	\$0.00	\$0.00	\$0.00	\$38,508.39
39112 OF&E, Information Systems	\$466,874.84	\$0.00	\$0.00	\$0.00	\$466,874.84
39220 Trans Eq, Trailers > \$1,000	\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39221 Trans Eq, Trailers \$1000 or <	\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39300 Stores Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39410 Tools, Garage & Service Eq	\$26,580.01	\$0.00	\$0.00	\$0.00	\$26,580.01
39411 Tools, CNG Equip, Stationary	\$458,281.41	\$0.00	\$0.00	\$0.00	\$458,281.41
39420 Tools, Shop Equipment	\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,374.41
39430 Tools, Tools and Other	\$1,758,432.67	\$0.00	\$0.00	\$0.00	\$1,758,432.67
39500 Laboratory Equipment, Gas	\$10,307.98	\$0.00	\$0.00	\$0.00	\$10,307.98
39600 Power Operated Equipment	\$681,428.81	\$0.00	\$0.00	\$0.00	\$681,428.81
39800 Miscellaneous Equipment	\$99,854.31	\$0.00	\$0.00	\$0.00	\$99,854.31
Subtotal	\$255,434,879.18	\$555,122.58	(\$566,978.12)	\$0.00	\$255,423,023.64
101.000 Gas Plant in Service Subtotal	\$255,434,879.18	\$555,122.58	(\$566,978.12)	\$0.00	\$255,423,023.64
101.120 Contributions in Aid of Con					
KY					
37450 Rights of Way	(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating	(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys	(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains	(\$9,554,157.59)	\$0.00	\$0.00	\$0.00	(\$9,554,157.59)
37810 Mea & Reg Sta Eq, General	(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas	(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services	(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)

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Account Summary by State

NIsource

Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 08/2006

Period Ending: 08/2006

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
101.120 Contributions in Aid of Con					
KY					
38200 Meter Installations	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$592.50)
38300 House Regulators	(\$82,943.90)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38300 House Regulators	(\$70,299.57)	\$0.00	\$0.00	\$0.00	(\$70,299.57)
38500 Industrial Mea & Reg Sta Eq	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
KY	Subtotal				Subtotal
	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.120 Contributions in Aid of Con Subtotal					
	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.140 Non-taxable Relocation Reim					
KY					
37600 Mains	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY	Subtotal				Subtotal
	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal					
	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNC					
KY					
30300 Intangible Plt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30330 Intangible Plt, Misc Software	\$391,146.73	\$0.00	\$0.00	\$0.00	\$391,146.73
37440 Land Rgts, Other Distr Sys	\$13,977.00	\$0.00	\$0.00	\$0.00	\$13,977.00
37450 Rights of Way	\$1,389.20	\$0.00	\$0.00	\$0.00	\$1,389.20
37540 St, Regulating	\$10,155.18	(\$9,648.64)	\$0.00	\$0.00	\$509.54
37570 St, Other Distribution Sys	\$7,755.85	\$0.00	\$0.00	\$0.00	\$7,755.85
37600 Mains	\$2,415,563.39	(\$68,573.68)	\$0.00	\$0.00	\$2,346,989.71
37620 Mea & Reg Sta Eq, Regulating	\$27,640.25	(\$16,238.96)	\$0.00	\$0.00	\$11,402.19
38000 Services	\$9,471.05	\$5,204.57	\$0.00	\$0.00	\$14,675.62
38100 Meters	\$1,058,155.68	\$202,799.28	\$0.00	\$0.00	\$1,260,954.96
38500 Industrial Mea & Reg Sta Eq	\$521,278.17	\$0.00	\$0.00	\$0.00	\$521,278.17
38720 Other Equip, Odorization	\$3,951.13	\$0.00	\$0.00	\$0.00	\$3,951.13
38742 Other Equip, Radio	\$24,701.55	\$0.00	\$0.00	\$0.00	\$24,701.55
38744 Other Equip, Oth Communicath	\$95.30	\$0.00	\$0.00	\$0.00	\$95.30
38745 Other Equip, Telemetering	\$80,717.77	\$12.27	\$0.00	\$0.00	\$80,730.04
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 08/2006
Period Ending: 08/2006

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
106.000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$69,525.78	\$0.00	\$0.00	\$0.00	\$69,525.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$4,841,026.08	\$113,557.74	\$0.00	\$0.00	\$4,954,583.82
106.000 Gas CCNC Subtotal	\$4,841,026.08	\$113,557.74	\$0.00	\$0.00	\$4,954,583.82
Gas Distribution Subtotal	\$248,937,194.98	\$668,680.32	(\$566,978.12)	\$0.00	\$249,038,897.18
Columbia Gas of Kentucky Subtotal	\$248,937,194.98	\$668,680.32	(\$566,978.12)	\$0.00	\$249,038,897.18
Financial/SEC Subtotal	\$248,937,194.98	\$668,680.32	(\$566,978.12)	\$0.00	\$249,038,897.18
Grand Total:	\$248,937,194.98	\$668,680.32	(\$566,978.12)	\$0.00	\$249,038,897.18

Account Summary by State

MI Source
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 09/2006
 Period Ending: 09/2006

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
101.000 Gas Plant In Service	\$521.20	\$0.00	\$0.00	\$0.00	\$521.20
KY	\$149,442.93	\$0.00	\$0.00	\$0.00	\$149,442.93
30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30300 Intangible Plt, General	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30310 Intangible Plt, DIS Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
30320 Intangible Plt, FARA Software	\$783,899.55	\$85,195.68	\$0.00	\$0.00	\$869,095.23
30330 Intangible Plt, Misc Software	\$7,678.39	\$0.00	\$0.00	\$0.00	\$7,678.39
30410 Land	\$206.00	\$0.00	\$0.00	\$0.00	\$206.00
37410 Land, City Gate/Main Line Ind	\$680,461.23	\$0.00	(\$1,112.12)	\$0.00	\$679,349.11
37420 Land, Other Distribution Sys	\$462,275.70	\$0.00	\$0.00	\$0.00	\$462,275.70
37440 Land Rgts, Other Distr Sys	\$2,673,207.93	\$0.00	\$0.00	\$0.00	\$2,673,207.93
37450 Rights of Way	\$5,249.05	\$0.00	\$0.00	\$0.00	\$5,249.05
37520 Str, City Gate Mea & Reg	\$10,848.26	\$0.00	\$0.00	\$0.00	\$10,848.26
37530 Str, General Mea & Reg	\$563,986.86	\$0.00	\$0.00	\$0.00	\$563,986.86
37540 Str, Regulating	\$88,210.20	\$0.00	\$0.00	\$0.00	\$88,210.20
37560 Str, Distribtn Industrial M&R	\$7,181,697.49	\$0.00	\$0.00	\$0.00	\$7,181,697.49
37570 Str, Other Distribution Sys	\$74,308.31	\$0.00	\$0.00	\$0.00	\$74,308.31
37571 Str, Other Dist Sys, Leased	\$33,260.58	\$0.00	\$0.00	\$0.00	\$33,260.58
37580 Str, Communication	\$130,890,995.83	\$246,651.15	(\$42,222.33)	\$0.00	\$131,095,424.65
37600 Mains	\$251,814.94	\$0.00	\$0.00	\$0.00	\$251,814.94
37810 Mea & Reg Sta Eq, General	\$4,272,685.75	\$0.00	(\$4,272.05)	\$0.00	\$4,268,413.70
37820 Mea & Reg Sta Eq, Regulating	\$54,309.72	\$0.00	\$0.00	\$0.00	\$54,309.72
37830 Mea & Reg Sta Eq, Local Gas	\$257,908.74	\$0.00	\$0.00	\$0.00	\$257,908.74
37910 Mea & Reg Sta Eq, City Gate	\$74,150,147.87	\$316,229.17	(\$64,963.58)	\$0.00	\$74,401,413.46
38000 Services	\$9,814,287.17	\$0.00	(\$456.50)	\$0.00	\$9,813,830.67
38100 Meters	\$7,533,787.38	\$9,380.30	(\$4,004.29)	\$0.00	\$7,539,163.39
38200 Meter Installations	\$2,815,628.99	\$50,309.99	(\$707.79)	\$0.00	\$2,865,231.19
38300 House Regulators	\$2,364,659.05	\$0.00	(\$255.82)	\$0.00	\$2,364,403.23
38400 House Regulator Installation	\$2,129,230.90	\$6,312.98	\$0.00	\$0.00	\$2,135,543.88
38500 Industrial Mea & Reg Sta Eq	\$183,023.18	\$0.00	\$0.00	\$0.00	\$183,023.18
38720 Other Equip, Odorization	\$711,145.89	\$0.00	\$0.00	\$0.00	\$711,145.89
38741 Other Equip, Telephone					
Asset - 1025					

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Account Summary by State

NISource
 Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 09/2006
 Period Ending: 09/2006

Business Segment GL Account State	Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution						
101.000 Gas Plant In Service		\$867,131.96	\$0.00	\$0.00	\$0.00	\$867,131.96
KY		\$126,364.98	\$0.00	\$0.00	\$0.00	\$126,364.98
38742 Other Equip, Radio		\$1,030,870.12	\$0.00	\$0.00	\$0.00	\$1,030,870.12
38744 Other Equip, Oth Communicatn		\$127,354.97	\$0.00	\$0.00	\$0.00	\$127,354.97
38745 Other Equip, Telemetering		\$1,252,321.05	\$0.00	\$0.00	\$0.00	\$1,252,321.05
38746 Other Equip, Customt Info Srv		\$38,508.39	\$0.00	\$0.00	\$0.00	\$38,508.39
39110 OF&E, Unspecified		\$466,874.84	\$0.00	\$0.00	\$0.00	\$466,874.84
39111 OF&E, Data Handling Equip		\$129,059.89	\$0.00	\$0.00	\$0.00	\$129,059.89
39112 OF&E, Information Systems		\$3,398.75	\$0.00	\$0.00	\$0.00	\$3,398.75
39220 Trans Eq, Trailers > \$1,000		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39221 Trans Eq, Trailers \$1000 or <		\$26,580.01	\$0.00	\$0.00	\$0.00	\$26,580.01
39300 Stores Equipment		\$458,281.41	\$0.00	(\$122,973.34)	\$0.00	\$1,374.41
39410 Tools, Garage & Service Eq		\$1,374.41	\$0.00	\$0.00	\$0.00	\$1,758,432.67
39411 Tools, CNG Equip, Stationary		\$1,758,432.67	\$0.00	\$0.00	\$0.00	\$10,307.98
39420 Tools, Shop Equipment		\$10,307.98	\$0.00	\$0.00	\$0.00	\$681,428.81
39430 Tools, Tools and Other		\$681,428.81	\$0.00	\$0.00	\$0.00	\$99,854.31
39500 Laboratory Equipment, Gas		\$99,854.31	\$0.00	\$0.00	\$0.00	\$255,896,135.09
39600 Power Operated Equipment		\$255,423,023.64	\$714,079.27	(\$240,967.82)	\$0.00	\$255,896,135.09
39800 Miscellaneous Equipment		\$255,423,023.64	\$714,079.27	(\$240,967.82)	\$0.00	\$255,896,135.09
KY						
Subtotal		\$255,423,023.64	\$714,079.27	(\$240,967.82)	\$0.00	\$255,896,135.09
101.000 Gas Plant In Service Subtotal		\$255,423,023.64	\$714,079.27	(\$240,967.82)	\$0.00	\$255,896,135.09
101.120 Contributions in Aid of Con						
KY						
37450 Rights of Way		(\$6,250.00)	\$0.00	\$0.00	\$0.00	(\$6,250.00)
37540 Str, Regulating		(\$1,900.00)	\$0.00	\$0.00	\$0.00	(\$1,900.00)
37570 Str, Other Distribution Sys		(\$20,000.00)	\$0.00	\$0.00	\$0.00	(\$20,000.00)
37600 Mains		(\$9,554,157.58)	\$0.00	\$0.00	\$0.00	(\$9,554,157.58)
37810 Mea & Reg Sta Eq, General		(\$69.57)	\$0.00	\$0.00	\$0.00	(\$69.57)
37830 Mea & Reg Sta Eq, Local Gas		(\$9,303.56)	\$0.00	\$0.00	\$0.00	(\$9,303.56)
38000 Services		(\$144,040.37)	\$0.00	\$0.00	\$0.00	(\$144,040.37)
Asset - 1025		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
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Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 09/2006
Period Ending: 09/2006

Business Segment GL Account State	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Utility Account					
Gas Distribution					
101.120 Contributions In Aid of Con		\$0.00	\$0.00	\$0.00	(\$592.50)
KY	(\$592.50)	\$0.00	\$0.00	\$0.00	(\$82,943.90)
38200 Meter Installations		\$0.00	\$0.00	\$0.00	(\$70,299.57)
38300 House Regulators		\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
38500 Industrial Mea & Reg Sta Eq		\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
KY	(\$9,889,557.06)	\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
Subtotal		\$0.00	\$0.00	\$0.00	(\$9,889,557.06)
101.120 Contributions In Aid of Con Subtotal		\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim		\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
37600 Mains		\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
KY	(\$1,449,153.22)	\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
Subtotal		\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
101.140 Non-taxable Relocation Reim Subtotal		\$0.00	\$0.00	\$0.00	(\$1,449,153.22)
106.000 Gas CCNG					
KY	\$0.00	\$0.00	\$0.00	\$0.00	\$391,146.73
30300 Intangible Pkt, General		\$0.00	\$0.00	\$0.00	\$13,977.00
30330 Intangible Pkt, Misc Software		\$0.00	\$0.00	\$0.00	\$1,389.20
37440 Land Rgts, Other Distr Sys		\$0.00	\$0.00	\$0.00	\$509.54
37450 Rights of Way		\$0.00	\$0.00	\$0.00	\$7,756.85
37540 Str, Regulating		\$0.00	\$0.00	\$0.00	\$2,406,070.98
37570 Str, Other Distribution Sys		\$59,081.27	\$0.00	\$0.00	\$20,180.12
37600 Mains		\$8,777.93	\$0.00	\$0.00	\$18,298.97
37820 Mea & Reg Sta Eq, Regulating		\$3,623.35	\$0.00	\$0.00	\$1,277,698.12
38000 Services		\$16,743.16	\$0.00	\$0.00	\$514,965.19
38100 Meters		(\$6,312.98)	\$0.00	\$0.00	\$3,951.13
38500 Industrial Mea & Reg Sta Eq		\$0.00	\$0.00	\$0.00	\$24,701.55
38720 Other Equip, Odorization		\$0.00	\$0.00	\$0.00	\$95.30
38742 Other Equip, Radio		\$0.00	\$0.00	\$0.00	\$81,112.89
38744 Other Equip, Oth Communicatn		\$382.85	\$0.00	\$0.00	\$0.00
38745 Other Equip, Telemetering		Asset - 1025	\$0.00	\$0.00	\$0.00
	\$80,730.04				04/12/2007 11:29:12

Account Summary by State

NISource
Columbia Gas of Kentucky - For Set of Books: Financial/SEC

Period Beginning: 09/2006
Period Ending: 09/2006

Business Segment GL Account State Utility Account	Beginning Balance	Additions	Retirements	Trans/Adjust	Ending Balance
Gas Distribution					
106,000 Gas CCNC					
KY					
39110 OF&E, Unspecified	\$6,526.66	\$0.00	\$0.00	\$0.00	\$6,526.66
39112 OF&E, Information Systems	\$198,973.39	\$0.00	\$0.00	\$0.00	\$198,973.39
39430 Tools, Tools and Other	\$69,525.78	\$0.00	\$0.00	\$0.00	\$69,525.78
39600 Power Operated Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
39800 Miscellaneous Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$4,954,583.82	\$82,295.58	\$0.00	\$0.00	\$5,036,879.40
106,000 Gas CCNC Subtotal	\$4,954,583.82	\$82,295.58	\$0.00	\$0.00	\$5,036,879.40
Gas Distribution Subtotal	\$249,038,897.18	\$796,374.85	(\$240,967.82)	\$0.00	\$249,594,304.21
Columbia Gas of Kentucky Subtotal	\$249,038,897.18	\$796,374.85	(\$240,967.82)	\$0.00	\$249,594,304.21
Financial/SEC Subtotal	\$249,038,897.18	\$796,374.85	(\$240,967.82)	\$0.00	\$249,594,304.21
Grand Total:	\$249,038,897.18	\$796,374.85	(\$240,967.82)	\$0.00	\$249,594,304.21

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 10/31/2004
STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
303.00	MISC INTANGIBLE PLANT	15,408.51	229.70		0.00	15,638.21
303.30	MISC INTANGIBLE PLANT	156,486.82	175,138.82		0.00	331,625.64
	FUNCTION TOTAL	171,895.33	175,369.52		0.00	347,264.85
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	17,946.23	91.50		0.00	18,037.73
374.50	RIGHTS-OF-WAY	0.00	0.00		0.00	0.00
375.40	REGULATING STRUCTURES	1,432.76	5,759.25		0.00	7,192.01
375.70	OTHER STRUCTURES	35,989.17	930.46		0.00	36,899.63
376.00	MAINS	623,315.09	804,029.10		0.00	1,427,344.19
378.20	M&R EQUIP-GENERAL-REG	47,723.14	7,386.21		0.00	55,109.35
380.00	SERVICES	320,940.96	(186,256.69)		0.00	154,684.27
381.00	METERS	211,427.99	520,719.69		0.00	732,147.68
381.10	METERS	-0.00	84,451.01		0.00	84,451.01
382.00	METER INSTALLATIONS	145,030.32	81,466.02		0.00	226,496.34
383.00	HOUSE REGULATORS	138,787.64	38,791.96		0.00	177,579.60
385.00	IND M&R EQUIPMENT	38,381.37	13,187.15		0.00	51,578.52
387.42	OTHER EQ-RADIO	36,266.16	401.90		0.00	36,668.06
387.45	OTHER EQ-TELEMETERING	222,011.68	36,894.05		0.00	258,905.73
	FUNCTION TOTAL	1,838,232.51	1,427,861.61		0.00	3,266,094.12
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	6,526.66	0.00		0.00	6,526.66
391.12	OFFICE EQUIP INFO SYST	299.94	0.00		0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	20,509.62	20,497.95		0.00	41,007.57
396.00	POWER OPERATED EQUIP	140,021.00	(140,021.00)		0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00		0.00	0.00
	FUNCTION TOTAL	167,357.22	(19,523.05)		0.00	47,834.17
	ACTIVITY TOTAL	2,177,485.06	1,483,708.08		0.00	3,661,193.14
	GENERAL LEDGER TOTAL	2,177,485.06	1,483,708.08		0.00	3,661,193.14
	COMPANY TOTAL	238,571,748.48	5,605,233.26	3,894,825.98	(3,482.30)	240,278,693.46

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 11/30/2004

GPA NO	GAS PLANT ACCOUNT TITLE	ZONE - ALL ZONES	STATE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD	ACTIVITY -
	INTANGIBLE PLANT								
303.00	MISC INTANGIBLE PLANT			15,408.51	252.67	0.00	0.00	15,661.18	
303.30	MISC INTANGIBLE PLANT			156,486.82	66,826.92	0.00	0.00	213,313.74	
	FUNCTION TOTAL			171,895.33	57,079.59	0.00	0.00	228,974.92	
	DISTRIBUTION PLANT								
374.40	LAND RTS-OTHER DIST			17,946.23	100.65	0.00	0.00	18,046.88	
374.50	RIGHTS-OF-WAY			0.00	0.00	0.00	0.00	0.00	
375.40	REGULATING STRUCTURES			1,432.76	5,769.95	0.00	0.00	7,202.71	
375.70	OTHER STRUCTURES			35,969.17	984.54	0.00	0.00	36,953.71	
376.00	MAINS			623,315.09	755,577.27	0.00	0.00	1,378,892.36	
378.20	M&R EQUIP-GENERAL-REG			47,723.14	(21,806.67)	0.00	0.00	25,916.47	
380.00	SERVICES			320,940.96	(92,957.52)	0.00	0.00	227,983.44	
381.00	METERS			211,427.99	42,987.90	0.00	0.00	254,415.89	
381.10	METERS			0.00	91,246.47	0.00	0.00	91,246.47	
382.00	METER INSTALLATIONS			145,030.32	91,373.66	0.00	0.00	236,403.98	
383.00	HOUSE REGULATORS			138,787.64	40,820.30	0.00	0.00	179,607.94	
385.00	IND M&R EQUIPMENT			38,381.37	39,601.56	0.00	0.00	77,982.93	
387.42	OTHER EQ-RADIO			35,266.16	442.09	0.00	0.00	35,708.25	
387.46	OTHER EQ-TELEMETERING			222,011.68	35,433.48	0.00	0.00	257,445.16	
	FUNCTION TOTAL			1,838,232.51	989,573.68	0.00	0.00	2,827,806.19	
	GENERAL PLANT								
391.10	OFF FUR & EQ UNSPECIF			6,526.66	0.00	0.00	0.00	6,526.66	
391.12	OFFICE EQUIP INFO SYST			299.94	0.00	0.00	0.00	299.94	
394.30	TOOLS & OTHER EQUIPMENT			20,509.62	23,121.16	0.00	0.00	43,630.78	
396.00	POWER OPERATED EQUIP			140,021.00	(140,021.00)	0.00	0.00	0.00	
398.00	MISC EQUIPMENT			0.00	0.00	0.00	0.00	0.00	
	FUNCTION TOTAL			167,357.22	(116,899.84)	0.00	0.00	50,457.38	
	ACTIVITY TOTAL			2,177,485.06	929,753.43	0.00	0.00	3,107,238.49	
	GENERAL LEDGER TOTAL			2,177,485.06	929,753.43	0.00	0.00	3,107,238.49	
	COMPANY TOTAL			238,571,743.48	6,482,628.93	4,131,846.22	(6,188.52)	240,916,242.67	

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THIS REPORT IS A SUPPLEMENT
TO THE FINANCIAL STATEMENT

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 12/31/2004
KENTUCKY GEN LDGR - 107 ACTIVITY -

ZONE - ALL ZONES

GPA NO	GAS PLANT ACCOUNT TITLE	STATE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT						
303.00	MISC INTANGIBLE PLANT		15,408.51	315.55	0.00	0.00	15,724.06
303.30	MISC INTANGIBLE PLANT		156,486.82	(12,112.37)	0.00	0.00	144,374.45
	FUNCTION TOTAL		171,895.33	(11,796.82)	0.00	0.00	160,098.51
	DISTRIBUTION PLANT						
374.40	LAND RTS-OTHER DIST		17,946.23	57,174.37	0.00	0.00	75,120.60
374.50	RIGHTS-OF-WAY		0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES		1,432.76	2,291.81	0.00	0.00	3,724.57
375.70	OTHER STRUCTURES		35,969.17	1,132.36	0.00	0.00	37,101.53
376.00	MAINS		623,315.09	(490,425.97)	0.00	0.00	132,889.12
378.20	M&R EQUIP-GENERAL-REG		47,723.14	(1,116.60)	0.00	0.00	46,606.54
380.00	SERVICES		320,940.99	(268,990.76)	0.00	0.00	51,950.20
381.00	METERS		211,427.99	(210,925.68)	0.00	0.00	501.31
381.10	METERS		0.00	97,201.55	0.00	0.00	97,201.55
382.00	METER INSTALLATIONS		145,030.32	40,717.82	0.00	0.00	185,748.14
383.00	HOUSE REGULATORS		138,787.64	(132,239.49)	0.00	0.00	6,548.15
385.00	IND M&R EQUIPMENT		38,381.37	145,237.28	0.00	0.00	183,618.65
387.42	OTHER EQ-RADIO		35,266.16	(35,266.16)	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING		222,011.68	(154,415.66)	0.00	0.00	67,596.02
	FUNCTION TOTAL		1,838,232.51	(949,626.13)	0.00	0.00	888,606.38
	GENERAL PLANT						
391.10	OFF FUR & EQ UNSPECIF		6,526.66	(6,526.66)	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST		299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT		20,509.62	(20,509.62)	0.00	0.00	0.00
396.00	POWER OPERATED EQUIP		140,021.00	(140,021.00)	0.00	0.00	0.00
398.00	MISC EQUIPMENT		0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL		167,357.22	(167,057.28)	0.00	0.00	299.94
	ACTIVITY TOTAL		2,177,485.06	(1,128,480.23)	0.00	0.00	1,049,004.83
	GENERAL LEDGER TOTAL		2,177,485.06	(1,128,480.23)	0.00	0.00	1,049,004.83
	COMPANY TOTAL		238,571,748.48	7,374,701.18	5,163,260.26	(6,937.46)	240,774,251.95

