

March 1, 2013

Case No. 2013-00087

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

**Re: Columbia Gas of Kentucky, Inc. Case No. 2013-
Accelerated Main Replacement Program Annual Filing**

Dear Mr. Derouen:

Pursuant to the Commission's Order dated October 26, 2009 in Case No. 2009-00141, Columbia Gas of Kentucky, Inc. ("Columbia") hereby encloses for filing with the Commission, an original and ten (10) copies of Columbia's 2013 annual update data submitted pursuant to the requirements of the Accelerated Main Replacement Program ("AMRP") Rider contained in Columbia's tariff. By updating the rider, Columbia proposes to increase its current rates to tariff customers effective May 30, 2013 (the beginning of Columbia's June billing cycle) as follows:

Rate GSR, Rate SVGTS – Residential Service	\$1.73
Rate GSO, Rate GDS, Rate SVGTS – Commercial or Industrial	\$6.48
Rate IUS, Rate IUDS	\$67.13
Rate IS, Rate DS ^{1/} , Rate SAS	\$364.31

^{1/} Excluding customers subject to Flex Provisions of Rate Schedule DS

Columbia has also included in this filing a breakdown of additions to Account 376.25, Mains-AMRP, showing the length of pipe for each size of pipe installed pursuant to the Commission's April 29, 2011 Order in case number 2011-00086.

Please feel free to contact me at bleslie@nisource.com or 614-460-5558 if there are any questions.

Sincerely,

Brooke E. Leslie (gnc)

Brooke E. Leslie
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P. O. Box 117
Columbus, Ohio 43216-0117

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225 Capital Avenue
Frankfort, Kentucky 40601

Attorneys for **COLUMBIA GAS OF KENTUCKY, INC.**

Columbia Gas of Kentucky, Inc.
 Annual Adjustment to the Accelerated Main Replacement Program
 AMRP Rider by Rate Schedule

<u>Line No.</u>	<u>Rate Schedule</u> (1)	<u>Base Revenue as Approved PSC Case No. 2009-00141</u> (2)	<u>Allocation Percent 1/</u> (3)	<u>Revenue Requirement</u> (4)	<u>Billing Determinant # of Bills 2/</u> (5)	<u>Monthly AMRP Rider</u> (6)
1	Rate GSR, Rate SVGTS - Residential Service	\$34,985,685	63.973%	\$2,454,483	1,419,281	\$1.73
2	Rate GSO, Rate GDS, Rate SVGTS - Com. or Ind. Service	\$15,193,128	27.781%	\$1,065,887	164,489	\$6.48
3	Rate IUS, Rate IUDS	\$22,785	0.042%	\$1,611	24	\$67.13
4	Rate IS, Rate DS ^{3/} , Rate SAS	\$4,486,725	8.204%	\$314,767	864	\$364.31
5	TOTAL	<u>\$54,688,323</u>	<u>100.000%</u>	<u>\$3,836,748</u>	<u>1,584,658</u>	

1/ Allocation percent is based on the overall base revenue distribution approved in PSC Case No. 2009-00141.

2/ Billing Determinants based on projected twelve months ending May 31, 2014 bills.

3/ Excluding customers subject to the Flex Provisions of Rate Schedule DS.

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Accelerated Main Replacement Program

Line No.		Actual Thru December 31, 2011 (1)	Activity Thru December 31, 2012 (2)	Total As Of December 31, 2012 (3)	Reference (4)
Return on Investment					
Rate Base					
1	AMRP Investment-Property, Plant and Equipment	22,072,444	9,000,055	31,072,500	Form 2.0
2	Cost of Removal	1,248,657	654,998	1,903,655	Form 2.0
3	Accumulated Reserve for Depreciation	<u>3,163,101</u>	<u>1,509,104</u>	<u>4,672,205</u>	Form 2.0
4	Net PP&E	26,484,202	11,164,157	37,648,359	
5	Deferred Taxes on Liberalized Depreciation	<u>(7,009,261)</u>	<u>(2,629,657)</u>	<u>(9,638,919)</u>	Form 2.1
6	Net Rate Base	19,474,941	8,534,500	28,009,441	Line 4 + Line 5
7	Authorized Rate of Return, Adjusted for Income Taxes	<u>11.58%</u>	<u>11.58%</u>		Form 1.2
8	Return on AMRP Related Investment	<u>2,254,652</u>	<u>988,056</u>	<u>3,242,708</u>	Line 6 * Line 7
Operating Expenses					
9	Annualized Depreciation	426,864	167,176	594,040	Form 2.0
10	Current Year O & M Account 887	1,178,453		1,531,166	Per FERC Form 2 Pg. 324
11	O&M Account 887 as approved in Case No. 2009-00141	<u>1,496,839</u>		<u>1,496,839</u>	
12	O&M Savings Realized	(318,386)		-	Line 10 less Line 11
13	Total Operating Expenses	108,478		594,040	Line 9 + Line 12
14	Total Annual Revenue Requirement	<u>2,363,130</u>		<u>3,836,748</u>	Line 8 + Line 13