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DETAIL OF PROPERTY, PLANT AND EQUIPMENT COLUMBIA GAS OF KENTUCKY, INC. FOR PERIOD ENDED 1/31/2005 KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	STATE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT						
303.00	MISC INTANGIBLE PLANT		15,724.06	26.30	0.00	0.00	15,750.36
303.30	MISC INTANGIBLE PLANT		144,374.45	(6,058.63)	0.00	0.00	138,314.82
	FUNCTION TOTAL		160,098.51	(6,033.33)	0.00	0.00	154,065.18
	DISTRIBUTION PLANT						
374.40	LAND RTS-OTHER DIST		75,120.60	107.83	0.00	0.00	75,228.43
374.50	RIGHTS-OF-WAY		0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES		3,724.57	6.34	0.00	0.00	3,730.91
375.70	OTHER STRUCTURES		37,101.53	61.91	0.00	0.00	37,163.44
376.00	MAINS		132,889.12	(407,291.32)	0.00	0.00	(274,402.20)
378.20	M&R EQUIP-GENERAL-REG		46,606.54	3,531.20	0.00	0.00	50,137.74
380.00	SERVICES		51,950.20	(13,058.21)	0.00	0.00	38,891.99
381.00	METERS		501.31	22,167.74	0.00	0.00	22,669.05
381.10	METERS		97,201.55	(770.62)	0.00	0.00	96,430.93
382.00	METER INSTALLATIONS		185,748.14	462.16	0.00	0.00	186,210.30
383.00	HOUSE REGULATORS		6,548.15	(1,491.87)	0.00	0.00	5,056.28
385.00	IND M&R EQUIPMENT		183,618.65	59,574.16	0.00	0.00	243,192.81
387.42	OTHER EQ-RADIO		0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING		67,596.02	166.13	0.00	0.00	67,762.15
	FUNCTION TOTAL		888,606.38	(336,534.55)	0.00	0.00	552,071.83
	GENERAL PLANT						
391.10	OFF FUR & EQ UNSPECIF		0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST		299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT		0.00	0.00	0.00	0.00	0.00
396.00	POWER OPERATED EQUIP		0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT		0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL		299.94	0.00	0.00	0.00	299.94
	ACTIVITY TOTAL		1,049,004.83	(342,567.88)	0.00	0.00	706,436.95
	GENERAL LEDGER TOTAL		1,049,004.83	(342,567.88)	0.00	0.00	706,436.95
	COMPANY TOTAL		240,774,251.95	68,795.74	45,813.00	(2,771.84)	240,794,462.85

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DETAIL OF PROPERTY, PLANT AND EQUIPMENT COLUMBIA GAS OF KENTUCKY, INC. FOR PERIOD ENDED 2/28/2005 KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	ZONE - ALL ZONES	STATE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
303.00	MISC INTANGIBLE PLANT			15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT			144,374.45	509,756.82	0.00	0.00	654,131.27
	FUNCTION TOTAL			160,098.51	509,429.78	0.00	0.00	669,528.29
	DISTRIBUTION PLANT							
374.40	LAND RTS-OTHER DIST			75,120.60	215.66	0.00	0.00	75,336.26
374.50	RIGHTS-OF-WAY			0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES			3,724.57	12.68	0.00	0.00	3,737.25
375.70	OTHER STRUCTURES			37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS			132,889.12	77,977.36	0.00	0.00	210,866.48
378.20	M&R EQUIP-GENERAL-REG			46,606.54	21,767.34	0.00	0.00	68,373.88
380.00	SERVICES			51,950.20	(26,223.04)	0.00	0.00	25,727.16
381.00	METERS			501.31	63,071.29	0.00	0.00	63,572.60
381.10	METERS			97,201.55	6,033.11	0.00	0.00	103,234.66
382.00	METER INSTALLATIONS			185,748.14	(3,448.97)	0.00	0.00	182,299.17
383.00	HOUSE REGULATORS			6,548.15	1,236.44	0.00	0.00	7,784.59
385.00	IND M&R EQUIPMENT			183,618.66	66,622.36	0.00	0.00	250,241.01
387.42	OTHER EQ-RADIO			0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING			67,596.02	5,455.35	0.00	0.00	73,051.37
	FUNCTION TOTAL			885,606.38	175,618.05	0.00	0.00	1,064,224.43
	GENERAL PLANT							
391.10	OFF FUR & EQ UNSPECIF			0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST			299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT			0.00	0.00	0.00	0.00	0.00
396.00	POWER OPERATED EQUIP			0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT			0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL			299.94	0.00	0.00	0.00	299.94
	ACTIVITY TOTAL			1,049,004.83	685,047.83	0.00	0.00	1,734,052.66
	GENERAL LEDGER TOTAL			1,049,004.83	685,047.83	0.00	0.00	1,734,052.66
	COMPANY TOTAL			240,774,251.95	943,627.23	318,035.96	(5,566.78)	241,394,278.46

c/L 107

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 3/31/2005

GPA NO	GAS PLANT ACCOUNT TITLE	STATE	BALANCE FIRST OF YEAR	YEAR			BALANCE END OF PERIOD
				ADDITIONS	CURRENT RETIREMENTS	OTHER CHANGES	
	ZONE - ALL ZONES	KENTUCKY		GEN LDGR - 107	ACTIVITY -		
	INTANGIBLE PLANT						
303.00	MISC INTANGIBLE PLANT		15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT		144,374.45	(55,892.08)	0.00	0.00	88,482.37
	FUNCTION TOTAL		160,098.51	(56,219.12)	0.00	0.00	103,879.39
	DISTRIBUTION PLANT						
374.40	LAND RTS-OTHER DIST		75,120.60	323.49	0.00	0.00	75,444.09
374.50	RIGHTS-OF-WAY		0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES		3,724.57	19.02	0.00	0.00	3,743.59
375.70	OTHER STRUCTURES		37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS		132,889.12	184,722.22	0.00	0.00	317,611.34
378.20	M&R EQUIP-GENERAL-REG		46,806.54	37,993.56	0.00	0.00	84,800.10
380.00	SERVICES		51,950.20	(31,383.35)	0.00	0.00	20,566.85
381.00	METERS		501.31	616.00	0.00	0.00	1,117.31
381.40	METERS		97,201.55	7,795.53	0.00	0.00	104,997.08
382.00	METER INSTALLATIONS		185,748.14	5,890.14	0.00	0.00	191,638.28
383.00	HOUSE REGULATORS		6,548.15	(680.50)	0.00	0.00	5,867.65
385.00	IND M&R EQUIPMENT		183,518.55	120,511.73	0.00	0.00	304,230.38
387.42	OTHER EQ-RADIO		0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING		67,596.02	1,707.16	0.00	0.00	69,303.18
	FUNCTION TOTAL		888,506.38	290,513.47	0.00	0.00	1,179,119.85
	GENERAL PLANT						
391.10	OFF FUR & EQ UNSPECIF		0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST		298.94	0.00	0.00	0.00	298.94
394.30	TOOLS & OTHER EQUIPMENT		0.00	0.00	0.00	0.00	0.00
395.00	POWER OPERATED EQUIP		0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT		0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL		298.94	0.00	0.00	0.00	298.94
	ACTIVITY TOTAL		1,049,004.83	234,294.35	0.00	0.00	1,283,299.18
	GENERAL LEDGER TOTAL		1,049,004.83	234,294.35	0.00	0.00	1,283,299.18
	COMPANY TOTAL		240,774,251.95	1,627,879.94	372,901.51	(8,385.02)	242,020,845.36

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 4/30/2005

STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	ZONE - ALL ZONES					
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	144,374.45	(55,070.02)	0.00	0.00	89,304.43
	FUNCTION TOTAL	160,098.51	(55,397.06)	0.00	0.00	104,701.45
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	75,120.60	(8,907.34)	0.00	0.00	66,213.26
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	3,724.57	25.36	0.00	0.00	3,749.93
375.70	OTHER STRUCTURES	37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS	132,889.12	400,917.91	0.00	0.00	533,807.03
378.20	M&R EQUIP-GENERAL-REG	46,606.54	(2,289.39)	0.00	0.00	44,317.15
380.00	SERVICES	51,950.20	(27,624.30)	0.00	0.00	24,325.90
381.00	METERS	501.31	0.00	0.00	0.00	501.31
381.10	METERS	97,201.55	14,599.26	0.00	0.00	111,800.81
382.00	METER INSTALLATIONS	185,748.14	14,157.83	0.00	0.00	199,905.97
383.00	HOUSE REGULATORS	6,548.15	1,583.64	0.00	0.00	8,131.79
385.00	IND M&R EQUIPMENT	183,618.85	162,570.77	0.00	0.00	346,189.62
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	67,596.02	(10,871.78)	0.00	0.00	56,724.24
	FUNCTION TOTAL	888,606.38	507,060.43	0.00	0.00	1,395,666.81
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	0.00	0.00	0.00	0.00	0.00
396.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	299.94	0.00	0.00	0.00	299.94
	ACTIVITY TOTAL	1,049,004.83	451,663.37	0.00	0.00	1,500,668.20
	GENERAL LEDGER TOTAL	1,049,004.83	451,663.37	0.00	0.00	1,500,668.20
	COMPANY TOTAL	240,774,251.95	2,315,337.36	570,760.48	(11,226.73)	242,507,602.10

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 5/31/2005

STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	144,374.45	(27,388.55)	0.00	0.00	116,985.90
	FUNCTION TOTAL	160,098.51	(27,715.59)	0.00	0.00	132,382.92
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	75,120.60	(8,799.51)	0.00	0.00	66,321.09
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	3,724.57	31.70	0.00	0.00	3,756.27
375.70	OTHER STRUCTURES	37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS	132,889.12	462,258.41	0.00	0.00	595,147.53
376.20	M&R EQUIP-GENERAL-REG	46,606.54	(2,205.77)	0.00	0.00	44,400.77
380.00	SERVICES	51,950.20	(25,556.80)	0.00	0.00	26,393.40
381.00	METERS	501.31	0.00	0.00	0.00	501.31
381.10	METERS	97,201.55	21,402.99	0.00	0.00	118,604.54
382.00	METER INSTALLATIONS	185,746.14	16,436.52	0.00	0.00	204,184.66
383.00	HOUSE REGULATORS	6,548.15	2,580.89	0.00	0.00	9,129.04
385.00	IND M&R EQUIPMENT	183,618.65	192,225.88	0.00	0.00	375,844.53
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	67,596.02	(10,782.43)	0.00	0.00	56,813.59
	FUNCTION TOTAL	888,606.38	612,490.35	0.00	0.00	1,501,096.73
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	299.94	(11,941.96)	0.00	0.00	(11,642.02)
394.30	TOOLS & OTHER EQUIPMENT	0.00	0.00	0.00	0.00	0.00
396.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	299.94	(11,941.96)	0.00	0.00	(11,642.02)
	ACTIVITY TOTAL	1,049,004.83	572,832.80	0.00	0.00	1,621,837.63
	GENERAL LEDGER TOTAL	1,049,004.83	572,832.80	0.00	0.00	1,621,837.63
	COMPANY TOTAL	240,774,251.95	3,025,904.04	897,113.31	(14,092.13)	242,888,950.55

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 6/30/2005
KENTUCKY GEN LDGR - 107 ACTIVITY -

ZONE - ALL ZONES

GPA NO	GAS PLANT ACCOUNT TITLE	STATE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT						
303.00	MISC INTANGIBLE PLANT		15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT		144,374.45	(39,212.46)	0.00	0.00	105,161.97
	FUNCTION TOTAL		160,098.51	(39,539.52)	0.00	0.00	120,558.99
	DISTRIBUTION PLANT						
374.40	LAND RTS-OTHER DIST		75,120.60	(8,691.68)	0.00	0.00	66,428.92
374.50	RIGHTS-OF-WAY		0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES		3,724.57	38.04	0.00	0.00	3,762.61
375.70	OTHER STRUCTURES		37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS		132,889.12	665,760.87	0.00	0.00	798,649.99
378.20	M&R EQUIP-GENERAL-REG		46,606.54	(4,184.70)	0.00	0.00	42,421.84
380.00	SERVICES		51,950.20	(26,708.76)	0.00	0.00	25,241.44
381.00	METERS		501.31	0.00	0.00	0.00	501.31
381.10	METERS		97,201.55	28,244.80	0.00	0.00	125,446.35
382.00	METER INSTALLATIONS		185,748.14	21,086.11	0.00	0.00	206,834.25
383.00	HOUSE REGULATORS		6,548.15	3,512.92	0.00	0.00	10,061.07
385.00	IND M&R EQUIPMENT		183,618.65	269,215.79	0.00	0.00	452,834.44
387.42	OTHER EQ-RADIO		0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING		67,596.02	(10,693.08)	0.00	0.00	56,902.94
	FUNCTION TOTAL		888,608.38	900,478.78	0.00	0.00	1,789,085.16
	GENERAL PLANT						
391.10	OFF FUR & EQ UNSPECIF		0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST		299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT		0.00	0.00	0.00	0.00	0.00
398.00	POWER OPERATED EQUIP		0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT		0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL		299.94	0.00	0.00	0.00	299.94
	ACTIVITY TOTAL		1,049,004.83	860,939.26	0.00	0.00	1,909,944.09
	GENERAL LEDGER TOTAL		1,049,004.83	860,939.26	0.00	0.00	1,909,944.09
	COMPANY TOTAL		240,774,251.95	3,767,802.38	1,096,024.80	(16,981.40)	243,429,048.13

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 7/31/2005

GPA NO	GAS PLANT ACCOUNT TITLE	ZONE - ALL ZONES	STATE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD	ACTIVITY -
303.00	MISC INTANGIBLE PLANT			15,724.06	(327.04)	0.00	0.00	15,397.02	
303.30	MISC INTANGIBLE PLANT			144,374.45	(29,259.92)	0.00	0.00	115,114.53	
	FUNCTION TOTAL			160,098.51	(29,586.96)	0.00	0.00	130,511.55	
	DISTRIBUTION PLANT								
374.40	LAND RTS-OTHER DIST			75,120.60	(8,583.86)	0.00	0.00	66,536.75	
374.50	RIGHTS-OF-WAY			0.00	0.00	0.00	0.00	0.00	
375.40	REGULATING STRUCTURES			3,724.57	44.38	0.00	0.00	3,768.95	
375.70	OTHER STRUCTURES			37,101.53	(37,101.53)	0.00	0.00	0.00	
376.00	MAINS			132,889.12	548,230.22	0.00	0.00	681,119.34	
378.20	M&R EQUIP-GENERAL-REG			46,606.54	9,252.52	0.00	0.00	55,859.06	
380.00	SERVICES			51,950.20	(12,942.42)	0.00	0.00	39,007.78	
381.00	METERS			501.31	(3,721.73)	0.00	0.00	(3,220.42)	
381.10	METERS			97,201.55	(69,593.99)	0.00	0.00	27,607.56	
382.00	METER INSTALLATIONS			185,748.14	27,805.99	0.00	0.00	213,554.13	
383.00	HOUSE REGULATORS			6,548.15	8,076.78	0.00	0.00	14,624.93	
385.00	IND M&R EQUIPMENT			183,618.65	214,806.15	0.00	0.00	398,424.80	
387.42	OTHER EQ-RADIO			0.00	0.00	0.00	0.00	0.00	
387.45	OTHER EQ-TELEMETERING			67,586.02	(10,893.73)	0.00	0.00	56,692.29	
	FUNCTION TOTAL			888,608.38	665,668.78	0.00	0.00	1,554,275.17	
	GENERAL PLANT								
391.10	OFF FLJR & EQ UNSPECIF			0.00	0.00	0.00	0.00	0.00	
391.12	OFFICE EQUIP INFO SYST			289.94	0.00	0.00	0.00	289.94	
394.30	TOOLS & OTHER EQUIPMENT			0.00	0.00	0.00	0.00	0.00	
396.00	POWER OPERATED EQUIP			0.00	0.00	0.00	0.00	0.00	
398.00	MISC EQUIPMENT			0.00	0.00	0.00	0.00	0.00	
	FUNCTION TOTAL			289.94	0.00	0.00	0.00	289.94	
	ACTIVITY TOTAL			1,049,004.83	636,061.83	0.00	0.00	1,685,066.66	
	GENERAL LEDGER TOTAL			1,049,004.83	636,061.83	0.00	0.00	1,685,066.66	
	COMPANY TOTAL			240,774,251.95	4,258,454.78	1,196,914.54	(19,894.75)	243,815,897.42	

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 8/31/2005
STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
303.00	MISC INTANGIBLE PLANT	15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	144,374.45	(11,236.91)	0.00	0.00	133,137.54
	FUNCTION TOTAL	160,098.51	(11,563.95)	0.00	0.00	148,534.56
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	75,120.60	(8,476.02)	0.00	0.00	66,644.58
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	3,724.57	50.72	0.00	0.00	3,775.29
375.70	OTHER STRUCTURES	37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS	132,889.12	415,730.54	0.00	0.00	548,619.66
378.20	M&R EQUIP-GENERAL-REG	46,606.54	25,232.03	0.00	0.00	71,838.57
380.00	SERVICES	51,950.20	232,174.88	0.00	0.00	284,125.08
381.00	METERS	501.31	0.00	0.00	0.00	501.31
381.10	METERS	97,201.55	(62,790.26)	0.00	0.00	34,411.29
382.00	METER INSTALLATIONS	165,748.14	54,452.34	0.00	0.00	240,200.48
383.00	HOUSE REGULATORS	6,548.15	35,089.62	0.00	0.00	41,637.77
385.00	IND M&R EQUIPMENT	183,618.65	227,475.21	0.00	0.00	411,093.86
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	87,596.02	(5,139.24)	0.00	0.00	62,456.78
	FUNCTION TOTAL	888,606.38	876,698.29	0.00	0.00	1,765,304.67
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	0.00	0.00	0.00	0.00	0.00
396.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	299.94	0.00	0.00	0.00	299.94
	ACTIVITY TOTAL	1,049,004.83	865,134.34	0.00	0.00	1,914,139.17
	GENERAL LEDGER TOTAL	1,049,004.83	865,134.34	0.00	0.00	1,914,139.17
	COMPANY TOTAL	240,774,251.95	4,886,047.19	1,289,571.93	(22,832.39)	244,347,894.82

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 9/30/2005

ZONE - ALL ZONES

STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	144,374.45	24,445.05	0.00	0.00	168,819.50
	FUNCTION TOTAL	160,098.51	24,118.01	0.00	0.00	184,216.52
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	75,120.60	(8,368.19)	0.00	0.00	66,752.41
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	3,724.57	57.06	0.00	0.00	3,781.63
375.70	OTHER STRUCTURES	37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS	132,889.12	454,614.96	0.00	0.00	587,504.08
378.20	M&R EQUIP-GENERAL-REG	46,606.54	28,998.23	0.00	0.00	73,605.77
380.00	SERVICES	51,950.20	478,966.07	0.00	0.00	530,916.27
381.00	METERS	501.31	0.00	0.00	0.00	501.31
381.10	METERS	97,201.55	(107,091.60)	0.00	0.00	(9,890.05)
382.00	METER INSTALLATIONS	185,748.14	87,779.62	0.00	0.00	253,527.76
383.00	HOUSE REGULATORS	6,548.15	88,653.31	0.00	0.00	76,201.46
385.00	IND M&R EQUIPMENT	183,618.65	388,477.38	0.00	0.00	552,096.03
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	67,596.02	(2,487.97)	0.00	0.00	65,108.05
	FUNCTION TOTAL	888,606.38	1,311,498.34	0.00	0.00	2,200,104.72
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	0.00	0.00	0.00	0.00	0.00
396.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	299.94	0.00	0.00	0.00	299.94
	ACTIVITY TOTAL	1,049,004.83	1,335,616.35	0.00	0.00	2,384,621.18
	GENERAL LEDGER TOTAL	1,049,004.83	1,335,616.35	0.00	0.00	2,384,621.18
	COMPANY TOTAL	240,774,251.95	4,965,536.91	1,332,331.92	(25,794.49)	244,371,692.45

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PAGE 7
THIS REPORT IS A SUPPLEMENT
TO THE FINANCIAL STATEMENT

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 10/31/2005
STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	ZONE - ALL ZONES	STATE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT							
303.00	MISC INTANGIBLE PLANT			15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT			144,374.45	24,585.19	0.00	0.00	168,959.64
	FUNCTION TOTAL			160,098.51	24,258.15	0.00	0.00	184,356.66
	DISTRIBUTION PLANT							
374.40	LAND RTS-OTHER DIST			75,120.60	(8,260.36)	0.00	0.00	66,860.24
374.50	RIGHTS-OF-WAY			0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES			3,724.57	63.40	0.00	0.00	3,787.97
375.70	OTHER STRUCTURES			37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS			132,889.12	1,160,683.19	0.00	0.00	1,293,572.31
378.20	M&R EQUIP-GENERAL-REG			48,808.54	40,460.33	0.00	0.00	89,268.87
380.00	SERVICES			51,950.20	(2,521.98)	0.00	0.00	49,428.22
381.00	METERS			501.31	0.00	0.00	0.00	501.31
381.10	METERS			97,201.55	(117,220.14)	0.00	0.00	(20,018.59)
382.00	METER INSTALLATIONS			185,748.14	48,031.75	0.00	0.00	233,779.89
383.00	HOUSE REGULATORS			6,548.15	5,486.83	0.00	0.00	12,034.98
386.00	IND M&R EQUIPMENT			183,618.66	400,704.45	0.00	0.00	584,323.10
387.42	OTHER EQ-RADIO			0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING			67,586.02	(41,118.95)	0.00	0.00	26,467.07
	FUNCTION TOTAL			888,606.38	1,438,208.99	0.00	0.00	2,327,815.37
	GENERAL PLANT							
391.10	OFF FUR & EQ UNSPECIF			0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST			299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT			0.00	0.00	0.00	0.00	0.00
396.00	POWER OPERATED EQUIP			0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT			0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL			299.94	0.00	0.00	0.00	299.94
	ACTIVITY TOTAL			1,049,004.83	1,463,475.14	0.00	0.00	2,512,479.97
	GENERAL LEDGER TOTAL			1,049,004.83	1,463,475.14	0.00	0.00	2,512,479.97
	COMPANY TOTAL			240,774,251.95	6,300,786.52	1,486,786.02	(25,794.46)	245,552,457.98

G/L 107

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 11/31/2005

GPA NO	GAS PLANT ACCOUNT TITLE	ZONE - ALL ZONES	STATE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
INTANGIBLE PLANT								
303.00	MISC INTANGIBLE PLANT			15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT			144,374.45	(53,896.09)	0.00	0.00	90,478.36
	FUNCTION TOTAL			160,098.51	(54,223.13)	0.00	0.00	105,875.38
DISTRIBUTION PLANT								
374.40	LAND RTS-OTHER DIST			75,120.60	(8,152.53)	0.00	0.00	66,968.07
374.50	RIGHTS-OF-WAY			0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES			3,724.57	3,280.89	0.00	0.00	7,005.46
375.70	OTHER STRUCTURES			37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS			132,889.12	1,640,281.43	0.00	0.00	1,773,170.55
378.20	M&R EQUIP-GENERAL-REG			46,606.54	45,410.16	0.00	0.00	92,016.70
380.00	SERVICES			51,950.20	(17,376.39)	0.00	0.00	34,573.81
381.00	METERS			501.31	0.00	0.00	0.00	501.31
381.10	METERS			97,201.55	(117,220.14)	0.00	0.00	(20,018.59)
382.00	METER INSTALLATIONS			185,748.14	51,116.98	0.00	0.00	236,865.12
383.00	HOUSE REGULATORS			6,548.15	4,427.28	0.00	0.00	10,975.43
385.00	IND M&R EQUIPMENT			183,618.65	416,292.56	0.00	0.00	599,911.21
387.42	OTHER EQ-RADIO			0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING			67,596.02	(40,746.92)	0.00	0.00	26,849.10
	FUNCTION TOTAL			888,606.38	1,940,211.79	0.00	0.00	2,828,818.17
GENERAL PLANT								
391.10	OFF FUR & EQ UNSPECIF			0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST			299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT			0.00	0.00	0.00	0.00	0.00
398.00	POWER OPERATED EQUIP			0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT			0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL			299.94	0.00	0.00	0.00	299.94
ACTIVITY TOTAL								
				1,049,004.83	1,885,988.66	0.00	0.00	2,934,993.49
GENERAL LEDGER TOTAL				1,049,004.83	1,885,988.66	0.00	0.00	2,934,993.49
COMPANY TOTAL				240,774,251.95	1,885,988.66	1,685,509.83	(31,792.98)	246,636,289.35

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PAGE 7
THIS REPORT IS A SUPPLEMENT
TO THE FINANCIAL STATEMENT

(318,418.76)
193,859.81
(124,558.95)

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 12/31/2005

ZONE - ALL ZONES

STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,724.06	(327.04)	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	144,374.45	(120,542.02)	0.00	0.00	23,832.43
	FUNCTION TOTAL	160,098.51	(120,869.06)	0.00	0.00	39,229.45
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	75,120.60	(7,899.57)	0.00	0.00	67,221.03
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	3,724.57	1,216.95	0.00	0.00	4,941.52
375.70	OTHER STRUCTURES	37,101.53	(37,101.53)	0.00	0.00	0.00
376.00	MAINS	132,889.12	3,988,995.65	0.00	0.00	4,101,884.77
378.20	M&R EQUIP-GENERAL-REG	48,606.54	87,014.28	0.00	0.00	135,620.82
380.00	SERVICES	51,950.20	(25,798.21)	0.00	0.00	25,151.99
381.00	METERS	501.31	0.00	0.00	0.00	501.31
381.10	METERS	97,201.55	(104,642.52)	0.00	0.00	(7,440.97)
382.00	METER INSTALLATIONS	185,748.14	50,255.74	0.00	0.00	236,003.88
383.00	HOUSE REGULATORS	6,548.15	5,233.60	0.00	0.00	11,781.75
385.00	IND M&R EQUIPMENT	183,618.85	(116,950.99)	0.00	0.00	66,667.86
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	67,596.02	(28,564.13)	0.00	0.00	38,931.89
	FUNCTION TOTAL	888,606.38	3,790,759.30	0.00	0.00	4,679,365.68
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	289.94	0.00	0.00	0.00	289.94
394.30	TOOLS & OTHER EQUIPMENT	0.00	13,223.20	0.00	0.00	13,223.20
396.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	289.94	13,223.20	0.00	0.00	13,523.14
	ACTIVITY TOTAL	1,049,004.83	3,663,113.44	0.00	0.00	4,732,118.27
	GENERAL LEDGER TOTAL	1,049,004.83	3,663,113.44	0.00	0.00	4,732,118.27
	COMPANY TOTAL	240,774,251.95	10,562,353.65	(1,802,180.63)	(34,829.76)	248,499,595.21

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PAGE 7
THIS REPORT IS A SUPPLEMENT
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(318,418.76)
193,659.81
(124,558.95)

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 01/31/2008

ZONE - ALL ZONES

STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,397.02	0.00	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	23,832.43	1,537.41	0.00	0.00	25,369.84
	FUNCTION TOTAL	39,229.45	1,537.41	0.00	0.00	40,766.86
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	67,221.03	121.02	0.00	0.00	67,342.05
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	4,941.52	663.05	0.00	0.00	5,604.57
375.70	OTHER STRUCTURES	0.00	0.00	0.00	0.00	0.00
376.00	MAINS	4,101,884.77	413,381.11	0.00	0.00	4,515,245.88
378.20	M&R EQUIP-GENERAL-REG	133,620.82	(17,739.44)	0.00	0.00	115,881.38
380.00	SERVICES	25,151.99	(14,283.77)	0.00	0.00	10,868.22
381.00	METERS	501.31	8,735.81	0.00	0.00	9,237.12
381.10	METERS	(7,440.97)	0.00	0.00	0.00	(7,440.97)
382.00	METER INSTALLATIONS	236,003.88	5,753.05	0.00	0.00	241,756.93
383.00	HOUSE REGULATORS	11,781.75	4,540.65	0.00	0.00	16,322.40
385.00	IND M&R EQUIPMENT	66,767.68	176.77	0.00	0.00	66,944.46
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	38,931.89	(4,621.78)	0.00	0.00	34,310.13
	FUNCTION TOTAL	4,679,366.66	396,726.49	0.00	0.00	5,076,092.17
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	288.84	0.00	0.00	0.00	288.84
394.30	TOOLS & OTHER EQUIPMENT	13,223.20	4,015.32	0.00	0.00	17,238.52
398.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	13,523.14	4,015.32	0.00	0.00	17,538.46
	ACTIVITY TOTAL	4,732,118.27	402,279.22	0.00	0.00	5,134,397.49
	GENERAL LEDGER TOTAL	4,732,118.27	402,279.22	0.00	0.00	5,134,397.49
	COMPANY TOTAL	249,499,595.21	402,279.22	(64,296.37)	(3,062.09)	250,316,437.09

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DATE CREATED: 8/9/05 12:00 AM

PAGE 7
THIS REPORT IS A SUPPLEMENT
TO THE FINANCIAL STATEMENT

(319,418.76)
193,859.81
(124,558.95)

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 02/28/2006

ZONE - ALL ZONES

STATE KENTUCKY GEN LDGR -107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,397.02	0.00	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	23,832.43	212.74	0.00	0.00	24,045.17
	FUNCTION TOTAL	39,229.45	212.74	0.00	0.00	39,442.19
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	67,221.03	242.04	0.00	0.00	67,463.07
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	4,941.52	13,294.70	0.00	0.00	18,236.22
375.70	OTHER STRUCTURES	0.00	0.00	0.00	0.00	0.00
376.00	MAINS	4,101,884.77	1,040,903.13	0.00	0.00	5,142,787.90
378.20	M&R EQUIP-GENERAL-REG	133,620.82	(15,546.42)	0.00	0.00	118,074.40
380.00	SERVICES	25,151.99	(6,215.00)	0.00	0.00	18,936.99
381.00	METERS	501.31	72,378.84	0.00	0.00	72,879.95
381.10	METERS	(7,440.97)	0.00	0.00	0.00	(7,440.97)
382.00	METER INSTALLATIONS	236,003.88	9,682.10	0.00	0.00	245,685.98
383.00	HOUSE REGULATORS	11,781.75	7,113.98	0.00	0.00	18,895.73
385.00	IND M&R EQUIPMENT	66,787.69	(688.01)	0.00	0.00	66,161.68
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	38,931.89	(6,217.91)	0.00	0.00	32,713.98
	FUNCTION TOTAL	4,879,365.68	1,115,029.25	0.00	0.00	5,794,394.93
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	13,223.20	4,251.70	0.00	0.00	17,474.90
398.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	13,523.14	4,251.70	0.00	0.00	17,774.84
	ACTIVITY TOTAL	4,732,118.27	1,119,493.69	0.00	0.00	5,851,611.96
	GENERAL LEDGER TOTAL	4,732,118.27	1,119,493.69	0.00	0.00	5,851,611.96
	COMPANY TOTAL	249,499,595.21	1,119,493.69	(133,838.71)	(6,149.70)	251,332,698.57

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251,332,698.57

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251,332,636.00

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 03/31/2006
STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
INTANGIBLE PLANT						
303.00	MISC INTANGIBLE PLANT	15,397.02	0.00	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	23,832.43	132.81	0.00	0.00	23,965.24
	FUNCTION TOTAL	39,229.45	132.81	0.00	0.00	39,362.26
DISTRIBUTION PLANT						
374.40	LAND RTS-OTHER DIST	67,221.03	363.06	0.00	0.00	67,584.09
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	4,941.52	18,917.64	0.00	0.00	23,859.16
375.70	OTHER STRUCTURES	0.00	0.00	0.00	0.00	0.00
376.00	MAINS	4,101,384.77	1,670,573.14	0.00	0.00	5,772,457.91
378.20	M&R EQUIP-GENERAL-REG	133,620.82	(14,022.79)	0.00	0.00	119,598.03
380.00	SERVICES	25,151.99	(14,882.68)	0.00	0.00	10,269.31
381.00	METERS	501.31	79,986.12	0.00	0.00	80,487.43
381.10	METERS	(7,440.97)	0.00	0.00	0.00	(7,440.97)
382.00	METER INSTALLATIONS	238,003.88	12,310.80	0.00	0.00	248,314.68
383.00	HOUSE REGULATORS	11,781.75	8,389.71	0.00	0.00	20,171.46
385.00	IND M&R EQUIPMENT	66,767.69	(5,911.63)	0.00	0.00	60,856.06
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	38,931.89	(6,161.07)	0.00	0.00	32,770.82
	FUNCTION TOTAL	4,679,365.68	1,749,582.30	0.00	0.00	6,428,927.98
GENERAL PLANT						
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	13,223.20	4,015.32	0.00	0.00	17,238.52
396.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
396.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	13,523.14	4,015.32	0.00	0.00	17,538.46
	ACTIVITY TOTAL	4,732,118.27	1,753,710.43	0.00	0.00	6,485,828.70
	GENERAL LEDGER TOTAL	4,732,118.27	1,753,710.43	0.00	0.00	6,485,828.70
	COMPANY TOTAL	249,499,695.21	1,753,710.43	(221,992.25)	(9,263.03)	252,330,055.09

G/L 107

DATE CREATED: 8/9/05 12:00 AM

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 04/30/2006
STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

ZONE - ALL ZONES

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,397.02	0.00	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	23,632.43	177.08	0.00	0.00	24,009.51
	FUNCTION TOTAL	39,229.45	177.08	0.00	0.00	39,406.53
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	67,221.03	484.08	0.00	0.00	67,705.11
374.60	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	4,941.52	17,567.89	0.00	0.00	22,528.41
376.70	OTHER STRUCTURES	0.00	0.00	0.00	0.00	0.00
376.00	MAINS	4,101,884.77	1,923,454.30	0.00	0.00	6,025,339.07
378.20	M&R EQUIP-GENERAL-REG	133,620.82	(13,247.86)	0.00	0.00	120,372.86
380.00	SERVICES	25,161.99	(5,505.30)	0.00	0.00	19,646.69
381.10	METERS	501.31	91,767.13	0.00	0.00	92,268.44
381.10	METERS	(7,440.97)	0.00	0.00	0.00	(7,440.97)
382.00	METER INSTALLATIONS	236,003.88	17,589.34	0.00	0.00	253,603.22
383.00	HOUSE REGULATORS	11,781.76	8,987.87	0.00	0.00	20,769.62
385.00	IND M&R EQUIPMENT	66,767.69	(5,810.29)	0.00	0.00	60,957.40
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	35,931.89	(6,108.22)	0.00	0.00	32,823.67
	FUNCTION TOTAL	4,679,385.68	2,029,210.84	0.00	0.00	6,708,576.52
	GENERAL PLANT					
381.10	OFF R/R & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
381.12	OFFICE EQUIP INFO SYST	299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	13,223.20	4,015.32	0.00	0.00	17,238.52
398.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	13,523.14	4,015.32	0.00	0.00	17,538.46
	ACTIVITY TOTAL	4,732,118.27	2,033,403.24	0.00	0.00	6,765,521.51
	GENERAL LEDGER TOTAL	4,732,118.27	2,033,403.24	0.00	0.00	6,765,521.51
	COMPANY TOTAL	249,499,595.21	2,033,403.24	(315,200.10)	(12,402.32)	252,942,186.02

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(318,418.76)
 193,859.81
 (124,558.95)

DETAIL OF
 PROPERTY, PLANT AND EQUIPMENT
 COLUMBIA GAS OF KENTUCKY, INC.
 FOR PERIOD ENDED 05/31/2008
 KENTUCKY GEN LDGR - 107 ACTIVITY -

GFA NO	GAS PLANT ACCOUNT TITLE	ZONE - ALL ZONES	STATE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
363.00	MISC INTANGIBLE PLANT			15,387.02	0.00	0.00	0.00	15,387.02
363.30	MISC INTANGIBLE PLANT			23,832.43	221.35	0.00	0.00	24,053.78
	FUNCTION TOTAL			39,219.45	221.35	0.00	0.00	39,440.80
	DISTRIBUTION PLANT							
374.40	LAND RTS-OTHER DIST			67,221.03	605.10	0.00	0.00	67,826.13
374.50	RIGHTS-OF-WAY			0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES			4,941.52	17,530.90	0.00	0.00	22,572.42
375.70	OTHER STRUCTURES			0.00	3,253.12	0.00	0.00	3,253.12
376.00	MAINS			4,101,884.77	2,280,229.04	0.00	0.00	6,382,113.81
376.20	M&R EQUIP-GENERAL-REG			133,820.82	(5,820.03)	0.00	0.00	127,999.79
380.00	SERVICES			25,151.99	(8,230.87)	0.00	0.00	16,921.12
381.00	METERS			501.31	92,480.40	0.00	0.00	92,981.71
381.10	METERS			(7,440.97)	0.00	0.00	0.00	(7,440.97)
382.00	METER INSTALLATIONS			236,003.88	23,867.93	0.00	0.00	259,871.81
383.00	HOUSE REGULATORS			11,781.75	8,275.40	0.00	0.00	20,057.15
385.00	IND M&R EQUIPMENT			66,767.69	25,210.14	0.00	0.00	91,977.83
387.42	OTHER EQ-RADIO			0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING			38,931.89	(5,653.85)	0.00	0.00	33,278.04
	FUNCTION TOTAL			4,879,365.68	2,431,847.28	0.00	0.00	7,111,212.86
	GENERAL PLANT							
391.10	OFF FUR & EQ UNSPECIF			0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST			289.94	0.00	0.00	0.00	289.94
394.30	TOOLS & OTHER EQUIPMENT			13,223.20	4,016.32	0.00	0.00	17,239.52
398.00	POWER OPERATED EQUIP			0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT			0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL			13,523.14	4,016.32	0.00	0.00	17,539.46
	ACTIVITY TOTAL			4,732,118.27	2,436,083.95	0.00	0.00	7,168,202.22
	GENERAL LEDGER TOTAL			4,732,118.27	2,436,083.95	0.00	0.00	7,168,202.22
	COMPANY TOTAL			249,489,595.21	2,436,083.95	(388,103.84)	(15,957.76)	253,782,204.41

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DATE CREATED: 09/05 12:00 AM

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THIS REPORT IS A SUPPLEMENT
TO THE FINANCIAL STATEMENT

DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 06/30/2006

STATE KENTUCKY GEN LDGR -107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	ZONE - ALL ZONES	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
303.00	MISC INTANGIBLE PLANT		15,397.02	0.00	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT		23,832.43	1,168.23	0.00	0.00	25,000.66
	FUNCTION TOTAL		39,229.45	1,168.23	0.00	0.00	40,397.68
	DISTRIBUTION PLANT						
374.40	LAND RTS-OTHER DIST		67,221.03	1,332.17	0.00	0.00	68,553.20
374.50	RIGHTS-OF-WAY		0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES		4,941.52	17,825.67	0.00	0.00	22,767.19
375.70	OTHER STRUCTURES		0.00	3,278.56	0.00	0.00	3,278.56
378.00	MAINS		4,101,884.77	1,217,049.93	0.00	0.00	5,318,934.70
378.20	M&R EQUIP-GENERAL-REG		133,620.82	10,854.23	0.00	0.00	144,475.05
380.00	SERVICES		25,151.98	30,118.94	0.00	0.00	55,270.92
381.00	METERS		501.31	138,912.25	0.00	0.00	139,413.56
381.10	METERS		(7,440.97)	0.00	-0.00	0.00	(7,440.97)
382.00	METER INSTALLATIONS		236,003.88	29,463.74	0.00	0.00	265,467.62
383.00	HOUSE REGULATORS		11,781.75	13,868.42	0.00	0.00	25,650.17
385.00	IND M&R EQUIPMENT		66,767.69	29,060.34	0.00	0.00	95,828.03
387.42	OTHER EQ-RADIO		0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING		38,931.89	(2,100.33)	0.00	0.00	36,831.56
	FUNCTION TOTAL		4,679,365.68	1,489,884.14	0.00	0.00	6,169,249.82
	GENERAL PLANT						
391.10	OFF FUR & EQ UNSPECIF		0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST		289.94	0.00	0.00	0.00	289.94
394.30	TOOLS & OTHER EQUIPMENT		13,223.20	4,015.32	0.00	0.00	17,238.52
398.00	POWER OPERATED EQUIP		0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT		0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL		13,523.14	4,015.32	0.00	0.00	17,538.46
	ACTIVITY TOTAL		4,732,118.27	1,495,067.69	0.00	0.00	6,227,185.96
	GENERAL LEDGER TOTAL		4,732,118.27	1,495,067.69	0.00	0.00	6,227,185.96
	COMPANY TOTAL		249,499,595.21	1,495,067.69	(488,912.56)	(18,759.66)	254,599,795.72

G/L 107

254,599,795.72
254,599,731.00
(64.72)

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THIS REPORT IS A SUPPLEMENT TO THE FINANCIAL STATEMENT

DATE CREATED: 08/16/2008 05:00:00 PM

DETAIL OF PROPERTY, PLANT AND EQUIPMENT COLUMBIA GAS OF KENTUCKY, INC. FOR PERIOD ENDED 07/31/2008 KENTUCKY GEN LDGR - 107 ACTIVITY -

ZONE - ALL ZONES STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,397.02	0.00	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	23,832.43	1,251.85	0.00	0.00	25,084.28
	FUNCTION TOTAL	39,229.45	1,251.85	0.00	0.00	40,481.30
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	67,221.03	1,594.21	0.00	0.00	68,775.24
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	4,941.52	17,904.77	0.00	0.00	22,846.29
375.70	OTHER STRUCTURES	0.00	3,301.44	0.00	0.00	3,301.44
376.00	MAINS	4,101,864.77	1,763,405.24	0.00	0.00	5,865,290.01
378.20	M&R EQUIP-GENERAL-REG	133,620.82	11,793.69	0.00	0.00	145,354.51
380.00	SERVICES	25,151.99	58,743.78	0.00	0.00	83,895.77
381.00	METERS	501.31	188,233.93	0.00	0.00	188,735.24
381.10	METERS	(7,440.97)	0.00	0.00	0.00	(7,440.97)
382.00	METER INSTALLATIONS	236,003.88	(142,932.80)	0.00	0.00	93,071.08
383.00	HOUSE REGULATORS	11,781.75	18,749.89	0.00	0.00	30,531.64
385.00	IND M&R EQUIPMENT	66,767.69	(4,922.24)	0.00	0.00	61,845.45
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.49	OTHER EQ-TELEMETERING	38,931.89	160.14	0.00	0.00	39,082.03
	FUNCTION TOTAL	4,679,365.68	1,915,922.05	0.00	0.00	6,595,287.73
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	13,223.20	4,015.32	0.00	0.00	17,238.52
398.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	13,523.14	4,015.32	0.00	0.00	17,538.46
	ACTIVITY TOTAL	4,732,118.27	1,921,189.22	0.00	0.00	6,653,307.49
	GENERAL LEDGER TOTAL	4,732,118.27	1,921,189.22	0.00	0.00	6,653,307.49
	COMPANY TOTAL	249,499,595.21	1,921,189.22	(538,461.32)	(21,978.00)	255,627,725.32

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 08/31/2006

ZONE - ALL ZONES

STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,397.02	0.00	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	23,832.43	1,335.47	0.00	0.00	25,167.90
	FUNCTION TOTAL	39,229.45	1,335.47	0.00	0.00	40,564.92
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	67,221.03	1,784.91	0.00	0.00	69,005.94
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	4,941.52	17,993.87	0.00	0.00	22,935.39
375.70	OTHER STRUCTURES	0.00	3,312.87	0.00	0.00	3,312.87
376.00	MAINS	4,101,884.77	1,963,682.45	0.00	0.00	6,065,567.22
378.20	M&R EQUIP-GENERAL-REG	133,620.82	18,485.65	0.00	0.00	152,106.47
388.00	SERVICES	25,151.99	22,730.21	0.00	0.00	47,882.20
381.00	METERS	601.31	0.00	0.00	0.00	601.31
381.10	METER INSTALLATIONS	(7,440.97)	0.00	0.00	0.00	(7,440.97)
382.00	METER REGULATORS	236,003.88	(143,189.08)	0.00	0.00	92,814.80
383.00	HOUSE REGULATORS	11,781.75	18,134.98	0.00	0.00	29,916.73
385.00	IND M&R EQUIPMENT	66,767.69	(3,893.64)	0.00	0.00	62,874.05
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	38,931.99	9,527.57	0.00	0.00	48,459.56
	FUNCTION TOTAL	4,679,365.68	1,908,869.87	0.00	0.00	6,588,235.55
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	13,223.20	4,016.32	0.00	0.00	17,239.52
398.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	13,523.14	4,016.32	0.00	0.00	17,539.46
	ACTIVITY TOTAL	4,732,118.27	1,914,220.46	0.00	0.00	6,646,338.73
	GENERAL LEDGER TOTAL	4,732,118.27	1,914,220.46	0.00	0.00	6,646,338.73
	COMPANY TOTAL	249,499,595.21	1,914,220.46	(1,105,439.44)	(25,223.24)	255,719,213.52

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DETAIL OF
PROPERTY, PLANT AND EQUIPMENT
COLUMBIA GAS OF KENTUCKY, INC.
FOR PERIOD ENDED 09/30/2006

ZONE - ALL ZONES

STATE KENTUCKY GEN LDGR - 107 ACTIVITY -

GPA NO	GAS PLANT ACCOUNT TITLE	BALANCE FIRST OF YEAR	ADDITIONS	CURRENT RETIREMENTS	YEAR OTHER CHANGES	BALANCE END OF PERIOD
	INTANGIBLE PLANT					
303.00	MISC INTANGIBLE PLANT	15,397.02	0.00	0.00	0.00	15,397.02
303.30	MISC INTANGIBLE PLANT	23,832.43	63,177.25	0.00	0.00	87,009.68
	FUNCTION TOTAL	39,229.45	63,177.25	0.00	0.00	102,406.70
	DISTRIBUTION PLANT					
374.40	LAND RTS-OTHER DIST	67,221.03	2,015.61	0.00	0.00	69,236.64
374.50	RIGHTS-OF-WAY	0.00	0.00	0.00	0.00	0.00
375.40	REGULATING STRUCTURES	4,941.52	18,062.57	0.00	0.00	23,004.09
375.70	OTHER STRUCTURES	0.00	3,324.30	0.00	0.00	3,324.30
376.00	MAINS	4,101,884.77	(1,792,999.24)	0.00	0.00	2,308,885.53
378.20	M&R EQUIP-GENERAL-REG	133,620.82	13,398.60	0.00	0.00	147,019.42
380.00	SERVICES	25,151.99	46,278.90	0.00	0.00	71,430.89
381.00	METERS	501.31	0.00	0.00	0.00	501.31
381.10	METERS	(7,440.97)	7,440.97	0.00	0.00	0.00
382.00	METER INSTALLATIONS	236,003.88	(141,745.97)	0.00	0.00	94,257.91
383.00	HOUSE REGULATORS	11,781.75	36,499.98	0.00	0.00	48,281.73
385.00	IND M&R EQUIPMENT	66,767.69	2,097.54	0.00	0.00	68,865.23
387.42	OTHER EQ-RADIO	0.00	0.00	0.00	0.00	0.00
387.45	OTHER EQ-TELEMETERING	38,931.89	28,245.84	0.00	0.00	67,177.73
	FUNCTION TOTAL	4,679,365.68	(1,777,380.90)	0.00	0.00	2,901,984.78
	GENERAL PLANT					
391.10	OFF FUR & EQ UNSPECIF	0.00	0.00	0.00	0.00	0.00
391.12	OFFICE EQUIP INFO SYST	299.94	0.00	0.00	0.00	299.94
394.30	TOOLS & OTHER EQUIPMENT	13,223.20	4,015.32	0.00	0.00	17,238.52
396.00	POWER OPERATED EQUIP	0.00	0.00	0.00	0.00	0.00
398.00	MISC EQUIPMENT	0.00	0.00	0.00	0.00	0.00
	FUNCTION TOTAL	13,523.14	4,015.32	0.00	0.00	17,538.46
	ACTIVITY TOTAL	4,732,118.27	(1,710,188.33)	0.00	0.00	3,021,929.94
	GENERAL LEDGER TOTAL	4,732,118.27	(1,710,188.33)	0.00	0.00	3,021,929.94
	COMPANY TOTAL	249,499,595.21	(1,710,188.33)	(1,346,407.26)	(28,495.52)	252,646,939.48

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Monthly Depreciation Reserve Activity

Starting Month: Oct/2004
Ending Month: Oct/2004

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$93,687.98	\$603.55	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,291.53
CKY 37450 Rights of Way	\$934,738.10	\$2,780.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$937,518.70
CKY 37520 CG M&R Structures	\$5,351.99	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,360.46
CKY 37530 General M&R Structures	\$10,593.77	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,611.49
CKY 37540 Regulating Structures	\$303,359.71	\$879.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$304,238.77
CKY 37560 Dist Ind M&R Structures	\$33,009.88	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,153.94
CKY 37570 Other Structures	\$1,547,109.45	\$11,829.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,558,938.75
CKY 37580 Communication Structures	\$18,265.47	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,412.93
CKY 37600 Mains	\$40,485,882.94	\$153,444.06	\$33,194.68	(\$179,975.20)	\$0.00	\$0.00	\$0.00	\$40,482,546.48
CKY 37810 M&R Equip-General	\$257,263.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$257,756.98
CKY 37820 M&R Equip-General-Reg	\$1,883,909.26	\$8,080.88	(\$611.94)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,891,378.20
CKY 37830 M&R Eq-Local Gas Purc	\$22,759.98	\$94.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,854.70
CKY 37910 M&R Equip-CG-Check St	\$236,930.94	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$237,418.82
CKY 38000 Services	\$47,584,447.16	\$149,296.13	(\$53,540.40)	(\$1,402.86)	\$0.00	\$0.00	\$0.00	\$47,678,800.03
CKY 38100 Meters	\$3,318,752.19	\$20,648.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,336,294.69
CKY 38200 Meter Installations	\$2,812,348.75	\$14,118.62	(\$4,037.75)	\$0.00	\$0.00	(\$3,105.98)	\$0.00	\$2,822,429.62
CKY 38300 House Regulators	\$884,393.60	\$2,123.72	(\$515.39)	\$0.00	\$0.00	\$0.00	\$0.00	\$886,001.93
CKY 38400 House Reg Installation	\$1,597,210.06	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,599,402.85
CKY 38500 Ind M&R Equipment	\$991,517.09	\$3,477.37	(\$10,144.19)	(\$755.03)	\$0.00	\$0.00	\$0.00	\$984,095.24
CKY 38720 Other Eq-Odorization	\$125,832.90	\$759.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$126,592.34
CKY 38741 Other Eq-Telephone	\$177,799.13	\$669.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$178,468.24
CKY 38742 Other Eq-Radio	\$425,175.44	\$1,696.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$426,871.72
CKY 38744 Other Eq-Other Comm	\$43,169.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,169.91
CKY 38745 Other Eq-Telemetering	\$366,161.24	\$2,117.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$368,278.58
CKY 38746 Other Eq-Cust Info Se	\$90,876.40	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,924.74
Total:	\$103,850,347.20	\$376,358.50	(\$35,654.99)	(\$182,133.09)	\$3,000.00	(\$3,105.98)	\$0.00	\$104,008,811.64
<u>General</u>								
CKY 39220 Trailers over 1,000	\$39,946.63	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,262.83
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$434,408.49	\$9,390.15	\$0.00	(\$31,786.67)	\$0.00	\$0.00	\$0.00	\$412,011.97

Monthly Depreciation Reserve Activity

Starting Month: Oct/2004
Ending Month: Oct/2004

NI/Source

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$524,775.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$524,775.45
Total:	\$1,002,529.32	\$9,706.35	\$0.00	(\$31,786.67)	\$0.00	\$0.00	\$0.00	\$980,449.00
Total:	\$104,852,876.52	\$386,064.85	(\$35,654.99)	(\$213,919.76)	\$3,000.00	(\$3,105.98)	\$0.00	\$104,989,260.64
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$90,330.11	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,820.40
Total:	\$90,330.11	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,820.40
<u>Software</u>								
CKY 30310 DIS Software	\$724,779.38	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$724,887.96
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$882,496.22	\$18,684.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$901,181.06
Total:	\$1,607,275.60	\$18,793.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,626,069.02
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$42,147.88	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,994.21
Total:	\$42,147.88	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,994.21
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$407,502.99	\$5,399.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$412,902.39
CKY 39111 Data Handling Equip	\$67,540.89	\$630.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$68,171.10
CKY 39112 Information Systems	\$123,267.12	\$5,314.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$128,581.42
CKY 39300 Stores Equipment	\$14,476.88	\$57.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,534.33
CKY 39410 Garage & Service Equip	\$16,208.36	\$100.70	\$0.00	(\$60,326.76)	\$46,527.48	\$0.00	\$0.00	\$2,509.78
CKY 39420 Shop Equipment	\$1,429.37	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,433.95
CKY 39430 Tools & Other Equipment	\$812,708.86	\$6,029.10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$818,737.96
CKY 39500 Laboratory Equipment	\$2,747.27	\$43.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,791.24
CKY 39800 Misc Equipment	\$69,163.71	\$738.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$69,901.78
Total:	\$1,515,045.45	\$18,317.78	\$0.00	(\$60,326.76)	\$46,527.48	\$0.00	\$0.00	\$1,519,563.95
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$3,436,031.24	\$38,447.82	\$0.00	(\$60,326.76)	\$46,527.48	\$0.00	\$0.00	\$3,460,679.78

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Nov/2004
Ending Month: Nov/2004

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$94,281.53	\$610.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,902.09
CKY 37450 Rights of Way	\$537,518.70	\$2,780.69	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$540,299.39
CKY 37520 CG M&R Structures	\$5,360.46	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,369.03
CKY 37530 General M&R Structures	\$10,811.49	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,829.21
CKY 37540 Regulating Structures	\$304,238.77	\$879.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$305,117.83
CKY 37560 Dist Ind M&R Structures	\$33,153.94	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,298.02
CKY 37570 Other Structures	\$1,558,938.75	\$11,829.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,570,768.05
CKY 37580 Communication Structures	\$18,412.93	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,560.39
CKY 37600 Mains	\$40,492,546.48	\$153,752.55	(\$52,248.75)	\$0.00	\$0.00	\$0.00	\$0.00	\$40,594,050.28
CKY 37810 M&R Equip-General	\$257,756.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$258,249.98
CKY 37820 M&R Equip-General-Reg	\$1,891,376.20	\$8,124.94	(\$935.17)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,898,567.97
CKY 37930 M&R Eq-Local Gas Purc	\$25,854.70	\$94.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,949.42
CKY 37910 M&R Equip-CG-Check St	\$237,418.82	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$237,906.70
CKY 38000 Services	\$47,678,800.03	\$149,697.17	(\$50,254.31)	(\$804.54)	\$0.00	(\$96.94)	\$0.00	\$47,777,341.41
CKY 38100 Meters	\$3,336,294.69	\$21,086.15	(\$94,250.54)	\$0.00	\$0.00	\$97.26	\$0.00	\$3,263,227.56
CKY 38200 Meter Installations	\$2,822,429.62	\$14,148.95	(\$3,613.27)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,832,963.30
CKY 38300 House Regulators	\$886,001.93	\$2,166.67	(\$427.58)	\$0.00	\$0.00	\$101.59	\$0.00	\$887,842.61
CKY 38400 House Reg Installation	\$1,599,402.85	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,601,595.64
CKY 38500 Ind M&R Equipment	\$984,095.24	\$3,466.80	(\$6,311.43)	(\$44.63)	\$0.00	\$0.00	\$0.00	\$981,205.98
CKY 38720 Other Eq-Odorization	\$126,592.34	\$708.48	(\$28,979.19)	\$0.00	\$0.00	\$0.00	\$0.00	\$98,321.63
CKY 38741 Other Eq-Telephone	\$178,468.24	\$669.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$179,137.35
CKY 38742 Other Eq-Radio	\$426,871.72	\$1,696.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$428,568.00
CKY 38744 Other Eq-Other Comm	\$43,169.91	\$107.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,277.78
CKY 38745 Other Eq-Telemetering	\$368,278.58	\$2,119.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$370,398.15
CKY 38746 Other Eq-Cust Info Se	\$90,924.74	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,173.08
Total:	\$104,008,811.64	\$377,676.71	(\$237,020.24)	(\$849.17)	\$0.00	\$101.91	\$0.00	\$104,148,720.85
<u>General</u>								
CKY 39220 Trailers over 1,000	\$40,262.83	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,579.03
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$412,011.97	\$9,390.15	\$0.00	(\$13.61)	\$0.00	\$0.00	\$0.00	\$421,388.51

Monthly Depreciation Reserve Activity

Starting Month: Nov/2004
Ending Month: Nov/2004

NI/Source

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$524,775.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$524,775.45
Total:	\$980,449.00	\$9,706.35	\$0.00	(\$13.61)	\$0.00	\$0.00	\$0.00	\$990,141.74
Total:	\$104,989,260.64	\$387,383.06	(\$237,020.24)	(\$862.78)	\$0.00	\$101.91	\$0.00	\$105,138,862.59
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$90,820.40	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,310.69
Total:	\$90,820.40	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,310.69
<u>Software</u>								
CKY 30310 DIS Software	\$724,887.96	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$724,996.54
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$901,181.06	\$23,318.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$924,499.79
Total:	\$1,626,069.02	\$23,427.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,649,496.33
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$42,994.21	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,840.54
Total:	\$42,994.21	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,840.54
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$412,902.39	\$5,399.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$418,301.79
CKY 39111 Data Handling Equip	\$68,171.10	\$630.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$68,801.31
CKY 39112 Information Systems	\$128,581.42	\$5,320.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$133,901.81
CKY 39300 Stores Equipment	\$14,534.33	\$57.45	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,591.78
CKY 39410 Garage & Service Equip	\$2,509.78	\$100.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,610.48
CKY 39420 Shop Equipment	\$1,433.95	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,438.53
CKY 39430 Tools & Other Equipment	\$818,737.96	\$6,052.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$824,800.62
CKY 39500 Laboratory Equipment	\$2,791.24	\$43.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,835.21
CKY 39800 Misc Equipment	\$69,901.78	\$738.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,639.85
Total:	\$1,519,563.95	\$18,357.43	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,537,921.38
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$3,460,879.78	\$43,121.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,503,801.14

G/L III

Monthly Depreciation Reserve Activity
NISource

Starting Month: Dec/2004
Ending Month: Dec/2004

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$94,902.09	\$617.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,519.66
CKY 37450 Rights of Way	\$540,299.39	\$2,781.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$543,080.76
CKY 37520 CG M&R Structures	\$5,369.03	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,377.60
CKY 37530 General M&R Structures	\$10,629.21	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,646.93
CKY 37540 Regulating Structures	\$305,117.83	\$886.14	\$0.00	(\$2,150.00)	\$0.00	\$0.00	\$0.00	\$303,853.97
CKY 37560 Dist Ind M&R Structures	\$33,298.02	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,442.10
CKY 37570 Other Structures	\$1,570,768.05	\$11,829.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,582,597.35
CKY 37580 Communication Structures	\$18,560.39	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,707.85
CKY 37600 Mains	\$40,594,050.28	\$154,617.55	(\$94,365.30)	(\$10,588.93)	\$0.00	\$0.00	\$0.00	\$40,643,713.60
CKY 37810 M&R Equip-General	\$258,249.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$258,742.98
CKY 37820 M&R Equip-General-Reg	\$1,898,567.97	\$8,173.86	(\$1,125.78)	(\$2,563.06)	\$0.00	\$0.00	\$0.00	\$1,903,052.99
CKY 37830 M&R Eq-Local Gas Purc	\$25,949.42	\$94.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,044.14
CKY 37910 M&R Equip-CG-Check St	\$237,906.70	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$238,394.58
CKY 38000 Services	\$47,777,341.41	\$150,712.14	(\$24,359.73)	(\$20,870.53)	\$0.00	(\$260.43)	\$0.00	\$47,882,562.86
CKY 38100 Meters	\$3,263,227.56	\$21,828.33	(\$10,843.34)	\$0.00	\$13,445.41	\$50.47	\$0.00	\$3,287,708.43
CKY 38200 Meter Installations	\$2,832,963.30	\$14,271.09	(\$1,751.22)	(\$181.27)	\$169.66	\$50.48	\$0.00	\$2,845,522.04
CKY 38300 House Regulators	\$887,842.61	\$2,332.70	(\$327.96)	\$81.15	\$26.06	\$25.24	\$0.00	\$889,979.80
CKY 38400 House Reg Installation	\$1,601,595.64	\$2,192.79	\$0.00	(\$69.50)	\$0.00	\$0.00	\$0.00	\$1,603,718.93
CKY 38500 Ind M&R Equipment	\$981,205.98	\$3,473.43	\$0.00	(\$1,483.08)	\$0.00	\$0.00	\$0.00	\$983,196.33
CKY 38720 Other Eq-Odorization	\$98,321.63	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,979.16
CKY 38741 Other Eq-Telephone	\$179,137.35	\$669.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$179,806.46
CKY 38742 Other Eq-Radio	\$428,568.00	\$1,723.96	\$0.00	(\$6,725.05)	\$0.00	\$0.00	\$0.00	\$423,566.91
CKY 38744 Other Eq-Other Comm	\$43,277.78	\$156.59	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,434.37
CKY 38745 Other Eq-Telemetering	\$370,398.15	\$2,305.17	\$0.00	(\$227.26)	\$0.00	\$0.00	\$0.00	\$372,476.06
CKY 38746 Other Eq-Cust Info Se	\$91,173.08	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,421.42
Total:	\$104,148,720.85	\$380,870.40	(\$132,773.33)	(\$44,777.53)	\$13,641.13	(\$134.24)	\$0.00	\$104,365,547.28
<u>General</u>								
CKY 39220 Trailers over 1,000	\$40,579.03	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,895.23
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$421,388.51	\$9,390.15	\$0.00	(\$263.37)	\$0.00	\$0.00	\$0.00	\$430,515.29

Monthly Depreciation Reserve Activity

Starting Month: Dec/2004
Ending Month: Dec/2004

Columbia Gas of Kentucky
Financial/SEC

NI/Source

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$524,775.45	\$0.00	\$0.00	\$0.00	\$45,190.94	\$0.00	\$0.00	\$569,966.39
Total:	\$990,141.74	\$9,706.35	\$0.00	(\$263.37)	\$45,190.94	\$0.00	\$0.00	\$1,044,775.66
Total:	\$105,136,862.59	\$390,576.75	(\$132,773.33)	(\$45,040.90)	\$58,832.07	(\$134.24)	\$0.00	\$105,410,322.94
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$91,310.69	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,800.98
Total:	\$91,310.69	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,800.98
<u>Software</u>								
CKY 30310 DIS Software	\$724,996.54	\$108.58	(\$713,161.37)	\$0.00	\$0.00	\$0.00	\$0.00	\$11,943.75
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$924,499.79	\$21,088.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$945,588.40
Total:	\$1,649,496.33	\$21,177.19	(\$713,161.37)	\$0.00	\$0.00	\$0.00	\$0.00	\$957,512.15
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$43,840.54	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,686.87
Total:	\$43,840.54	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,686.87
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$418,301.79	\$5,333.20	(\$38,301.68)	\$0.00	\$2,199.00	\$0.00	\$0.00	\$387,532.31
CKY 39111 Data Handling Equip	\$68,801.31	\$433.52	(\$70,807.81)	\$0.00	\$10.00	\$0.00	\$0.00	(\$1,562.98)
CKY 39112 Information Systems	\$133,901.81	\$5,660.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$139,562.31
CKY 39300 Stores Equipment	\$14,591.78	\$28.72	(\$13,787.48)	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$2,610.48	\$98.26	(\$1,462.68)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,246.06
CKY 39420 Shop Equipment	\$1,438.53	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,443.11
CKY 39430 Tools & Other Equipment	\$824,800.62	\$6,099.01	(\$32,445.72)	\$0.00	\$0.00	\$0.00	\$0.00	\$798,453.91
CKY 39500 Laboratory Equipment	\$2,835.21	\$43.46	(\$244.88)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,633.79
CKY 39800 Misc Equipment	\$70,639.85	\$659.10	(\$28,429.09)	\$0.00	\$0.00	\$0.00	\$0.00	\$42,869.86
Total:	\$1,537,921.38	\$18,360.35	(\$185,479.34)	\$0.00	\$2,209.00	\$0.00	\$0.00	\$1,373,011.39
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$3,503,801.14	\$40,874.16	(\$898,640.71)	\$0.00	\$2,209.00	\$0.00	\$0.00	\$2,648,243.59

G/L 108

G/L 111

Monthly Depreciation Reserve Activity
 NISource

Starting Month: Jan/2005
 Ending Month: Jan/2005

Columbia Gas of Kentucky
 Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$95,519.66	\$617.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,137.23
CKY 37450 Rights of Way	\$543,080.76	\$2,768.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$545,849.28
CKY 37520 CG M&R Structures	\$5,377.60	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,386.17
CKY 37530 General M&R Structures	\$10,646.93	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,664.65
CKY 37540 Regulating Structures	\$303,853.97	\$893.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$304,747.18
CKY 37560 Dist Ind M&R Structures	\$33,442.10	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,586.18
CKY 37570 Other Structures	\$1,582,597.35	\$11,829.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,594,426.65
CKY 37580 Communication Structures	\$18,707.85	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,855.31
CKY 37600 Mains	\$40,643,713.60	\$155,320.41	(\$23,836.48)	(\$14,205.42)	\$0.00	\$0.00	\$0.00	\$40,760,992.11
CKY 37810 M&R Equip-General	\$258,742.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$259,235.98
CKY 37820 M&R Equip-General-Reg	\$1,903,052.99	\$8,184.59	(\$2,475.84)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,908,761.74
CKY 37830 M&R Eq-Local Gas Purc	\$26,044.14	\$94.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,138.86
CKY 37910 M&R Equip-CG-Check St	\$238,394.58	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$238,882.46
CKY 38000 Services	\$47,882,562.86	\$151,769.83	(\$13,677.67)	\$0.00	\$0.00	\$0.00	\$0.00	\$48,020,655.02
CKY 38100 Meters	\$3,287,708.43	\$22,160.54	\$0.00	\$0.00	\$0.00	\$50.30	\$0.00	\$3,309,919.27
CKY 38200 Meter Installations	\$2,845,522.04	\$14,398.37	(\$1,643.06)	\$0.00	\$0.00	\$50.29	\$0.00	\$2,858,327.64
CKY 38300 House Regulators	\$889,979.80	\$2,493.82	(\$300.13)	\$0.00	\$0.00	\$0.00	\$0.00	\$892,173.49
CKY 38400 House Reg Installation	\$1,603,718.93	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,605,911.72
CKY 38500 Ind M&R Equipment	\$983,196.33	\$3,480.01	(\$3,879.82)	(\$62.91)	\$0.00	\$0.00	\$0.00	\$982,733.61
CKY 38720 Other Eq-Ordorization	\$98,979.16	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,636.69
CKY 38741 Other Eq-Telephone	\$179,806.46	\$669.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$180,475.57
CKY 38742 Other Eq-Radio	\$423,566.91	\$1,751.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$425,318.55
CKY 38744 Other Eq-Other Comm	\$43,434.37	\$156.59	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,590.96
CKY 38745 Other Eq-Telemetering	\$372,476.06	\$2,488.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$374,964.59
CKY 38746 Other Eq-Cust Info Se	\$91,421.42	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,669.76
Total:	\$104,368,547.28	\$583,474.13	(\$45,813.00)	(\$14,268.33)	\$0.00	\$100.59	\$0.00	\$104,689,040.67
<u>General</u>								
CKY 39220 Trailers over 1,000	\$40,895.23	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41,211.43
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$430,515.29	\$9,390.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$439,905.44

Monthly Depreciation Reserve Activity

Starting Month: Jan/2005
Ending Month: Jan/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,986.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,986.39
Total:	\$1,044,775.66	\$9,706.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,054,482.01
Total:	\$105,410,322.94	\$393,180.48	(\$45,813.00)	(\$14,268.33)	\$0.00	\$100.59	\$0.00	\$105,743,522.68
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$91,800.98	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,291.27
Total:	\$91,800.98	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,291.27
<u>Software</u>								
CKY 30310 DIS Software	\$11,943.75	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,052.33
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$945,588.40	\$16,029.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$961,597.84
Total:	\$957,512.15	\$16,138.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$973,650.17
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$44,686.87	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,533.20
Total:	\$44,686.87	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,533.20
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$387,532.31	\$5,267.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$392,799.31
CKY 39111 Data Handling Equip	(\$1,562.98)	\$236.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,326.15)
CKY 39112 Information Systems	\$139,562.31	\$5,994.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$145,556.84
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$1,245.06	\$95.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,341.88
CKY 39420 Shop Equipment	\$1,443.11	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,447.69
CKY 39430 Tools & Other Equipment	\$798,453.91	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$804,576.49
CKY 39500 Laboratory Equipment	\$2,633.79	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,676.74
CKY 39800 Misc Equipment	\$42,869.86	\$580.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,449.99
Total:	\$1,373,011.39	\$18,344.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,391,355.81
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
<u>Amortizable Assets</u>								
Total:	\$2,648,243.59	\$35,819.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,684,062.65

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Feb/2005
Ending Month: Feb/2005

Columbia Gas of Kentucky
Financial/SEC

NISource

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$96,137.23	\$617.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,754.80
CKY 37450 Rights of Way	\$545,849.28	\$2,755.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$548,604.34
CKY 37520 CG M&R Structures	\$5,386.17	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,394.74
CKY 37530 General M&R Structures	\$10,664.65	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,682.37
CKY 37540 Regulating Structures	\$304,747.18	\$893.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$305,640.39
CKY 37560 Dist Ind M&R Structures	\$33,586.18	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,730.26
CKY 37570 Other Structures	\$1,594,426.65	\$11,859.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,606,286.06
CKY 37580 Communication Structures	\$18,855.31	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,002.77
CKY 37600 Mains	\$40,760,992.11	\$155,105.31	(\$2,768.46)	(\$50,251.71)	\$0.00	\$0.00	\$0.00	\$40,863,077.25
CKY 37810 M&R Equip-General	\$259,235.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$259,728.98
CKY 37820 M&R Equip-General-Reg	\$1,908,761.74	\$8,182.72	(\$231.57)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,916,712.89
CKY 37830 M&R Eq-Local Gas Purc	\$26,138.86	\$94.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,233.58
CKY 37910 M&R Equip-CG-Check St	\$238,882.46	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$239,370.34
CKY 38000 Services	\$48,020,655.02	\$152,125.82	(\$14,637.96)	\$0.00	\$0.00	(\$21.58)	\$0.00	\$48,158,121.30
CKY 38100 Meters	\$3,309,919.27	\$22,214.45	\$0.00	\$0.00	\$0.00	(\$48.49)	\$0.00	\$3,332,065.23
CKY 38200 Meter Installations	\$2,858,327.64	\$14,428.48	(\$1,870.96)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,870,885.16
CKY 38300 House Regulators	\$892,173.49	\$2,519.60	(\$318.05)	\$0.00	\$0.00	\$0.00	\$0.00	\$894,375.04
CKY 38400 House Reg Installation	\$1,605,911.72	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,608,104.51
CKY 38500 Ind M&R Equipment	\$982,733.61	\$3,478.16	\$1,362.04	(\$168.87)	\$0.00	\$0.00	\$0.00	\$987,404.94
CKY 38720 Other Eq-Odorization	\$99,636.69	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,294.22
CKY 38741 Other Eq-Telephone	\$180,475.57	\$669.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,144.68
CKY 38742 Other Eq-Radio	\$425,318.55	\$1,751.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$427,070.19
CKY 38744 Other Eq-Other Comm	\$43,590.96	\$177.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,768.66
CKY 38745 Other Eq-Telemetering	\$374,964.59	\$2,485.69	\$0.00	\$0.00	\$0.00	(\$1,132.64)	\$0.00	\$376,317.64
CKY 38746 Other Eq-Cust Info Se	\$91,669.76	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,918.10
Total:	\$104,689,040.67	\$383,756.02	(\$18,464.96)	(\$50,420.56)	\$0.00	(\$1,202.71)	\$0.00	\$105,002,708.44
<u>General</u>								
CKY 39220 Trailers over 1,000	\$41,211.43	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41,527.63
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$439,905.44	\$9,390.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$449,295.59

Depr - 1074 (Not Used)

Monthly Depreciation Reserve Activity

Starting Month: Feb/2005
Ending Month: Feb/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$1,054,482.01	\$9,706.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,064,188.36
Total:	\$105,743,522.68	\$393,462.37	(\$18,464.96)	(\$50,420.58)	\$0.00	(\$1,202.71)	\$0.00	\$106,066,396.80
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$92,291.27	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,781.56
Total:	\$92,291.27	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,781.56
<u>Software</u>								
CKY 30310 DIS Software	\$12,052.33	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,160.91
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$961,597.84	\$17,188.87	(\$253,758.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$725,028.71
Total:	\$973,650.17	\$17,297.45	(\$253,758.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$737,189.62
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$45,533.20	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,379.53
Total:	\$45,533.20	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,379.53
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$392,799.31	\$5,270.70	\$0.00	\$0.00	\$0.00	\$144.18	\$0.00	\$398,214.19
CKY 39111 Data Handling Equip	(\$1,326.15)	\$236.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,089.32)
CKY 39112 Information Systems	\$145,556.84	\$5,008.16	\$0.00	\$0.00	\$0.00	\$988.46	\$0.00	\$152,553.46
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$1,341.88	\$95.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,437.70
CKY 39420 Shop Equipment	\$1,447.69	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,452.27
CKY 39430 Tools & Other Equipment	\$804,576.49	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$810,699.07
CKY 39500 Laboratory Equipment	\$2,676.74	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,719.69
CKY 39800 Misc Equipment	\$43,449.99	\$580.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,030.12
Total:	\$1,391,355.81	\$18,361.75	\$0.00	\$0.00	\$0.00	\$1,132.64	\$0.00	\$1,410,850.20
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,694,062.65	\$36,995.82	(\$253,758.00)	\$0.00	\$0.00	\$1,132.64	\$0.00	\$2,468,433.11

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Mar/2005
Ending Month: Mar/2005

NI Source

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$96,754.80	\$617.57	\$0.00	(\$918.69)	\$0.00	\$0.00	\$0.00	\$96,453.68
CKY 37450 Rights of Way	\$548,604.34	\$2,755.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$551,359.40
CKY 37520 CG M&R Structures	\$5,394.74	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,403.31
CKY 37530 General M&R Structures	\$10,682.37	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,700.09
CKY 37540 Regulating Structures	\$305,640.39	\$892.15	(\$1,300.42)	(\$5,597.46)	\$0.00	\$0.00	\$0.00	\$299,634.66
CKY 37560 Dist Ind M&R Structures	\$33,730.26	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,874.34
CKY 37570 Other Structures	\$1,606,286.06	\$11,889.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,618,175.58
CKY 37580 Communication Structures	\$19,002.77	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,150.23
CKY 37600 Mains	\$40,863,077.25	\$154,874.00	(\$23,004.42)	(\$16,859.32)	\$0.00	\$0.00	\$0.00	\$40,978,087.51
CKY 37810 M&R Equip-General	\$259,728.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$260,221.98
CKY 37820 M&R Equip-General-Reg	\$1,916,712.98	\$8,180.96	(\$1,568.68)	(\$2,113.08)	\$0.00	\$0.00	\$0.00	\$1,921,212.09
CKY 37830 M&R Eq-Local Gas Purc	\$26,233.58	\$94.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,328.30
CKY 37910 M&R Equip-CG-Check St	\$239,370.34	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$239,858.22
CKY 38000 Services	\$48,158,121.30	\$152,557.98	(\$16,223.47)	(\$3,782.24)	\$0.00	\$27.66	\$0.00	\$48,290,701.23
CKY 38100 Meters	\$3,332,085.23	\$22,349.95	\$0.00	\$0.00	\$0.00	\$50.98	\$0.00	\$3,354,486.16
CKY 38200 Meter Installations	\$2,870,885.16	\$14,450.30	(\$2,542.82)	(\$896.09)	\$0.00	\$50.98	\$0.00	\$2,881,947.53
CKY 38300 House Regulators	\$894,375.04	\$2,552.04	(\$191.15)	(\$5.46)	\$0.00	\$0.00	\$0.00	\$896,730.47
CKY 38400 House Reg Installation	\$1,608,104.51	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,610,297.30
CKY 38500 Ind M&R Equipment	\$987,404.94	\$3,475.90	(\$4,225.46)	(\$1,449.98)	\$0.00	\$0.00	\$0.00	\$985,205.40
CKY 38720 Other Eq-Odorization	\$100,294.22	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,361.56
CKY 38741 Other Eq-Telephone	\$181,144.68	\$669.11	\$0.00	(\$7,590.19)	\$0.00	\$0.00	\$0.00	\$181,813.79
CKY 38742 Other Eq-Radio	\$427,070.19	\$1,746.31	(\$5,809.13)	\$0.00	\$0.00	\$45.94	\$0.00	\$423,053.31
CKY 38744 Other Eq-Other Comm	\$43,768.66	\$362.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,130.70
CKY 38745 Other Eq-Telemetering	\$376,317.64	\$2,316.40	\$0.00	\$0.00	\$0.00	(\$10,558.84)	\$0.00	\$368,075.20
CKY 38746 Other Eq-Cust Info Se	\$91,918.10	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,166.44
Total:	\$105,002,708.44	\$384,181.38	(\$54,865.55)	(\$39,212.51)	\$0.00	(\$10,363.28)	\$0.00	\$105,262,428.48
<u>General</u>								
CKY 39220 Trailers over 1,000	\$41,527.63	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$41,843.83
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$449,295.59	\$9,390.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$458,685.74

Starting Month: Mar/2005
Ending Month: Mar/2005

Monthly Depreciation Reserve Activity
NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$1,064,188.36	\$9,706.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,073,894.71
Total:	\$106,066,896.80	\$393,887.73	(\$54,865.55)	(\$39,212.51)	\$0.00	(\$10,383.28)	\$0.00	\$106,356,323.19
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$92,781.56	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,271.85
Total:	\$92,781.56	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,271.85
<u>Software</u>								
CKY 30310 DIS Software	\$12,160.91	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,269.49
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$725,028.71	\$27,580.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$752,608.92
Total:	\$737,189.62	\$27,688.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$764,878.41
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$46,379.53	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,225.86
Total:	\$46,379.53	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,225.86
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$398,214.19	\$5,274.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$403,488.59
CKY 39111 Data Handling Equip	(\$1,089.32)	\$236.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$852.49)
CKY 39112 Information Systems	\$152,553.46	\$8,314.55	\$0.00	\$0.00	\$0.00	\$10,512.90	\$0.00	\$171,380.91
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$1,437.70	\$95.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,533.52
CKY 39420 Shop Equipment	\$1,452.27	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,456.85
CKY 39430 Tools & Other Equipment	\$810,699.07	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$816,821.65
CKY 39500 Laboratory Equipment	\$2,719.69	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,762.64
CKY 39800 Misc Equipment	\$44,030.12	\$580.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,610.25
Total:	\$1,410,850.20	\$20,871.84	\$0.00	\$0.00	\$0.00	\$10,512.90	\$0.00	\$1,442,034.94
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,468,433.11	\$49,897.25	\$0.00	\$0.00	\$0.00	\$10,512.90	\$0.00	\$2,528,643.26

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Apr/2005
Ending Month: Apr/2005

MISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
Depreciable Assets								
Production								
CKY 30580 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37440 Land Rights, Other Dist	\$96,453.68	\$612.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,066.15
CKY 37450 Rights of Way	\$551,359.40	\$2,755.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$554,114.72
CKY 37520 CG M&R Structures	\$5,403.31	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,411.88
CKY 37530 General M&R Structures	\$10,700.09	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,717.81
CKY 37540 Regulating Structures	\$299,634.66	\$892.13	\$1,285.12	\$0.00	\$0.00	\$0.00	\$0.00	\$301,811.91
CKY 37560 Dist Ind M&R Structures	\$33,874.34	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,018.42
CKY 37570 Other Structures	\$1,618,175.58	\$11,889.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,630,065.10
CKY 37580 Communication Structures	\$19,150.23	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,297.69
CKY 37600 Mains	\$40,978,087.51	\$155,116.15	\$166,319.04	(\$5,208.69)	\$0.00	\$0.00	\$0.00	\$41,284,814.01
CKY 37810 M&R Equip-General	\$260,221.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$260,714.98
CKY 37820 M&R Equip-General-Reg	\$1,921,212.09	\$5,263.02	\$22,236.93	\$0.00	\$0.00	\$0.00	\$0.00	\$1,951,712.04
CKY 37830 M&R Eq-Local Gas Purc	\$26,328.30	\$94.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,423.02
CKY 37910 M&R Equip-CG-Check St	\$239,858.22	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$240,346.10
CKY 38000 Services	\$48,290,701.23	\$153,023.07	(\$21,510.45)	\$0.00	\$0.00	\$0.00	\$0.00	\$48,422,213.85
CKY 38100 Meters	\$3,354,486.16	\$22,568.20	\$0.00	\$0.00	\$920.44	\$0.00	\$0.00	\$3,377,974.80
CKY 38200 Meter Installations	\$2,881,947.53	\$14,454.92	(\$4,682.29)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,891,720.16
CKY 38300 House Regulators	\$896,730.47	\$2,583.93	(\$496.58)	\$0.00	\$0.00	\$0.00	\$0.00	\$898,817.82
CKY 38400 House Reg Installation	\$1,610,297.30	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,612,490.09
CKY 38500 Ind M&R Equipment	\$985,205.40	\$3,446.67	(\$29,336.91)	(\$29.59)	\$0.00	\$0.00	\$0.00	\$959,285.57
CKY 38720 Other Eq-Odorization	\$93,361.56	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,019.09
CKY 38741 Other Eq-Telephone	\$181,813.79	\$1,027.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$182,841.71
CKY 38742 Other Eq-Radio	\$423,053.31	\$1,740.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$424,794.29
CKY 38744 Other Eq-Other Comm	\$44,130.70	\$381.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,511.77
CKY 38745 Other Eq-Telemetering	\$388,075.20	\$2,118.88	(\$35,142.61)	\$0.00	\$0.00	(\$10.73)	\$0.00	\$335,040.74
CKY 38746 Other Eq-Cust Info Se	\$92,166.44	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,414.78
Total:	\$105,282,428.48	\$385,866.34	\$99,172.25	(\$5,238.28)	\$920.44	(\$10.73)	\$0.00	\$105,762,638.50
General								
CKY 39220 Trailers over 1,000	\$41,843.83	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,160.03
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$458,685.74	\$7,685.93	(\$297,031.22)	\$0.00	\$0.00	\$0.00	\$0.00	\$169,340.45

Monthly Depreciation Reserve Activity

Starting Month: Apr/2005
Ending Month: Apr/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$1,073,894.71	\$8,002.13	(\$297,031.22)	\$0.00	\$0.00	\$0.00	\$0.00	\$784,865.62
Total:	\$106,356,323.19	\$393,368.47	(\$197,858.97)	(\$5,238.28)	\$920.44	(\$10.73)	\$0.00	\$106,547,504.12
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$93,271.85	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,762.14
Total:	\$93,271.85	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,762.14
<u>Software</u>								
CKY 30310 DIS Software	\$12,269.49	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,378.07
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$752,608.92	\$6,453.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$759,062.57
Total:	\$764,878.41	\$6,562.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$771,440.64
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$47,225.86	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,072.19
Total:	\$47,225.86	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,072.19
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$403,488.59	\$5,267.79	\$0.00	\$0.00	\$0.00	(\$493.26)	\$0.00	\$408,263.12
CKY 39111 Data Handling Equip	(\$852.49)	\$250.05	\$0.00	\$0.00	\$0.00	\$953.27	\$0.00	\$350.83
CKY 39112 Information Systems	\$171,380.91	\$10,797.53	\$0.00	\$0.00	\$0.00	(\$449.28)	\$0.00	\$181,729.16
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$1,533.52	\$95.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,629.34
CKY 39420 Shop Equipment	\$1,456.85	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,461.43
CKY 39430 Tools & Other Equipment	\$816,821.85	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$822,944.23
CKY 39500 Laboratory Equipment	\$2,762.64	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,805.59
CKY 39800 Misc Equipment	\$44,610.25	\$580.13	\$0.00	(\$127.44)	\$0.00	\$0.00	\$0.00	\$45,062.94
Total:	\$1,442,034.94	\$23,161.43	\$0.00	(\$127.44)	\$0.00	\$10.73	\$0.00	\$1,465,079.66
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,528,643.26	\$31,060.28	\$0.00	(\$127.44)	\$0.00	\$10.73	\$0.00	\$2,559,586.83

G/K 108

G/K 111

Monthly Depreciation Reserve Activity

Starting Month: May/2005
Ending Month: May/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Refirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$97,066.15	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,673.51
CKY 37450 Rights of Way	\$554,114.72	\$2,755.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$556,870.21
CKY 37520 CG M&R Structures	\$5,411.88	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,420.45
CKY 37530 General M&R Structures	\$10,717.81	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,735.53
CKY 37540 Regulating Structures	\$301,811.91	\$891.51	(\$2,047.70)	(\$9,313.75)	\$0.00	\$0.00	\$0.00	\$291,341.97
CKY 37560 Dist Ind M&R Structures	\$34,018.42	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,162.50
CKY 37570 Other Structures	\$1,630,065.10	\$11,889.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,641,954.62
CKY 37580 Communication Structures	\$19,297.69	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,445.15
CKY 37600 Maths	\$41,294,814.01	\$155,384.21	(\$82,581.69)	(\$10,369.32)	\$0.00	\$0.00	\$0.00	\$41,357,247.21
CKY 37810 M&R Equip-General	\$260,714.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$261,207.98
CKY 37820 M&R Equip-General-Reg	\$1,951,712.04	\$8,346.32	(\$296.05)	(\$216.72)	\$0.00	\$0.00	\$0.00	\$1,959,545.59
CKY 37830 M&R Eq-Local Gas Purc	\$26,423.02	\$91.86	(\$2,926.05)	(\$65.19)	\$0.00	\$0.00	\$0.00	\$23,523.64
CKY 37910 M&R Equip-CG-Check St	\$240,346.10	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$240,833.98
CKY 38000 Services	\$48,422,213.85	\$153,264.20	(\$210,829.20)	\$0.00	\$0.00	\$512.98	\$0.00	\$48,365,161.93
CKY 38100 Meters	\$3,377,974.80	\$22,700.95	(\$1,290.41)	\$0.00	\$0.00	\$100.00	\$0.00	\$3,399,485.34
CKY 38200 Meter Installations	\$2,891,720.16	\$14,460.31	(\$2,989.89)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,903,190.58
CKY 38300 House Regulators	\$898,817.82	\$2,616.08	(\$354.82)	\$0.00	\$0.00	\$150.00	\$0.00	\$901,229.08
CKY 38400 House Reg Installation	\$1,612,490.09	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,614,682.88
CKY 38500 Ind M&R Equipment	\$959,285.57	\$3,414.67	(\$22,434.58)	(\$978.22)	\$0.00	\$0.00	\$0.00	\$939,287.44
CKY 38720 Other Eq-Odorization	\$94,019.09	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,676.62
CKY 38741 Other Eq-Telephone	\$182,841.71	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$184,228.44
CKY 38742 Other Eq-Radio	\$424,794.29	\$1,740.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$426,535.27
CKY 38744 Other Eq-Other Comm	\$44,511.77	\$236.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,748.64
CKY 38745 Other Eq-Telemetering	\$335,040.74	\$2,087.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$337,128.54
CKY 38746 Other Eq-Cust Info Se	\$92,414.78	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,663.12
Total:	\$105,762,638.50	\$386,272.23	(\$325,750.39)	(\$20,943.20)	\$0.00	\$762.98	\$0.00	\$105,802,980.12
<u>General</u>								
CKY 39220 Trailers over 1,000	\$42,160.03	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,476.23
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$169,340.45	\$5,981.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$175,322.16

Monthly Depreciation Reserve Activity

Starting Month: May/2005
Ending Month: May/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$784,865.62	\$6,297.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$791,163.53
Total:	\$106,547,504.12	\$392,570.14	(\$325,750.39)	(\$20,943.20)	\$0.00	\$762.98	\$0.00	\$106,594,143.65
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$93,762.14	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,252.43
Total:	\$93,762.14	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,252.43
<u>Software</u>								
CKY 30310 DIS Software	\$12,378.07	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,486.65
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$759,062.57	\$15,279.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$774,341.99
Total:	\$771,440.64	\$15,388.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$786,828.64
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$48,072.19	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,918.52
Total:	\$48,072.19	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,918.52
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$408,263.12	\$5,281.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$413,524.31
CKY 39111 Data Handling Equip	\$350.83	\$263.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$614.10
CKY 39112 Information Systems	\$181,729.16	\$10,987.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$192,716.91
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$1,629.34	\$95.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,725.16
CKY 39420 Shop Equipment	\$1,461.43	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,466.01
CKY 39430 Tools & Other Equipment	\$822,944.23	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$829,066.81
CKY 39500 Laboratory Equipment	\$2,805.59	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,848.54
CKY 39800 Misc Equipment	\$45,062.94	\$580.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,643.07
Total:	\$1,465,079.66	\$23,388.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,488,437.93
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,559,586.83	\$40,082.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,599,669.72

G/K 108

G/K 111

Monthly Depreciation Reserve Activity

Starting Month: Jun/2005
Ending Month: Jun/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$97,673.51	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,280.87
CKY 37450 Rights of Way	\$556,870.21	\$2,755.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$559,625.62
CKY 37520 CG M&R Structures	\$5,420.45	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,429.02
CKY 37530 General M&R Structures	\$10,735.53	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,753.25
CKY 37540 Regulating Structures	\$291,341.97	\$889.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$292,231.81
CKY 37560 Dist Ind M&R Structures	\$34,162.50	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,306.58
CKY 37570 Other Structures	\$1,641,954.62	\$11,889.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,653,844.14
CKY 37580 Communication Structures	\$19,445.15	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,592.61
CKY 37600 Mains	\$41,357,247.21	\$155,449.81	(\$127,022.24)	(\$18,527.89)	\$0.00	\$0.00	\$0.00	\$41,367,146.89
CKY 37810 M&R Equip-General	\$261,207.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$261,700.98
CKY 37820 M&R Equip-General-Reg	\$1,959,545.59	\$6,346.26	(\$1,815.33)	(\$1,115.50)	\$0.00	\$0.00	\$0.00	\$1,964,961.02
CKY 37830 M&R Eq-Local Gas Purc	\$23,523.64	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,612.63
CKY 37910 M&R Equip-CG-Check St	\$240,833.98	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$241,321.86
CKY 38000 Services	\$48,365,161.83	\$153,517.53	(\$61,049.35)	(\$1,455.90)	\$0.00	\$0.00	\$0.00	\$48,456,174.11
CKY 38100 Meters	\$3,399,485.34	\$22,819.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,422,304.62
CKY 38200 Meter Installations	\$2,903,190.58	\$14,470.72	(\$2,870.97)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,914,790.33
CKY 38300 House Regulators	\$901,229.08	\$2,654.70	(\$566.16)	\$0.00	\$0.00	\$0.00	\$0.00	\$903,317.62
CKY 38400 House Reg Installation	\$1,614,682.88	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,616,875.67
CKY 38500 Ind M&R Equipment	\$939,287.44	\$3,415.08	(\$5,587.44)	\$0.00	\$0.00	\$0.00	\$0.00	\$937,115.08
CKY 38720 Other Eq-Odorization	\$94,676.62	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,334.15
CKY 38741 Other Eq-Telephone	\$184,228.44	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$185,615.17
CKY 38742 Other Eq-Radio	\$426,535.27	\$1,740.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$428,276.25
CKY 38744 Other Eq-Other Comm	\$44,748.64	\$236.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,985.51
CKY 38745 Other Eq-Telemetering	\$337,128.54	\$2,087.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$339,216.34
CKY 38746 Other Eq-Cust Info Se	\$92,663.12	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$92,911.46
Total:	\$105,802,980.12	\$386,754.25	(\$198,911.49)	(\$21,099.29)	\$0.00	\$0.00	\$0.00	\$105,969,723.59
<u>General</u>								
CKY 39220 Trailers over 1,000	\$42,476.23	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,792.43
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$175,322.16	\$5,981.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,303.87

Depr - 1074 (Not Used)

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Monthly Depreciation Reserve Activity
 NISource

Starting Month: Jun/2005
 Ending Month: Jun/2005

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$791,163.53	\$6,297.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$797,461.44
Total:	\$105,594,143.65	\$393,052.16	(\$198,911.49)	(\$21,099.29)	\$0.00	\$0.00	\$0.00	\$106,767,185.03
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$94,252.43	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,742.72
Total:	\$94,252.43	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,742.72
<u>Software</u>								
CKY 30310 DIS Software	\$12,486.65	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,595.23
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$774,341.99	\$15,286.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$789,628.48
Total:	\$786,828.64	\$15,395.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$802,223.71
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$48,918.52	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,764.85
Total:	\$48,918.52	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,764.85
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$413,524.31	\$5,261.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$418,785.50
CKY 39111 Data Handling Equip	\$614.10	\$263.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$877.37
CKY 39112 Information Systems	\$192,716.91	\$10,987.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$203,704.66
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$1,725.16	\$101.31	\$0.00	\$0.00	\$0.00	\$1,987.96	\$0.00	\$3,814.43
CKY 39420 Shop Equipment	\$1,466.01	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,470.59
CKY 39430 Tools & Other Equipment	\$829,066.81	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$835,189.39
CKY 39500 Laboratory Equipment	\$2,848.54	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,891.49
CKY 39800 Misc Equipment	\$45,643.07	\$570.99	\$0.00	\$0.00	\$0.00	(\$1,987.96)	\$0.00	\$44,226.10
Total:	\$1,488,437.93	\$23,354.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,511,792.55
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,599,669.72	\$40,086.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,639,756.03

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Jul/2005
Ending Month: Jul/2005

Columbia Gas of Kentucky
Financial/SEC

NISource

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 38500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$98,280.87	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,888.23
CKY 37450 Rights of Way	\$559,625.62	\$2,755.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$562,381.03
CKY 37520 CG M&R Structures	\$5,429.02	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,437.59
CKY 37530 General M&R Structures	\$10,753.25	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,770.97
CKY 37540 Regulating Structures	\$292,231.81	\$889.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$293,121.65
CKY 37560 Dist Ind M&R Structures	\$34,306.58	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,450.66
CKY 37570 Other Structures	\$1,653,844.74	\$11,889.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,665,733.66
CKY 37580 Communication Structures	\$19,592.61	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,740.07
CKY 37800 Mains	\$41,367,146.89	\$155,580.89	(\$31,407.10)	(\$22.28)	\$0.00	\$0.00	\$0.00	\$41,491,298.40
CKY 37810 M&R Equip-General	\$261,700.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$262,193.98
CKY 37820 M&R Equip-General-Reg	\$1,964,961.02	\$8,346.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,973,307.51
CKY 37830 M&R Eq-Local Gas Purc	\$23,612.63	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,701.62
CKY 37910 M&R Equip-CG-Check St	\$241,321.86	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$241,809.74
CKY 38000 Services	\$48,456,174.11	\$153,960.53	(\$65,772.52)	\$0.00	\$0.00	\$1,441.47	\$0.00	\$48,545,803.59
CKY 38100 Meters	\$3,422,304.62	\$22,935.16	\$0.00	\$0.00	\$0.00	\$248.97	\$0.00	\$3,445,488.75
CKY 38200 Meter Installations	\$2,914,790.33	\$14,483.18	(\$2,070.79)	\$0.00	\$0.00	(\$50.00)	\$0.00	\$2,927,152.72
CKY 38300 House Regulators	\$903,317.62	\$2,696.79	(\$264.92)	\$0.00	\$0.00	\$0.00	\$0.00	\$905,749.49
CKY 38400 House Reg Installation	\$1,616,875.67	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,619,068.46
CKY 38500 Ind M&R Equipment	\$937,115.08	\$3,471.67	(\$1,374.41)	\$0.00	\$0.00	\$0.00	\$0.00	\$939,212.34
CKY 38720 Other Eq-Other Comm	\$95,334.15	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,991.68
CKY 38741 Other Eq-Telephone	\$185,615.17	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$187,001.90
CKY 38742 Other Eq-Radio	\$428,276.25	\$1,740.98	\$0.00	(\$2,722.02)	\$0.00	\$0.00	\$0.00	\$427,295.21
CKY 38744 Other Eq-Other Comm	\$44,985.51	\$236.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,222.38
CKY 38745 Other Eq-Telemetering	\$339,216.34	\$2,087.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$341,304.14
CKY 38746 Other Eq-Cust Info Se	\$92,911.46	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,159.80
Total:	\$105,969,723.59	\$387,555.58	(\$100,889.74)	(\$2,744.30)	\$0.00	\$1,640.44	\$0.00	\$106,255,285.57
<u>General</u>								
CKY 39220 Trailers over 1,000	\$42,792.43	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,108.63
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$181,303.87	\$5,981.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$187,285.58

Monthly Depreciation Reserve Activity
 NISource

Starting Month: Jul/2005
 Ending Month: Jul/2005

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$797,461.44	\$6,297.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$803,759.35
Total:	\$106,767,185.03	\$393,853.49	(\$100,889.74)	(\$2,744.30)	\$0.00	\$1,640.44	\$0.00	\$107,059,044.92
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$94,742.72	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,233.01
Total:	\$94,742.72	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,233.01
<u>Software</u>								
CKY 30310 DIS Software	\$12,595.23	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,703.81
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$789,628.48	\$15,290.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$804,919.27
Total:	\$802,223.71	\$15,399.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$817,623.08
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$49,764.95	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,611.18
Total:	\$49,764.95	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,611.18
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$418,785.50	\$5,261.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$424,046.69
CKY 39111 Data Handling Equip	\$877.37	\$263.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,140.64
CKY 39112 Information Systems	\$203,704.66	\$10,987.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$214,692.41
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$3,814.43	\$106.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,921.22
CKY 39420 Shop Equipment	\$1,470.59	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,475.17
CKY 39430 Tools & Other Equipment	\$835,189.39	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$841,311.97
CKY 39500 Laboratory Equipment	\$2,891.49	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,934.44
CKY 39800 Misc Equipment	\$44,226.10	\$581.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,807.95
Total:	\$1,511,792.55	\$23,350.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,535,143.51
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,639,756.03	\$40,086.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,679,842.98

C/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Aug/2005
Ending Month: Aug/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$98,888.23	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,495.59
CKY 37450 Rights of Way	\$562,381.03	\$2,755.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$565,136.44
CKY 37520 CG M&R Structures	\$5,437.59	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,446.16
CKY 37530 General M&R Structures	\$10,770.97	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,788.69
CKY 37540 Regulating Structures	\$293,121.85	\$889.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$294,011.49
CKY 37560 Dist Ind M&R Structures	\$34,450.88	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,594.74
CKY 37570 Other Structures	\$1,665,733.66	\$11,889.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,677,623.18
CKY 37580 Communication Structures	\$19,740.07	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,887.53
CKY 37600 Mains	\$41,491,298.40	\$155,950.22	(\$39,575.97)	(\$1,350.91)	\$0.00	\$0.00	\$0.00	\$41,606,321.74
CKY 37810 M&R Equip-General	\$262,193.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$262,686.98
CKY 37820 M&R Equip-General-Reg	\$1,973,307.51	\$8,346.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,981,654.00
CKY 37830 M&R Eq-Local Gas Purc	\$23,701.62	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,790.61
CKY 37910 M&R Equip-CG-Check St	\$241,809.74	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$242,297.62
CKY 38000 Services	\$48,545,803.59	\$154,126.96	(\$48,090.40)	(\$5,457.01)	\$0.00	\$0.00	\$0.00	\$48,646,383.14
CKY 38100 Meters	\$3,445,488.75	\$23,018.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,468,507.64
CKY 38200 Meter Installations	\$2,927,152.72	\$14,487.54	(\$2,895.99)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,938,744.27
CKY 38300 House Regulators	\$905,749.49	\$2,719.48	(\$289.54)	\$0.00	\$0.00	\$0.00	\$0.00	\$908,179.43
CKY 38400 House Reg Installation	\$1,619,068.46	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,621,261.25
CKY 38500 Ind M&R Equipment	\$939,212.34	\$3,540.76	(\$1,805.49)	(\$1,376.32)	\$0.00	\$0.00	\$0.00	\$939,571.29
CKY 38720 Other Eq-Odorization	\$95,991.68	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,649.21
CKY 38741 Other Eq-Telephone	\$187,001.90	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$188,388.63
CKY 38742 Other Eq-Radio	\$427,295.21	\$1,740.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$429,036.19
CKY 38744 Other Eq-Other Comm	\$45,222.38	\$236.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,459.25
CKY 38745 Other Eq-Telemetering	\$341,304.14	\$2,088.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$343,392.70
CKY 38746 Other Eq-Cust Info Se	\$93,159.80	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,408.14
Total:	\$106,255,285.57	\$388,271.97	(\$92,657.39)	(\$8,184.24)	\$0.00	\$0.00	\$0.00	\$106,562,715.91
<u>General</u>								
CKY 39220 Trailers over 1,000	\$43,108.63	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,424.83
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip-Stationary	\$187,285.58	\$5,981.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$193,267.29

Depr - 1074 (Not Used)

Monthly Depreciation Reserve Activity
 NISource

Starting Month: Aug/2005
 Ending Month: Aug/2005

Columbia Gas of Kentucky
 Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$803,759.35	\$6,297.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$810,057.26
Total:	\$107,059,044.92	\$394,569.88	(\$92,657.39)	(\$8,184.24)	\$0.00	\$0.00	\$0.00	\$107,352,773.17
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$95,233.01	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,723.30
Total:	\$95,233.01	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,723.30
<u>Software</u>								
CKY 30310 DIS Software	\$12,703.81	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,812.39
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$804,919.27	\$15,292.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$820,212.18
Total:	\$817,623.08	\$15,401.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833,024.57
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$50,611.18	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,457.51
Total:	\$50,611.18	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,457.51
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$424,046.69	\$5,261.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$429,307.88
CKY 39111 Data Handling Equip	\$1,140.64	\$263.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,403.91
CKY 39112 Information Systems	\$214,692.41	\$10,987.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$225,680.16
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$3,921.22	\$106.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,028.01
CKY 39420 Shop Equipment	\$1,475.17	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,479.75
CKY 39430 Tools & Other Equipment	\$841,311.97	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$847,434.55
CKY 39500 Laboratory Equipment	\$2,934.44	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,977.39
CKY 39800 Misc Equipment	\$44,787.95	\$661.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,349.80
Total:	\$1,535,143.51	\$23,350.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,558,494.47
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,679,842.98	\$40,089.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,719,932.05

G/L 108

G/L 111

Depr - 1074 (Not Used)

Monthly Depreciation Reserve Activity

Starting Month: Sep/2005
Ending Month: Sep/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$99,495.59	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,102.95
CKY 37450 Rights of Way	\$565,136.44	\$2,755.43	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$567,891.87
CKY 37520 CG M&R Structures	\$5,446.16	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,454.73
CKY 37530 General M&R Structures	\$10,788.69	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,806.41
CKY 37540 Regulating Structures	\$294,011.49	\$889.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$294,901.33
CKY 37560 Dist Ind M&R Structures	\$34,594.74	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,738.82
CKY 37570 Other Structures	\$1,677,623.18	\$11,889.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,689,512.70
CKY 37580 Communication Structures	\$19,887.53	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,034.99
CKY 37600 Mains	\$41,606,321.74	\$155,826.10	(\$31,430.59)	(\$15,604.47)	\$0.00	\$0.00	\$0.00	\$41,715,112.78
CKY 37810 M&R Equip-General	\$262,686.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$263,179.98
CKY 37820 M&R Equip-General-Reg	\$1,981,654.00	\$8,350.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,990,004.46
CKY 37830 M&R Eq-Local Gas Purc	\$23,790.61	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,879.60
CKY 37910 M&R Equip-CG-Check St	\$242,297.52	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$242,785.50
CKY 38000 Services	\$48,646,383.14	\$154,078.07	\$0.00	\$0.00	\$0.00	(\$243.79)	\$0.00	\$48,890,217.42
CKY 38100 Meters	\$3,468,507.64	\$23,110.04	\$0.00	\$0.00	\$0.00	(\$200.00)	\$0.00	\$3,491,417.68
CKY 38200 Meter Installations	\$2,938,744.27	\$14,484.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,953,228.93
CKY 38300 House Regulators	\$908,179.43	\$2,719.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$910,898.75
CKY 38400 House Reg Installation	\$1,621,261.25	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,623,454.04
CKY 38500 Ind M&R Equipment	\$939,571.29	\$3,550.29	(\$11,329.40)	\$0.00	\$0.00	\$0.00	\$0.00	\$931,792.18
CKY 38720 Other Eq-Odorization	\$96,649.21	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,306.74
CKY 38741 Other Eq-Telephone	\$188,388.63	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$189,775.36
CKY 38742 Other Eq-Radio	\$429,036.19	\$1,740.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$430,777.17
CKY 38744 Other Eq-Other Comm	\$45,459.25	\$236.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,696.12
CKY 38745 Other Eq-Telemetering	\$343,392.70	\$2,089.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$345,482.01
CKY 38746 Other Eq-Cust Info Se	\$93,408.14	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,656.48
Total:	\$106,542,715.91	\$388,201.34	(\$42,759.99)	(\$15,604.47)	\$0.00	(\$443.79)	\$0.00	\$106,872,109.00
<u>General</u>								
CKY 39220 Trailers over 1,000	\$43,424.83	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,741.03
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$193,267.29	\$5,981.71	\$0.00	(\$1,234.30)	\$0.00	\$0.00	\$0.00	\$198,014.70

Monthly Depreciation Reserve Activity

Starting Month: Sep/2005
Ending Month: Sep/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$810,057.28	\$6,297.91	\$0.00	(\$1,234.30)	\$0.00	\$0.00	\$0.00	\$815,120.87
Total:	\$107,352,773.17	\$394,499.25	(\$42,759.99)	(\$16,838.77)	\$0.00	(\$443.79)	\$0.00	\$107,687,229.87
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$95,723.30	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,213.59
Total:	\$95,723.30	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,213.59
<u>Software</u>								
CKY 30310 DIS Software	\$12,812.39	\$108.59	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,920.98
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$820,212.18	\$15,293.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$835,505.62
Total:	\$833,024.57	\$15,402.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$848,426.60
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$51,457.51	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,303.84
Total:	\$51,457.51	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,303.84
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$429,307.88	\$5,261.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$434,569.07
CKY 39111 Data Handling Equip	\$1,403.91	\$263.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,667.18
CKY 39112 Information Systems	\$225,680.16	\$10,987.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$236,667.91
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$4,028.01	\$106.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,134.80
CKY 39420 Shop Equipment	\$1,479.75	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,484.33
CKY 39430 Tools & Other Equipment	\$847,434.55	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$853,557.13
CKY 39500 Laboratory Equipment	\$2,977.39	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,020.34
CKY 39800 Misc Equipment	\$45,349.80	\$561.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,911.65
Total:	\$1,558,494.47	\$23,350.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,581,845.43
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,719,932.05	\$40,089.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,760,021.66

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Oct/2005
Ending Month: Oct/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37400 Land Rights, Other Dist	\$100,102.95	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,710.31
CKY 37450 Rights of Way	\$567,891.87	\$2,734.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$570,626.00
CKY 37520 CG M&R Structures	\$5,454.73	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,463.30
CKY 37530 General M&R Structures	\$10,806.41	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,824.13
CKY 37540 Regulating Structures	\$294,901.33	\$889.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$295,791.17
CKY 37560 Dist Ind M&R Structures	\$34,738.82	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,882.90
CKY 37570 Other Structures	\$1,689,512.70	\$11,889.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,701,402.22
CKY 37580 Communication Structures	\$20,034.99	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,182.45
CKY 37600 Mains	\$41,715,112.78	\$155,624.60	(\$10,676.00)	(\$21,223.58)	\$0.00	\$0.00	\$0.00	\$41,838,837.80
CKY 37810 M&R Equip-General	\$263,179.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$263,672.98
CKY 37820 M&R Equip-General-Reg	\$1,990,004.46	\$6,349.49	(\$5,032.50)	(\$13,210.87)	\$0.00	\$0.00	\$0.00	\$1,980,110.58
CKY 37830 M&R Eq-Local Gas Purc	\$23,879.60	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$23,968.59
CKY 37910 M&R Equip-CG-Check St	\$242,785.50	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$243,273.38
CKY 38000 Services	\$48,800,217.42	\$154,933.59	(\$42,160.84)	(\$945.50)	\$0.00	\$140.99	\$0.00	\$48,912,185.66
CKY 38100 Meters	\$3,491,417.88	\$23,151.57	(\$27,071.51)	\$0.00	\$0.00	\$0.00	\$0.00	\$3,487,497.74
CKY 38200 Meter Installations	\$2,953,228.93	\$14,519.91	(\$1,950.80)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,965,798.04
CKY 38300 House Regulators	\$910,898.75	\$2,776.86	(\$235.05)	(\$7.69)	\$0.00	\$0.00	\$0.00	\$913,432.87
CKY 38400 House Reg Installation	\$1,623,454.04	\$2,192.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,625,646.83
CKY 38500 Ind M&R Equipment	\$931,792.18	\$3,569.94	(\$6,650.58)	(\$340.68)	\$0.00	\$0.00	\$0.00	\$928,370.86
CKY 38720 Other Eq-Odorization	\$97,306.74	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,964.27
CKY 38741 Other Eq-Telephone	\$189,775.36	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$191,162.09
CKY 38742 Other Eq-Radio	\$430,777.17	\$1,740.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$432,518.15
CKY 38744 Other Eq-Other Comm	\$45,696.12	\$236.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,932.99
CKY 38745 Other Eq-Telemetering	\$345,482.01	\$2,125.83	(\$7,675.89)	\$0.00	\$0.00	\$0.00	\$0.00	\$339,931.95
CKY 38746 Other Eq-Cust Info Se	\$93,656.48	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$93,904.82
Total:	\$106,872,109.00	\$389,023.58	(\$101,453.17)	(\$35,728.32)	\$0.00	\$140.99	\$0.00	\$107,124,092.08
<u>General</u>								
CKY 39220 Trailers over 1,000	\$43,741.03	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,057.23
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$198,014.70	\$5,520.25	(\$63,000.93)	\$0.00	\$0.00	\$0.00	\$0.00	\$140,534.02

Monthly Depreciation Reserve Activity

Starting Month: Oct/2005
Ending Month: Oct/2005

NI Source

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$815,120.87	\$5,936.45	(\$63,000.93)	\$0.00	\$0.00	\$0.00	\$0.00	\$758,056.39
Total:	\$107,687,229.87	\$394,960.03	(\$164,454.10)	(\$35,728.32)	\$0.00	\$140.99	\$0.00	\$107,882,148.47
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$96,213.59	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,703.88
Total:	\$96,213.59	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,703.88
<u>Software</u>								
CKY 30310 DIS Software	\$12,920.98	\$108.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.56
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$835,505.62	\$15,293.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$850,799.38
Total:	\$848,426.60	\$15,402.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$863,828.94
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$52,303.84	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,150.17
Total:	\$52,303.84	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,150.17
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$434,569.07	\$5,261.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$439,830.26
CKY 39111 Data Handling Equip	\$1,667.18	\$263.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,930.45
CKY 39112 Information Systems	\$236,667.91	\$10,987.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$247,655.66
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$4,134.80	\$106.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,241.59
CKY 39420 Shop Equipment	\$1,484.33	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,488.91
CKY 39430 Tools & Other Equipment	\$853,557.13	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$859,679.71
CKY 39500 Laboratory Equipment	\$3,020.34	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,063.29
CKY 39800 Misc Equipment	\$45,911.65	\$581.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,473.50
Total:	\$1,581,845.43	\$23,350.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,605,196.39
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,760,021.66	\$40,089.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,800,111.58

c/l 108

c/l 111

Monthly Depreciation Reserve Activity

Starting Month: Nov/2005
Ending Month: Nov/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$100,710.31	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,317.67
CKY 37450 Rights of Way	\$570,626.00	\$2,712.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$573,338.81
CKY 37520 CG M&R Structures	\$5,463.30	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,471.87
CKY 37530 General M&R Structures	\$10,824.13	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,841.85
CKY 37540 Regulating Structures	\$295,791.17	\$887.63	(\$2,702.41)	\$0.00	\$0.00	\$0.00	\$0.00	\$293,976.39
CKY 37560 Dist Ind M&R Structures	\$34,882.90	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,026.98
CKY 37570 Other Structures	\$1,701,402.22	\$11,889.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,713,291.74
CKY 37580 Communication Structures	\$20,182.45	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,329.91
CKY 37600 Mains	\$41,838,837.80	\$155,990.21	(\$61,430.54)	(\$1,677.95)	\$0.00	\$0.00	\$0.00	\$41,931,719.52
CKY 37810 M&R Equip-General	\$263,672.98	\$493.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,165.98
CKY 37820 M&R Equip-General-Reg	\$1,980,110.58	\$8,344.49	(\$69.57)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,988,385.50
CKY 37830 M&R Eq-Local Gas Purc	\$23,968.59	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,057.58
CKY 37910 M&R Equip-CG-Check St	\$243,273.38	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$243,761.26
CKY 38000 Services	\$48,912,185.66	\$155,996.87	(\$66,233.22)	(\$875,201.50)	\$0.00	(\$340.48)	\$0.00	\$48,128,407.33
CKY 38100 Meters	\$3,487,497.74	\$23,142.90	(\$15,695.51)	\$0.00	\$0.00	\$50.90	\$0.00	\$3,494,996.03
CKY 38200 Meter Installations	\$2,965,798.04	\$14,559.08	(\$5,707.69)	(\$10.36)	\$0.00	\$0.00	\$0.00	\$2,974,639.07
CKY 38300 House Regulators	\$913,432.87	\$2,853.63	(\$534.47)	\$0.00	\$0.00	\$0.00	\$0.00	\$915,752.03
CKY 38400 House Reg Installation	\$1,625,646.83	\$2,182.26	(\$22,963.64)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,604,865.45
CKY 38500 Ind M&R Equipment	\$928,370.86	\$3,595.24	(\$12,408.28)	\$0.00	\$0.00	\$0.00	\$0.00	\$919,560.82
CKY 38720 Other Eq-Odorization	\$97,964.27	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,621.80
CKY 38741 Other Eq-Telephone	\$191,162.09	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$192,548.82
CKY 38742 Other Eq-Radio	\$432,518.15	\$1,740.03	(\$978.48)	\$0.00	\$0.00	\$0.00	\$0.00	\$433,279.70
CKY 38744 Other Eq-Other Comm	\$45,932.99	\$236.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,169.86
CKY 38745 Other Eq-Telemetering	\$339,931.95	\$2,162.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$342,094.31
CKY 38746 Other Eq-Cust Info Se	\$93,904.82	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,153.16
Total:	\$107,124,092.06	\$390,584.56	(\$186,723.81)	(\$874,889.81)	\$0.00	(\$289.58)	\$0.00	\$106,450,773.44
<u>General</u>								
CKY 39220 Trailers over 1,000	\$44,057.23	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,373.43
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$140,634.02	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$145,892.80

Depr - 1074 (Not Used)

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Monthly Depreciation Reserve Activity

Starting Month: Nov/2005
Ending Month: Nov/2005

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$569,966.39
Total:	\$758,056.39	\$5,574.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$763,631.37
Total:	\$107,882,148.47	\$396,159.54	(\$188,723.81)	(\$874,869.81)	\$0.00	(\$289.58)	\$0.00	\$107,214,404.81
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$96,703.88	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,194.17
Total:	\$96,703.88	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,194.17
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.56
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$850,799.38	\$32,652.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$883,451.87
Total:	\$863,828.94	\$32,652.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$896,481.43
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$53,150.17	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,996.50
Total:	\$53,150.17	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,996.50
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$439,830.26	\$5,261.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$445,091.45
CKY 39111 Data Handling Equip	\$1,930.45	\$263.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,193.72
CKY 39112 Information Systems	\$247,655.66	\$11,236.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$258,891.87
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$4,241.59	\$106.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,348.38
CKY 39420 Shop Equipment	\$1,488.91	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,493.49
CKY 39430 Tools & Other Equipment	\$859,679.71	\$6,122.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$865,802.29
CKY 39500 Laboratory Equipment	\$3,063.29	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,106.24
CKY 39800 Misc Equipment	\$46,473.50	\$561.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,035.35
Total:	\$1,695,196.39	\$23,599.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,628,795.81
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,800,111.58	\$57,588.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,857,700.11

C/L 108

C/L 111

Monthly Depreciation Reserve Activity

Starting Month: Dec/2005
Ending Month: Dec/2005

NI/Source

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$101,317.87	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,925.03
CKY 37450 Rights of Way	\$573,338.81	\$2,712.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$576,051.62
CKY 37520 CG M&R Structures	\$5,471.87	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,480.44
CKY 37530 General M&R Structures	\$10,841.85	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,859.57
CKY 37540 Regulating Structures	\$293,976.39	\$889.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$294,866.06
CKY 37560 Dist Ind M&R Structures	\$35,026.98	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,171.06
CKY 37570 Other Structures	\$1,713,291.74	\$11,889.43	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,725,181.17
CKY 37580 Communication Structures	\$20,329.91	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,477.37
CKY 37600 Mains	\$41,931,719.52	\$156,401.72	(\$27,886.09)	(\$12,281.04)	\$0.00	\$0.00	\$0.00	\$42,047,954.11
CKY 37810 M&R Equip-General	\$264,165.98	\$166.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$1,988,385.50	\$8,348.21	(\$4,054.50)	(\$709.02)	\$0.00	\$0.00	\$0.00	\$1,991,970.19
CKY 37830 M&R Eq-Local Gas Purc	\$24,057.58	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,146.57
CKY 37910 M&R Equip-CG-Check St	\$243,761.26	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$244,249.14
CKY 38000 Services	\$48,128,407.33	\$156,327.46	(\$375.54)	(\$194,883.93)	\$0.00	\$0.00	\$0.00	\$48,089,475.32
CKY 38100 Meters	\$3,494,996.03	\$23,320.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,518,316.75
CKY 38200 Meter Installations	\$2,974,639.07	\$14,571.66	\$0.00	(\$24,609.48)	\$0.00	\$0.00	\$0.00	\$2,964,601.25
CKY 38300 House Regulators	\$915,752.03	\$2,885.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$918,637.81
CKY 38400 House Reg Installation	\$1,604,865.45	\$2,171.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,607,037.19
CKY 38500 Ind M&R Equipment	\$919,560.82	\$4,010.33	(\$9,406.32)	\$0.00	\$0.00	\$0.00	\$0.00	\$914,164.83
CKY 38720 Other Eq-Odorization	\$98,621.80	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,279.33
CKY 38741 Other Eq-Telephone	\$192,548.82	\$1,388.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$193,935.55
CKY 38742 Other Eq-Radio	\$433,279.70	\$1,739.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$435,018.77
CKY 38744 Other Eq-Other Comm	\$46,169.86	\$236.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,406.73
CKY 38745 Other Eq-Telemetering	\$342,094.31	\$2,162.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$344,256.63
CKY 38746 Other Eq-Cust Info Se	\$94,153.16	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,401.50
Total:	\$106,450,773.44	\$391,629.11	(\$41,722.45)	(\$232,483.47)	\$0.00	\$0.00	\$0.00	\$106,568,196.63
<u>General</u>								
CKY 39220 Trailers over 1,000	\$44,373.43	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$44,689.63
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$145,892.80	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$151,151.58

Monthly Depreciation Reserve Activity

Starting Month: Dec/2005
Ending Month: Dec/2005

NI/Source

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$5,465.00	\$0.00	\$0.00	\$575,431.39
Total:	\$763,631.37	\$5,574.98	\$0.00	\$0.00	\$5,465.00	\$0.00	\$0.00	\$774,671.35
Total:	\$107,214,404.81	\$397,204.09	(\$41,722.45)	(\$232,483.47)	\$5,465.00	\$0.00	\$0.00	\$107,342,867.98
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$97,194.17	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,684.47
Total:	\$97,194.17	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,684.47
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.56
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$883,451.87	\$17,457.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$900,909.20
Total:	\$896,481.43	\$17,457.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$913,938.76
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$53,996.50	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54,842.83
Total:	\$53,996.50	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54,842.83
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$445,091.45	\$5,253.20	(\$3,838.24)	\$0.00	\$0.00	\$0.00	\$0.00	\$446,506.41
CKY 39111 Data Handling Equip	\$2,193.72	\$238.60	(\$6,879.79)	\$0.00	\$0.00	\$0.00	\$0.00	(\$6,447.47)
CKY 39112 Information Systems	\$258,891.87	\$11,291.07	(\$23,231.71)	\$0.00	\$0.00	\$0.00	\$0.00	\$246,951.23
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$4,348.38	\$97.69	(\$5,456.64)	(\$600,779.67)	\$489,271.50	\$0.00	\$0.00	(\$112,518.74)
CKY 39420 Shop Equipment	\$1,493.49	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,498.07
CKY 39430 Tools & Other Equipment	\$865,802.29	\$6,068.81	(\$32,264.28)	\$0.00	\$0.00	\$0.00	\$0.00	\$839,606.82
CKY 39500 Laboratory Equipment	\$3,106.24	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,149.19
CKY 39800 Misc Equipment	\$47,035.35	\$558.30	(\$1,277.69)	\$0.00	\$0.00	\$0.00	\$0.00	\$46,315.96
Total:	\$1,628,795.81	\$23,555.20	(\$74,948.35)	(\$600,779.67)	\$489,271.50	\$0.00	\$0.00	\$1,465,894.49
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,857,700.11	\$42,349.16	(\$74,948.35)	(\$600,779.67)	\$489,271.50	\$0.00	\$0.00	\$2,713,592.75

C/L 108

C/L 111

Monthly Depreciation Reserve Activity

Starting Month: Jan/2006
Ending Month: Jan/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$101,925.03	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$102,532.39
CKY 37450 Rights of Way	\$576,051.62	\$2,712.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$578,764.43
CKY 37520 CG M&R Structures	\$5,480.44	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,489.01
CKY 37530 General M&R Structures	\$10,859.57	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,877.29
CKY 37540 Regulating Structures	\$294,866.06	\$892.89	(\$1,254.74)	\$0.00	\$0.00	\$0.00	\$0.00	\$294,504.21
CKY 37560 Dist Ind M&R Structures	\$35,171.06	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,315.14
CKY 37570 Other Structures	\$1,725,181.17	\$11,889.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,737,070.52
CKY 37580 Communication Structures	\$20,477.37	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,624.83
CKY 37600 Mains	\$42,047,954.11	\$156,663.26	(\$9,881.02)	(\$224.30)	\$0.00	\$0.00	\$0.00	\$42,194,512.05
CKY 37810 M&R Equip-General	\$264,332.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$1,991,970.19	\$8,373.83	(\$2,487.06)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,997,856.96
CKY 37830 M&R Eq-Local Gas Purc	\$24,146.57	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,235.56
CKY 37910 M&R Equip-CG-Check St	\$244,249.14	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$244,737.02
CKY 38000 Services	\$48,089,475.32	\$156,670.83	(\$29,575.81)	(\$28,549.12)	\$0.00	\$0.00	\$0.00	\$48,188,021.22
CKY 38100 Meters	\$3,518,316.75	\$23,483.76	(\$20,075.04)	\$0.00	\$0.00	\$0.00	\$0.00	\$3,521,725.47
CKY 38200 Meter Installations	\$2,964,601.25	\$14,587.85	(\$859.26)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,978,329.84
CKY 38300 House Regulators	\$918,637.81	\$2,907.72	(\$163.44)	\$0.00	\$0.00	\$0.00	\$0.00	\$921,382.09
CKY 38400 House Reg Installation	\$1,607,037.19	\$2,171.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,609,208.93
CKY 38500 Ind M&R Equipment	\$914,164.83	\$4,423.64	\$0.00	(\$918.27)	\$0.00	\$0.00	\$0.00	\$917,670.20
CKY 38720 Other Eq-odorization	\$99,279.33	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,936.86
CKY 38741 Other Eq-Telephone	\$193,935.55	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$195,322.28
CKY 38742 Other Eq-Radio	\$435,018.77	\$1,739.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$436,757.85
CKY 38744 Other Eq-Other Comm	\$46,406.73	\$236.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,643.60
CKY 38745 Other Eq-Telemetering	\$344,256.63	\$2,167.13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$346,423.76
CKY 38746 Other Eq-Cust Info Se	\$94,401.50	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,649.84
Total:	\$106,568,196.63	\$392,715.42	(\$64,296.37)	(\$29,691.69)	\$0.00	\$0.00	\$0.00	\$106,866,923.99
<u>General</u>								
CKY 39220 Trailers over 1,000	\$44,689.63	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,005.83
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$151,151.58	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$156,410.36

Depr - 1074 (Not Used)

Monthly Depreciation Reserve Activity

Starting Month: Jan/2006
Ending Month: Jan/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Total:	\$774,671.35	\$5,574.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$780,246.33
Total:	\$107,342,857.98	\$398,290.40	(\$64,296.37)	(\$29,691.69)	\$0.00	\$0.00	\$0.00	\$107,647,170.32
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$97,684.47	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,174.76
Total:	\$97,684.47	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,174.76
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.56
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$900,909.20	\$16,792.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$917,701.62
Total:	\$913,938.76	\$16,792.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$930,731.18
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$54,842.83	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55,689.16
Total:	\$54,842.83	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$55,689.16
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$446,506.41	\$5,245.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$451,751.61
CKY 39111 Data Handling Equip	(\$6,447.47)	\$213.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$6,233.53)
CKY 39112 Information Systems	\$246,951.23	\$11,097.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$258,048.70
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	(\$112,518.74)	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$112,430.14)
CKY 39420 Shop Equipment	\$1,498.07	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,502.65
CKY 39430 Tools & Other Equipment	\$839,606.82	\$6,053.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$845,660.54
CKY 39500 Laboratory Equipment	\$3,149.19	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,192.14
CKY 39800 Misc Equipment	\$46,315.96	\$554.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,870.71
Total:	\$1,465,894.48	\$23,301.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,489,195.70
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,713,592.75	\$41,430.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,755,023.00

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Feb/2006
Ending Month: Feb/2006

NiSource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
Depreciable Assets								
Production								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37440 Land Rights, Other Dist	\$102,532.39	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$103,139.75
CKY 37450 Rights of Way	\$578,764.43	\$2,712.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$581,477.24
CKY 37520 CG M&R Structures	\$5,489.01	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,497.58
CKY 37530 General M&R Structures	\$10,877.29	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,895.01
CKY 37540 Regulating Structures	\$294,504.21	\$897.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$295,401.40
CKY 37560 Dist Ind M&R Structures	\$35,315.14	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,459.22
CKY 37570 Other Structures	\$1,737,070.52	\$11,889.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,748,959.87
CKY 37580 Communication Structures	\$20,624.83	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,772.29
CKY 37600 Mains	\$42,194,512.05	\$156,859.93	(\$11,797.26)	(\$159.83)	\$0.00	\$0.00	\$0.00	\$42,339,414.89
CKY 37810 M&R Equip-General	\$264,332.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$1,997,856.96	\$8,394.85	(\$1,122.49)	(\$1,348.54)	\$0.00	\$0.00	\$0.00	\$2,003,780.78
CKY 37930 M&R Eq-Local Gas Purc	\$24,235.56	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,324.55
CKY 37910 M&R Equip-CG-Check St	\$244,737.02	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$245,224.90
CKY 38000 Services	\$48,188,021.22	\$157,017.42	(\$51,329.45)	(\$70,814.63)	\$0.00	\$505.00	\$0.00	\$48,223,399.56
CKY 38100 Meters	\$3,521,725.47	\$23,465.90	\$0.00	\$0.00	\$0.00	\$101.53	\$0.00	\$3,545,293.00
CKY 38200 Meter Installations	\$2,978,329.84	\$14,599.11	(\$4,930.91)	\$0.00	\$0.00	\$1,641.37	\$0.00	\$2,989,639.41
CKY 38300 House Regulators	\$921,382.09	\$2,931.25	(\$348.18)	\$0.00	\$0.00	\$100.00	\$0.00	\$924,065.16
CKY 38400 House Reg Installation	\$1,609,208.93	\$2,171.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,611,380.67
CKY 38500 Ind M&R Equipment	\$917,670.20	\$4,426.93	(\$14.05)	(\$827.45)	\$0.00	\$0.00	\$0.00	\$921,255.63
CKY 38720 Other Eq-Odorization	\$89,936.86	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,594.39
CKY 38741 Other Eq-Telephone	\$195,322.28	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$196,709.01
CKY 38742 Other Eq-Radio	\$436,757.85	\$1,739.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$438,496.93
CKY 38744 Other Eq-Other Comm	\$46,643.60	\$236.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,880.56
CKY 38745 Other Eq-Telemetering	\$346,423.76	\$2,174.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$348,597.95
CKY 38746 Other Eq-Cust Info Se	\$94,649.84	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,898.18
Total:	\$106,866,923.99	\$393,311.37	(\$69,542.34)	(\$73,150.45)	\$0.00	\$2,348.00	\$0.00	\$107,119,890.57
General								
CKY 39220 Trailers over 1,000	\$45,005.83	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,322.03
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$156,410.36	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$161,669.14

Depr - 1074 (Not Used)

4/12/2007 14:38

Monthly Depreciation Reserve Activity
 NISource

Starting Month: Feb/2006
 Ending Month: Feb/2006

Columbia Gas of Kentucky
 Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Total:	\$780,246.33	\$5,574.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$785,821.31
Total:	\$107,647,170.32	\$398,886.35	(\$69,542.34)	(\$73,150.45)	\$0.00	\$2,348.00	\$0.00	\$107,905,711.88
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$98,174.76	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,665.06
Total:	\$98,174.76	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,665.06
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.56
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$917,701.62	\$16,800.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$934,502.10
Total:	\$930,731.18	\$16,800.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$947,531.66
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$55,689.16	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,535.49
Total:	\$55,689.16	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,535.49
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$451,751.61	\$5,245.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$456,996.81
CKY 39111 Data Handling Equip	(\$6,233.53)	\$213.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$6,019.59)
CKY 39112 Information Systems	\$258,048.70	\$11,097.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$269,146.17
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	(\$112,430.14)	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$112,341.54)
CKY 39420 Shop Equipment	\$1,502.65	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,507.23
CKY 39430 Tools & Other Equipment	\$845,660.54	\$6,092.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$851,752.95
CKY 39500 Laboratory Equipment	\$3,192.14	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,235.09
CKY 39800 Misc Equipment	\$46,870.71	\$554.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,425.46
Total:	\$1,489,195.70	\$23,339.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,512,535.60
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,755,023.00	\$41,477.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,796,500.01

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Mar/2006
Ending Month: Mar/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$103,139.75	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$103,747.11
CKY 37450 Rights of Way	\$581,477.24	\$2,712.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$584,190.05
CKY 37520 CG M&R Structures	\$5,487.58	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,506.15
CKY 37530 General M&R Structures	\$10,895.01	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,912.73
CKY 37540 Regulating Structures	\$295,401.40	\$903.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$296,304.59
CKY 37560 Dist Ind M&R Structures	\$35,459.22	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,603.30
CKY 37570 Other Structures	\$1,748,959.87	\$11,889.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,760,849.22
CKY 37580 Communication Structures	\$20,772.29	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,919.75
CKY 37600 Mains	\$42,339,414.89	\$157,084.86	(\$8,258.84)	(\$2,490.80)	\$0.00	\$0.00	\$0.00	\$42,485,780.11
CKY 37810 M&R Equip-General	\$264,332.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$2,003,780.78	\$8,394.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,012,174.83
CKY 37830 M&R Eq-Local Gas Purc	\$24,324.35	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,413.54
CKY 37910 M&R Equip-CG-Check St	\$245,224.90	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$245,712.78
CKY 38000 Services	\$48,223,399.36	\$157,284.73	(\$76,938.44)	(\$77,662.85)	\$0.00	(\$113.79)	\$0.00	\$48,225,969.41
CKY 38100 Meters	\$3,545,293.00	\$23,466.13	\$0.00	\$0.00	\$0.00	\$50.61	\$0.00	\$3,568,809.74
CKY 38200 Meter Installations	\$2,989,639.41	\$14,694.63	(\$3,103.18)	(\$100.51)	\$0.00	\$100.93	\$0.00	\$3,001,141.28
CKY 38300 House Regulators	\$924,065.16	\$2,980.05	(\$455.52)	(\$24.83)	\$0.00	\$0.00	\$0.00	\$926,544.86
CKY 38400 House Reg Installation	\$1,611,380.67	\$2,171.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,613,552.41
CKY 38500 Ind M&R Equipment	\$921,255.63	\$4,435.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$925,691.29
CKY 38720 Other Eq-Ofolization	\$100,594.39	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,251.92
CKY 38741 Other Eq-Telephone	\$196,709.01	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$198,095.74
CKY 38742 Other Eq-Radio	\$438,496.93	\$1,739.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$440,236.01
CKY 38744 Other Eq-Other Comm	\$46,880.56	\$237.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,117.61
CKY 38745 Other Eq-Telemetering	\$348,597.95	\$2,176.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$350,774.36
CKY 38746 Other Eq-Cust Info Se	\$94,898.18	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,146.52
Total:	\$107,119,890.57	\$393,854.40	(\$88,755.98)	(\$80,278.79)	\$0.00	\$37.75	\$0.00	\$107,344,747.95
<u>General</u>								
CKY 39220 Trailers over 1,000	\$45,322.03	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,638.23
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$161,669.14	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$166,927.92

Depr - 1074 (Not Used)

4/12/2007 14:38

Monthly Depreciation Reserve Activity

Starting Month: Mar/2006
Ending Month: Mar/2006

NiSource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Total:	\$785,821.31	\$5,574.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$791,396.29
Total:	\$107,905,711.88	\$399,429.38	(\$88,755.98)	(\$80,278.79)	\$0.00	\$37.75	\$0.00	\$108,136,144.24
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$98,665.06	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,155.36
Total:	\$98,665.06	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,155.36
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.56
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$934,502.10	\$16,809.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$951,311.42
Total:	\$947,531.66	\$16,809.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$964,340.98
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$56,535.49	\$846.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,381.81
Total:	\$56,535.49	\$846.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,381.81
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$456,996.81	\$5,245.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$462,242.01
CKY 39111 Data Handling Equip	(\$6,019.59)	\$213.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$5,805.65)
CKY 39112 Information Systems	\$269,146.17	\$11,097.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$280,243.64
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	(\$112,341.54)	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$112,252.94)
CKY 39420 Shop Equipment	\$1,507.23	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,511.81
CKY 39430 Tools & Other Equipment	\$851,752.95	\$6,092.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$857,845.75
CKY 39500 Laboratory Equipment	\$3,235.09	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,278.04
CKY 39800 Misc Equipment	\$47,425.46	\$554.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,980.21
Total:	\$1,512,535.60	\$23,340.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,535,875.89
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,796,500.01	\$41,486.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,837,986.24

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Apr/2006
Ending Month: Apr/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$103,747.11	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104,354.47
CKY 37450 Rights of Way	\$884,190.05	\$2,712.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$886,902.87
CKY 37520 CG M&R Structures	\$5,506.15	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,514.72
CKY 37530 General M&R Structures	\$10,912.73	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,930.45
CKY 37540 Regulating Structures	\$296,304.59	\$904.62	(\$441.50)	\$5,141.79	\$0.00	(\$10,283.58)	\$0.00	\$291,625.92
CKY 37560 Dist Ind M&R Structures	\$35,603.30	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,747.38
CKY 37570 Other Structures	\$1,760,849.22	\$11,889.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,772,738.57
CKY 37580 Communication Structures	\$20,919.75	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,067.21
CKY 37800 Mains	\$42,485,750.11	\$157,346.67	(\$7,964.44)	(\$398.45)	\$0.00	\$0.00	\$0.00	\$42,634,733.89
CKY 37810 M&R Equip-General	\$264,332.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$2,012,174.83	\$8,394.05	\$0.00	(\$640.56)	\$0.00	\$0.00	\$0.00	\$2,019,928.32
CKY 37830 M&R Eq-Local Gas Purc	\$24,413.54	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,502.53
CKY 37910 M&R Equip-CG-Check St	\$245,712.78	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$246,200.66
CKY 38000 Services	\$48,225,969.41	\$157,539.44	(\$78,322.73)	(\$36,616.73)	\$0.00	\$480.61	\$0.00	\$48,269,050.00
CKY 38100 Meters	\$3,568,809.74	\$23,486.36	\$0.00	\$0.00	\$0.00	\$21.44	\$0.00	\$3,592,297.54
CKY 38200 Meter Installations	\$3,001,141.28	\$14,610.24	(\$2,474.20)	\$0.00	\$0.00	\$62.40	\$0.00	\$3,013,339.72
CKY 38300 House Regulators	\$926,544.86	\$2,992.20	(\$244.44)	\$0.00	\$0.00	(\$100.00)	\$0.00	\$929,192.62
CKY 38400 House Reg Installation	\$1,613,552.41	\$2,171.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,615,724.15
CKY 38500 Ind M&R Equipment	\$925,691.29	\$4,437.50	(\$4,158.10)	(\$109.37)	\$0.00	\$0.00	\$0.00	\$925,861.32
CKY 38720 Other Eq-Odorization	\$101,251.92	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,909.45
CKY 38741 Other Eq-Telephone	\$198,095.74	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$199,482.47
CKY 38742 Other Eq-Radio	\$440,236.01	\$1,739.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$441,975.09
CKY 38744 Other Eq-Other Comm	\$47,117.61	\$237.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,354.66
CKY 38745 Other Eq-Telemetering	\$350,774.36	\$2,176.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$352,950.77
CKY 38746 Other Eq-Cust Info Se	\$95,146.52	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,394.86
Total:	\$107,344,747.95	\$394,412.19	(\$93,605.41)	(\$32,623.32)	\$0.00	(\$9,819.13)	\$0.00	\$107,603,112.28
<u>General</u>								
CKY 39220 Trailers over 1,000	\$45,638.23	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,954.43
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$166,927.92	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$172,186.70

Monthly Depreciation Reserve Activity

Starting Month: Apr/2006
Ending Month: Apr/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39690 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Total:	\$791,396.29	\$5,574.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$796,971.27
Total:	\$108,138,144.24	\$399,987.17	(\$93,605.41)	(\$32,623.32)	\$0.00	(\$9,819.13)	\$0.00	\$108,400,083.55
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$99,155.36	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,645.65
Total:	\$99,155.36	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99,645.65
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.56
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$951,311.42	\$16,810.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$968,121.42
Total:	\$964,340.98	\$16,810.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$981,150.98
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$57,381.81	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$58,228.14
Total:	\$57,381.81	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$58,228.14
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$462,242.01	\$5,245.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$467,487.21
CKY 39111 Data Handling Equip	(\$5,805.65)	\$213.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$5,591.71)
CKY 39112 Information Systems	\$280,243.64	\$11,097.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$291,341.11
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	(\$112,252.94)	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$112,164.34)
CKY 39420 Shop Equipment	\$1,511.81	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,516.39
CKY 39430 Tools & Other Equipment	\$857,845.75	\$6,093.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$863,938.94
CKY 39500 Laboratory Equipment	\$3,278.04	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,320.99
CKY 39800 Misc Equipment	\$47,980.21	\$554.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,534.96
Total:	\$1,535,875.89	\$23,340.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,559,216.57
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,837,986.24	\$41,487.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,879,473.54

c/l 108

c/l 111

Monthly Depreciation Reserve Activity

Starting Month: May/2006
Ending Month: May/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$104,354.47	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104,961.83
CKY 37450 Rights of Way	\$586,902.87	\$2,712.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$589,615.69
CKY 37520 CG M&R Structures	\$5,514.72	\$8.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,523.29
CKY 37530 General M&R Structures	\$10,930.45	\$17.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,948.17
CKY 37540 Regulating Structures	\$291,625.92	\$911.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$292,537.70
CKY 37560 Dist Ind M&R Structures	\$35,747.38	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,891.46
CKY 37570 Other Structures	\$1,772,738.57	\$11,889.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,784,627.92
CKY 37580 Communication Structures	\$21,067.21	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,214.67
CKY 37600 Mains	\$42,634,733.89	\$157,592.77	(\$8,484.33)	(\$391.91)	\$0.00	\$0.00	\$0.00	\$42,783,450.42
CKY 37810 M&R Equip-General	\$284,332.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$284,332.64
CKY 37820 M&R Equip-General-Reg	\$2,019,928.32	\$8,389.42	(\$4,723.80)	(\$2,451.16)	\$0.00	\$0.00	\$0.00	\$2,021,142.78
CKY 37830 M&R Eq-Local Gas Purc	\$24,502.53	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,591.52
CKY 37910 M&R Equip-CG-Check St	\$246,200.66	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$246,688.54
CKY 38000 Services	\$48,269,050.00	\$157,889.20	(\$54,855.36)	(\$60,177.15)	\$0.00	\$0.00	\$0.00	\$48,311,906.69
CKY 38100 Meters	\$3,592,297.54	\$23,466.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,615,763.90
CKY 38200 Meter Installations	\$3,013,339.72	\$14,617.97	(\$3,609.06)	\$0.00	\$0.00	\$0.00	\$0.00	\$3,024,348.63
CKY 38300 House Regulators	\$929,192.62	\$3,027.90	(\$231.19)	\$0.00	\$0.00	\$0.00	\$0.00	\$931,989.33
CKY 38400 House Reg Installation	\$1,615,724.15	\$2,171.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,617,895.89
CKY 38500 Ind M&R Equipment	\$925,861.32	\$4,440.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$930,301.36
CKY 38720 Other Eq-Odorization	\$101,909.45	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$102,566.98
CKY 38741 Other Eq-Telephone	\$199,482.47	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,869.20
CKY 38742 Other Eq-Radio	\$441,975.09	\$1,739.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$443,714.17
CKY 38744 Other Eq-Other Comm	\$47,354.66	\$237.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,591.71
CKY 38745 Other Eq-Telemetering	\$352,950.77	\$2,176.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$355,127.18
CKY 38746 Other Eq-Cust Info Se	\$95,394.86	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,643.20
Total:	\$107,603,112.28	\$395,066.55	(\$71,903.74)	(\$63,020.22)	\$0.00	\$0.00	\$0.00	\$107,663,244.87
<u>General</u>								
CKY 39220 Trailers over 1,000	\$45,954.43	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,270.63
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$172,186.70	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$177,445.48

Monthly Depreciation Reserve Activity

Starting Month: May/2006
Ending Month: May/2006

NI:Source

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Total:	\$796,971.27	\$5,574.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$802,546.25
Total:	\$108,400,083.55	\$400,631.53	(\$71,903.74)	(\$63,020.22)	\$0.00	\$0.00	\$0.00	\$108,665,791.12
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$99,645.65	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,135.94
Total:	\$99,645.65	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,135.94
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.56
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$968,121.42	\$16,810.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$984,931.43
Total:	\$981,150.98	\$16,810.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$997,960.99
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$58,228.14	\$846.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$59,074.46
Total:	\$58,228.14	\$846.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$59,074.46
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$467,487.21	\$5,245.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$472,732.41
CKY 39111 Data Handling Equip	(\$5,591.71)	\$213.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$5,377.77)
CKY 39112 Information Systems	\$291,341.11	\$11,097.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$302,438.58
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	(\$112,164.34)	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$112,075.74)
CKY 39420 Shop Equipment	\$1,516.39	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,520.97
CKY 39430 Tools & Other Equipment	\$863,938.94	\$6,093.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$870,032.13
CKY 39500 Laboratory Equipment	\$3,320.99	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,363.94
CKY 39800 Misc Equipment	\$48,534.96	\$54.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,089.71
Total:	\$1,559,216.57	\$23,340.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,582,557.25
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,879,473.54	\$41,487.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,920,960.84

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Monthly Depreciation Reserve Activity

Starting Month: Jun/2006
Ending Month: Jun/2006

NI/Source

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
Depreciable Assets								
Production								
CKY 39500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37440 Land Rights, Other Dist	\$104,961.83	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105,569.19
CKY 37450 Rights of Way	\$589,615.69	\$2,712.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$592,328.51
CKY 37520 CG M&R Structures	\$5,523.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,523.29
CKY 37530 General M&R Structures	\$10,948.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,948.17
CKY 37540 Regulating Structures	\$292,537.70	\$918.55	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$293,456.25
CKY 37560 Dist Ind M&R Structures	\$35,891.46	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36,035.54
CKY 37570 Other Structures	\$1,784,627.92	\$11,889.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,796,517.27
CKY 37580 Communication Structures	\$21,214.87	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,362.13
CKY 37600 Mains	\$42,783,450.42	\$158,631.18	(\$6,690.05)	(\$2,470.06)	\$0.00	\$0.00	\$0.00	\$42,932,921.49
CKY 37810 M&R Equip-General	\$264,332.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$2,021,142.78	\$8,384.92	\$0.00	(\$585.48)	\$0.00	\$0.00	\$0.00	\$2,028,942.22
CKY 37830 M&R Eq-Local Gas Purc	\$24,591.52	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,680.51
CKY 37910 M&R Equip-CG-Check St	\$246,688.54	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$247,176.42
CKY 38000 Services	\$48,311,906.69	\$158,461.82	(\$69,805.45)	(\$58,913.72)	\$0.00	(\$74.60)	\$0.00	\$48,341,574.74
CKY 38100 Meters	\$3,615,763.90	\$23,466.36	\$0.00	\$0.00	\$0.00	(\$50.00)	\$0.00	\$3,639,180.26
CKY 38200 Meter Installations	\$3,024,348.63	\$14,528.74	(\$3,945.92)	\$0.00	\$0.00	(\$50.00)	\$0.00	\$3,034,980.45
CKY 38300 House Regulators	\$931,989.33	\$3,064.26	(\$366.30)	\$0.00	\$0.00	\$0.00	\$0.00	\$934,687.29
CKY 38400 House Reg Installation	\$1,617,895.89	\$2,171.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,620,067.63
CKY 38500 Ind M&R Equipment	\$930,301.36	\$4,446.16	\$0.00	(\$147.63)	\$0.00	\$0.00	\$0.00	\$934,599.89
CKY 38720 Other Eq-Odorization	\$102,566.98	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$103,224.51
CKY 38741 Other Eq-Telephone	\$200,869.20	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$202,255.93
CKY 38742 Other Eq-Radio	\$443,714.17	\$1,739.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$445,453.25
CKY 38744 Other Eq-Other Comm	\$47,591.71	\$237.05	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,828.76
CKY 38745 Other Eq-Telemetering	\$355,127.18	\$2,176.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$357,303.59
CKY 38746 Other Eq-Cust Info Se	\$95,643.20	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,891.54
Total:	\$107,863,244.87	\$396,696.81	(\$80,808.72)	(\$62,116.89)	\$0.00	(\$174.60)	\$0.00	\$108,116,841.47
General								
CKY 39220 Trailers over 1,000	\$46,270.63	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,586.83
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$177,445.48	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$182,704.26

Monthly Depreciation Reserve Activity

Starting Month: Jun/2006
Ending Month: Jun/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39800 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Total:	\$802,546.25	\$5,574.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$808,121.23
Total:	\$108,665,791.12	\$402,271.79	(\$80,808.72)	(\$62,116.89)	\$0.00	(\$174.60)	\$0.00	\$108,924,962.70
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$100,135.94	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,626.24
Total:	\$100,135.94	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,626.24
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.58
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$984,931.43	\$16,810.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,001,741.45
Total:	\$997,960.99	\$16,810.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,014,771.01
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$59,074.46	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$59,920.79
Total:	\$59,074.46	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$59,920.79
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$472,732.41	\$5,245.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$477,977.61
CKY 39111 Data Handling Equip	(\$5,377.77)	\$213.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$5,163.83)
CKY 39112 Information Systems	\$302,438.58	\$11,097.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$313,536.05
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	(\$112,075.74)	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$111,987.14)
CKY 39420 Shop Equipment	\$1,520.97	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,525.55
CKY 39430 Tools & Other Equipment	\$870,032.13	\$6,093.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$876,125.32
CKY 39500 Laboratory Equipment	\$3,363.94	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,406.89
CKY 39800 Misc Equipment	\$49,089.71	\$554.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,644.46
Total:	\$1,582,557.25	\$23,340.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,605,897.93
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,920,960.84	\$41,487.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,962,448.17

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

NI/Source

Starting Month: Jul/2006
Ending Month: Jul/2006

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$105,569.19	\$607.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$106,176.55
CKY 37450 Rights of Way	\$892,328.51	\$2,712.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$895,041.33
CKY 37520 CG M&R Structures	\$5,523.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,523.29
CKY 37530 General M&R Structures	\$10,948.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,948.17
CKY 37540 Regulating Structures	\$293,456.25	\$918.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$294,375.16
CKY 37560 Dist Ind M&R Structures	\$36,035.54	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36,179.62
CKY 37570 Other Structures	\$1,796,517.27	\$11,889.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,808,406.62
CKY 37580 Communication Structures	\$21,362.13	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,509.59
CKY 37600 Mains	\$42,932,921.49	\$159,674.92	(\$1,912.07)	(\$3,532.34)	\$0.00	\$0.00	\$0.00	\$43,087,152.00
CKY 37810 M&R Equip-General	\$264,332.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$2,028,942.22	\$8,387.49	(\$133.49)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,037,196.22
CKY 37830 M&R Eq-Local Gas Purc	\$24,680.51	\$88.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,769.50
CKY 37910 M&R Equip-CG-Check St	\$247,176.42	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$247,664.30
CKY 38000 Services	\$48,341,574.74	\$158,982.13	(\$62,875.36)	(\$37,531.01)	\$0.00	(\$306.25)	\$0.00	\$48,399,844.25
CKY 38100 Meters	\$3,639,180.26	\$23,466.36	\$0.00	\$0.00	\$0.00	\$0.96	\$0.00	\$3,662,647.58
CKY 38200 Meter Installations	\$3,034,980.45	\$14,812.03	(\$4,190.71)	(\$6.70)	\$0.00	(\$80.91)	\$0.00	\$3,045,514.16
CKY 38300 House Regulators	\$934,687.29	\$3,103.33	(\$437.13)	\$0.00	\$0.00	\$0.00	\$0.00	\$937,353.49
CKY 38400 House Reg Installation	\$1,620,067.63	\$2,171.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,622,239.37
CKY 38500 Ind M&R Equipment	\$934,599.89	\$4,475.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$939,075.78
CKY 38720 Other Eq-Odorization	\$103,224.51	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$103,882.04
CKY 38741 Other Eq-Telephone	\$202,255.93	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$203,642.66
CKY 38742 Other Eq-Radio	\$445,453.25	\$1,739.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$447,192.33
CKY 38744 Other Eq-Other Comm	\$47,828.76	\$241.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,070.64
CKY 38745 Other Eq-Telemetering	\$357,303.59	\$2,172.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$359,475.59
CKY 38746 Other Eq-Cust Info Se	\$95,891.54	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,139.88
Total:	\$108,116,841.47	\$398,516.30	(\$69,548.76)	(\$41,070.05)	\$0.00	(\$386.20)	\$0.00	\$108,404,352.76
<u>General</u>								
CKY 39220 Trailers over 1,000	\$46,586.83	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,903.03
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$182,704.26	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$187,963.04

Monthly Depreciation Reserve Activity

Starting Month: Jul/2006
Ending Month: Jul/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Total:	\$808,121.23	\$5,574.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$813,696.21
Total:	\$108,924,962.70	\$404,091.28	(\$69,548.76)	(\$41,070.05)	\$0.00	(\$386.20)	\$0.00	\$109,218,048.97
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$100,626.24	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,116.54
Total:	\$100,626.24	\$490.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,116.54
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,029.56
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$1,001,741.45	\$16,810.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,018,551.45
Total:	\$1,014,771.01	\$16,810.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,031,581.01
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$59,920.79	\$846.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,767.11
Total:	\$59,920.79	\$846.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,767.11
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$477,977.61	\$5,245.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$483,222.81
CKY 39111 Data Handling Equip	(\$5,163.83)	\$213.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$4,949.89)
CKY 39112 Information Systems	\$313,536.05	\$11,097.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$324,633.52
CKY 39300 Stores Equipment	\$633.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$633.02
CKY 39410 Garage & Service Equip	(\$111,987.14)	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$111,898.54)
CKY 39420 Shop Equipment	\$1,525.55	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,530.13
CKY 39430 Tools & Other Equipment	\$876,125.32	\$6,093.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$882,218.51
CKY 39500 Laboratory Equipment	\$3,406.89	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,449.84
CKY 39800 Misc Equipment	\$49,644.46	\$554.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,199.21
Total:	\$1,605,897.93	\$23,340.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,629,238.61
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,962,448.17	\$41,487.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,003,935.47

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Aug/2006
Ending Month: Aug/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>Production</u>								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Distribution</u>								
CKY 37440 Land Rights, Other Dist	\$106,176.55	\$607.29	(\$106.98)	\$0.00	\$0.00	\$0.00	\$0.00	\$106,676.86
CKY 37450 Rights of Way	\$595,041.33	\$2,712.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$597,754.15
CKY 37520 CG M&R Structures	\$5,523.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,523.29
CKY 37530 General M&R Structures	\$10,948.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,948.17
CKY 37540 Regulating Structures	\$294,375.16	\$918.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$295,294.07
CKY 37560 Dist Ind M&R Structures	\$36,179.62	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36,323.70
CKY 37570 Other Structures	\$1,808,406.62	\$11,889.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,820,295.97
CKY 37580 Communication Structures	\$1,509.59	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,657.05
CKY 37600 Mains	\$43,087,152.00	\$159,859.71	(\$2,360.67)	(\$2,077.33)	\$0.00	\$0.00	\$0.00	\$43,242,573.71
CKY 37810 M&R Equip-General	\$264,332.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$2,037,196.22	\$8,389.80	(\$164.19)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,045,421.83
CKY 37830 M&R Eq-Local Gas Purc	\$24,769.50	\$88.56	(\$436.92)	\$0.00	\$0.00	\$0.00	\$0.00	\$24,421.14
CKY 37910 M&R Equip-CG-Check St	\$247,664.30	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$248,152.18
CKY 38000 Services	\$48,399,844.25	\$159,463.92	(\$43,131.79)	(\$53,346.02)	\$0.00	\$206.30	\$0.00	\$48,463,036.66
CKY 38100 Meters	\$3,662,647.58	\$23,685.21	\$0.00	\$0.00	\$0.00	\$100.80	\$0.00	\$3,686,433.59
CKY 38200 Meter Installations	\$3,045,514.16	\$14,996.05	(\$3,120.29)	\$0.00	\$0.00	\$50.44	\$0.00	\$3,057,440.36
CKY 38300 House Regulators	\$937,353.49	\$3,144.60	(\$251.41)	\$0.00	\$0.00	\$624.31	\$0.00	\$940,870.99
CKY 38400 House Reg Installation	\$1,622,239.37	\$2,169.67	(\$4,509.27)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,619,899.77
CKY 38500 Ind M&R Equipment	\$939,075.78	\$4,499.75	(\$5,761.12)	\$0.00	\$0.00	\$0.00	\$0.00	\$936,814.41
CKY 38720 Other Eq-Odorization	\$103,882.04	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104,539.57
CKY 38741 Other Eq-Telephone	\$203,642.66	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$205,029.39
CKY 38742 Other Eq-Radio	\$447,192.33	\$1,739.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$448,931.41
CKY 38744 Other Eq-Other Comm	\$48,070.64	\$248.65	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,319.29
CKY 38745 Other Eq-Telemetering	\$359,475.59	\$2,167.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$361,643.20
CKY 38746 Other Eq-Cust Info Se	\$95,139.88	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,388.22
Total:	\$108,404,352.76	\$399,651.00	(\$60,842.64)	(\$55,423.35)	\$0.00	\$981.85	\$0.00	\$108,688,719.62
<u>General</u>								
CKY 39220 Trailers over 1,000	\$46,903.03	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,219.23
CKY 39221 Trailers 1,000 & less	\$3,388.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,388.75
CKY 39411 CNG Equip. Stationary	\$187,963.04	\$5,258.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$193,221.82

Monthly Depreciation Reserve Activity

Starting Month: Aug/2006
Ending Month: Aug/2006

NISource

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Total:	\$813,696.21	\$5,574.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$819,271.19
Total:	\$109,218,046.97	\$405,225.98	(\$60,842.64)	(\$55,423.35)	\$0.00	\$981.85	\$0.00	\$109,507,990.81
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$101,116.54	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,606.83
Total:	\$101,116.54	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$101,606.83
<u>Software</u>								
CKY 30310 DIS Software	\$13,029.56	\$0.00	(\$13,029.56)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$1,018,551.45	\$16,810.01	(\$493,105.92)	\$0.00	\$0.00	\$0.00	\$0.00	\$542,255.54
Total:	\$1,031,581.01	\$16,810.01	(\$506,135.48)	\$0.00	\$0.00	\$0.00	\$0.00	\$542,255.54
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$60,767.11	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$61,613.44
Total:	\$60,767.11	\$846.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$61,613.44
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$483,222.81	\$5,245.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$488,468.01
CKY 39111 Data Handling Equip	(\$4,949.89)	\$213.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$4,735.95)
CKY 39112 Information Systems	\$324,633.52	\$11,097.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$335,730.99
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	(\$111,898.54)	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$111,809.94)
CKY 39420 Shop Equipment	\$1,530.13	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,534.71
CKY 39430 Tools & Other Equipment	\$882,218.51	\$6,093.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$888,311.70
CKY 39500 Laboratory Equipment	\$3,449.84	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,492.79
CKY 39800 Misc Equipment	\$50,199.21	\$554.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,753.96
Total:	\$1,629,238.61	\$23,340.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,652,579.29
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$3,003,935.47	\$41,487.31	(\$506,135.48)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,539,287.30

G/L 108

G/L 111

Monthly Depreciation Reserve Activity

Starting Month: Sep/2006
Ending Month: Sep/2006

NI:Source

Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
Depreciable Assets								
Production								
CKY 30500 Structures & Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 31100 LPG Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37440 Land Rights, Other Dist	\$106,676.86	\$607.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$107,284.08
CKY 37450 Rights of Way	\$597,754.15	\$2,712.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600,466.97
CKY 37520 CG M&R Structures	\$5,523.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,523.29
CKY 37530 General M&R Structures	\$10,948.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,948.17
CKY 37540 Regulating Structures	\$295,294.07	\$918.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$296,212.98
CKY 37560 Dist Ind M&R Structures	\$36,323.70	\$144.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36,467.78
CKY 37570 Other Structures	\$1,820,295.97	\$11,889.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,832,185.32
CKY 37580 Communication Structures	\$21,557.05	\$147.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,804.51
CKY 37600 Mains	\$43,242,573.71	\$160,096.08	(\$42,222.33)	(\$2,151.10)	\$0.00	\$0.00	\$0.00	\$43,358,296.36
CKY 37810 M&R Equip-General	\$264,332.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$2,045,421.83	\$8,394.08	(\$4,272.05)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,049,543.86
CKY 37830 M&R Eq-Local Gas Purc	\$24,421.14	\$88.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,509.28
CKY 37910 M&R Equip-CG-Check St	\$248,152.18	\$487.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$248,640.06
CKY 38000 Services	\$48,453,036.56	\$160,036.59	(\$64,963.56)	(\$34,869.91)	\$0.00	\$278.35	\$0.00	\$48,523,518.11
CKY 38100 Meters	\$3,586,433.59	\$23,921.64	(\$456.56)	\$0.00	\$0.00	\$50.00	\$0.00	\$3,709,948.73
CKY 38200 Meter Installations	\$3,057,440.36	\$15,008.97	(\$4,004.29)	\$0.00	\$0.00	\$50.00	\$0.00	\$3,068,495.04
CKY 38300 House Regulators	\$940,870.99	\$3,194.09	(\$707.79)	\$0.00	\$0.00	\$0.00	\$0.00	\$943,205.42
CKY 38400 House Reg Installation	\$1,619,899.77	\$2,167.49	(\$255.82)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,621,811.44
CKY 38500 Ind M&R Equipment	\$936,814.41	\$4,493.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$941,308.27
CKY 38720 Other Eq-Odorization	\$104,539.57	\$657.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105,197.10
CKY 38741 Other Eq-Telephone	\$205,029.39	\$1,386.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$206,416.12
CKY 38742 Other Eq-Radio	\$448,931.41	\$1,739.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450,670.49
CKY 38744 Other Eq-Other Comm	\$48,317.29	\$246.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,563.89
CKY 38745 Other Eq-Telemetering	\$361,643.20	\$2,167.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$363,811.19
CKY 38746 Other Eq-Cust Info Se	\$96,388.22	\$248.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$96,636.56
Total:	\$108,698,719.62	\$400,754.93	(\$116,882.36)	(\$37,021.01)	\$0.00	\$226.48	\$0.00	\$108,935,797.66
General								
CKY 39220 Trailers over 1,000	\$47,219.23	\$316.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,535.43
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75
CKY 39411 CNG Equip, Stationary	\$193,221.82	\$4,553.22	(\$122,973.34)	\$0.00	\$0.00	\$0.00	\$0.00	\$74,801.70

Depr - 1074 (Not Used)

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Monthly Depreciation Reserve Activity

Starting Month: Sep/2006
Ending Month: Sep/2006

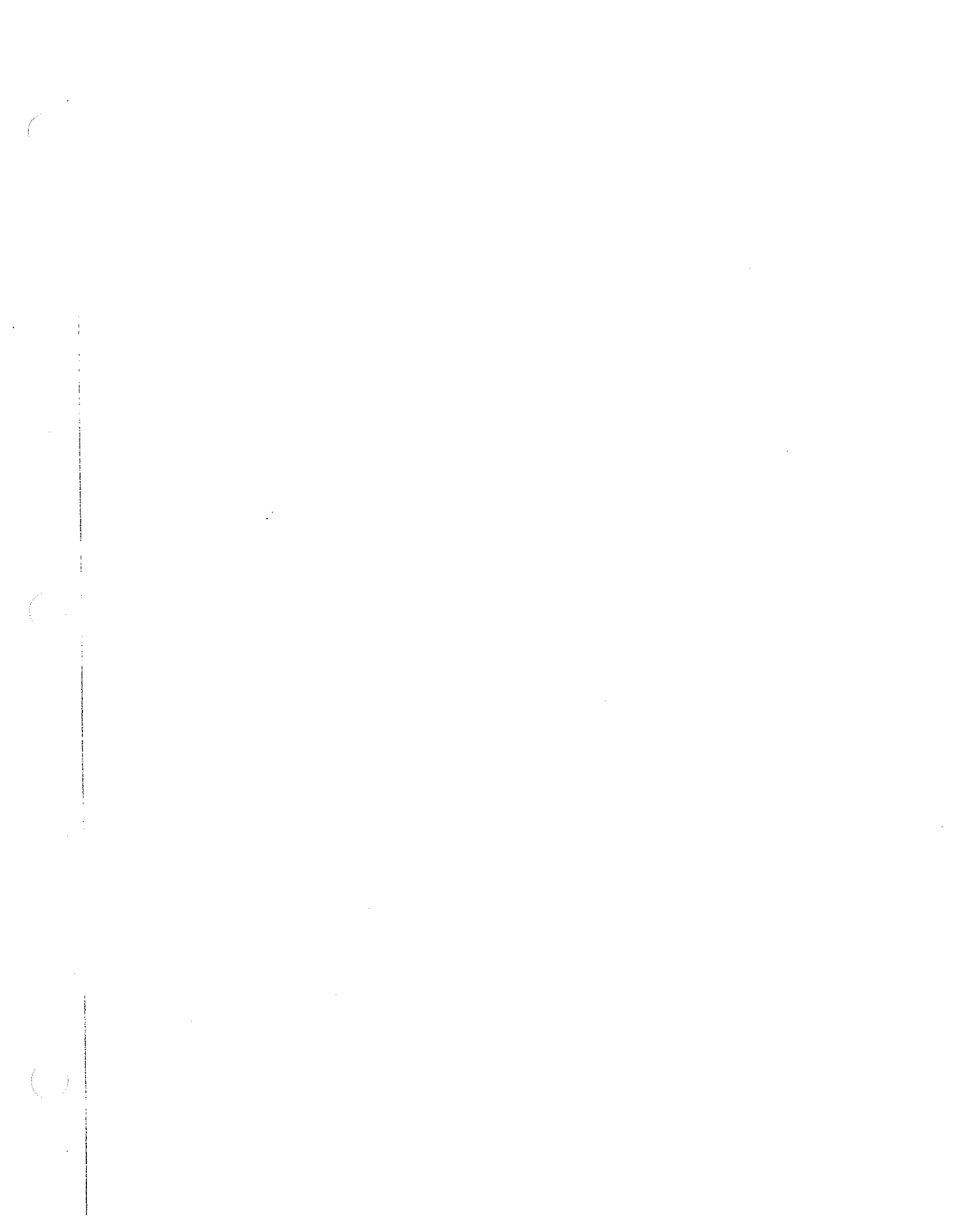
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Columbia Gas of Kentucky
Financial/SEC

Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / Gain	Ending Reserve
<u>Depreciable Assets</u>								
<u>General</u>								
CKY 39600 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Total:	\$819,271.19	\$4,369.42	(\$122,973.34)	\$0.00	\$0.00	\$0.00	\$0.00	\$701,167.27
Total:	\$109,507,990.81	\$405,624.35	(\$239,855.70)	(\$37,021.01)	\$0.00	\$226.48	\$0.00	\$109,636,964.93
<u>Amortizable Assets</u>								
<u>Intangibles</u>								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$101,606.93	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$102,097.12
Total:	\$101,606.93	\$490.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$102,097.12
<u>Software</u>								
CKY 30310 DIS Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30320 FARA Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$542,255.54	\$17,544.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$559,800.44
Total:	\$542,255.54	\$17,544.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$559,800.44
<u>Leaseholds - Distribution</u>								
CKY 37571 Lse 451 Ashland, KY	\$61,613.44	\$846.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$62,459.76
Total:	\$61,613.44	\$846.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$62,459.76
<u>General</u>								
CKY 39110 Office Furniture & Equip	\$488,468.01	\$5,245.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$493,713.21
CKY 39111 Data Handling Equip	(\$4,735.95)	\$213.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$4,522.01)
CKY 39112 Information Systems	\$335,730.99	\$11,097.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$346,828.46
CKY 39300 Stores Equipment	\$833.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	(\$111,809.94)	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$111,721.34)
CKY 39420 Shop Equipment	\$1,534.71	\$4.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,539.29
CKY 39430 Tools & Other Equipment	\$888,311.70	\$6,093.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$894,404.89
CKY 39500 Laboratory Equipment	\$3,492.79	\$42.95	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,535.74
CKY 39800 Misc Equipment	\$50,753.96	\$554.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,308.71
Total:	\$1,652,579.29	\$23,340.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,675,919.97
<u>Other</u>								
CKY 39413 Underground Tank Cleanup	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Total:	\$2,539,287.30	\$42,222.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,581,509.49

G/L 108

G/L 111



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 75

Refer to the response to the Staff's First Request, Item 27.

- A. In the response to Item 27(a), Columbia states that no advertising expenses were booked to Account Nos. 908, 912, or 913. Explain how Columbia records its advertising expense.
- B. Refer to Attachment 27(b). Explain the entries referencing "Power plant" transactions.

Response of Columbia Gas of Kentucky:

- a. When Columbia incurs advertising costs, the amounts are recorded, when paid, to the specific FERC account based on the type of advertising. As indicated in Schedule C-2-2, Sheet 9 of 11, Columbia did not incur any advertising type costs specifically Demonstrating and Selling costs (Account 912) and Advertising (Account 913) for the last 24 months.
- b. These transactions represent additional costs, both capital and expense, pertaining to the implementation and installation of the new software system for accounting for fixed capital assets, known as Power Plant.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 76

Refer to the response to the Staff's First Request, Item 28. For each of the vendors listed below, provide a description of the nature of the services or goods received.

- a. Bermex, Inc.
- b. C. J. Hughes Construction Co. Inc.
- c. Citibank.
- d. H & H X-Ray Services, Inc.
- e. KU Solutions, Inc.
- f. Reliant Services LLC.
- g. Stanley Pipeline Inc.
- h. Surveys & Analysis Inc.
- i. The Fishel Co.

Response of Columbia Gas of Kentucky:

- a. Bermex Inc. is a meter reading contractor.
- b. C. J. Hughes Construction Co. Inc. performs construction work such as main line installation.
- c. Citibank is the Corporate Card used to pay for service and repairs to company vehicles.
- d. H & H X-Ray Services, Inc. X-Rays steel pipe when necessary.
- e. KU Solutions, Inc. provides meter reading services.
- f. Reliant Services LLC locates lines when customers call in.
- g. Stanley Pipeline Inc. is a blanket contractor that performs construction work such as main line installation.
- h. Surveys & Analysis Inc. performs inspections, locations and corrosion maintenance.
- i. The Fishel Co. is a blanket contractor that performs construction work such as main line installation.



**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 77

Refer to the response to the Staff's First Request, Item 30. Does Columbia agree that expenses associated with its lobbying activities should be excluded for rate-making purposes? Explain the response.

Response of Columbia Gas of Kentucky:

No, expenses associated with lobbying activities should not be automatically excluded for rate-making purposes. Lobbying expenses may be incurred for purposes that benefit the utility's customers and employees, such as issues of workplace safety, customer rates, pipeline location requirements, and reducing customer risks. Further, where the utility incurs lobbying expenses as part of an employee's salary and where such expenses are publicly reported, such information is in the public domain for open review.

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**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 78

Refer to the response to the Staff's First Request, Item 31. Describe the activities of Central Kentucky Transmission Company.

Response of Columbia Gas of Kentucky:

Central Kentucky Transmission Company ("CKT") holds an undivided interest equivalent to 28,000 Dth/day on Columbia Gas Transmission Company's KA-1 North Facilities. CKT is engaged primarily in the business of natural gas transportation and is regulated by the Federal Energy Regulatory Commission. CKT was formed in response to recommendations of the Commission's 2002 Management Audit pursuant to Administrative Case No. 384 and provides a direct connection to Columbia Gulf Transmission Company to serve Columbia's Lexington, KY market.

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
PSC CASE NO. 2007-00008
INFORMATION REQUESTED BY THE PUBLIC SERVICE COMMISSION
ORDER DATED APRIL 10, 2007**

Question No. 79

Refer to the response to the Staff's First Request, Item 45. Describe the current status of the working arrangement between Columbia and the Paper, Allied-Industrial, Chemical, and Energy Workers International Union.

Response of Columbia Gas of Kentucky:

The Paper, Allied-Industrial, Chemical, and Energy Workers International Union merged with the United Steelworkers of America effective in April 2006. The Company and the United Steelworkers bargained in good faith beyond the expiration of the contract and reached a tentative agreement that was subsequently ratified by a majority vote of the bargaining unit effective March 1, 2007.