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Accelerated Main Replacement Program
Rate of Return

<u>Line No.</u>	<u>Capital Structure</u> (1)	<u>Ratio</u> (2)	<u>Cost</u> (3)	<u>Weighted Cost</u> (4)	<u>Pre-Tax @ Effect tax of 38.90%</u> (5)
1	Short term Debt	5.43%	3.24%	0.18%	0.18%
2	Long term Debt	42.56%	5.76%	2.45%	2.45%
3	Equity	<u>52.02%</u>	10.50%	<u>5.47%</u>	<u>8.95%</u>
4	Total	100.00%		8.10%	11.58%

Columbia Gas of Kentucky, Inc.
Annual Adjustment to the Accelerated Main Replacement Program
Book Depreciation

Line No.	Description (1)	Account Number (2)	2012 Beginning Plant Balance (3)	Depr Rates (4)	Depr on Beginning Balance (5)=(3)*(4)	2012 Additions & Retirements (6)	Current Year Depr on Adds/(Ret) (7)=(4)*(6)*50%	Current Year Annualized Depreciation (8)=(6)*(4)	2012 Ending Plant Balance (9)=(6)+(3)
Additions									
1	Regulating Structures	375	690	1.96%	14	2,109	21	41	2,799
2	Mains 1_/	376	15,077,029	1.57%	236,710	7,177,866	56,346	112,692	22,254,895
3	Plant Regulators	378	196,145	2.35%	4,609	7,423	87	174	203,568
4	Service Lines	380	10,197,071	2.59%	264,104	3,580,476	46,367	92,734	13,777,547
5	Meter Installations	382	176,079	2.39%	4,208	103,060	1,232	2,463	279,139
6	House Regulators	383	199,327	1.39%	2,771	148,677	1,033	2,067	348,005
7	Total Additions		25,846,341		512,416	11,019,611	105,086	210,171	36,865,952
Retirements									
8	Regulating Structures	375	-	1.96%	-	-	-	-	-
9	Mains	376	(1,097,008)	1.57%	(17,223)	(899,195)	(7,059)	(14,117)	(1,996,202)
10	Plant Regulators	378	(66,914)	2.35%	(1,572)	(19,960)	(235)	(469)	(86,874)
11	Service Lines	380	(2,402,730)	2.59%	(62,231)	(1,072,364)	(13,887)	(27,774)	(3,475,094)
12	Meter Installations	382	(164,556)	2.39%	(3,933)	(24,517)	(293)	(586)	(189,073)
13	House Regulators	383	(42,689)	1.39%	(593)	(3,520)	(24)	(49)	(46,209)
14	Total Retirements		(3,773,897)		(85,552)	(2,019,556)	(21,498)	(42,995)	(5,793,453)
15	Total Plant		<u>22,072,444</u>		<u>426,864</u>	<u>9,000,055</u>	<u>83,588</u>	<u>167,176</u>	<u>31,072,500</u>
Cost of Removal									
17	Mains	376	95,355			95,690			191,045
18	Plant Regulators	378	14,091			-			14,091
19	Service Lines	380	1,139,210			559,308			1,698,518
20	Total Cost of Removal		1,248,657			654,998			1,903,655

Notes:

1_/ See Attachment A for detail of 376 Main additions

Columbia Gas of Kentucky, Inc.
Calculation of Accumulated Deferred Income Tax
Annual Adjustment to the Accelerated Main Replacement Program

Ln. No.	2009-2010		2011		Year (6)	2009	2010	2011	2012	Annual Tax Depreciation (11)	Cost of Removal (12)	Book Depreciation (13)	Difference (14)	1_ Deferred Tax @ 38.9% (15)	Accumulated Deferred Inc. Taxes-Fed NOL (16)	Accumulated Deferred Inc. Taxes (17)	
	MACRS 15 Year 50% Bonus Depr Tax Depr Rates (1)	MACRS 15 Year No Bonus Depr Tax Depr Rates (2)	MACRS 20 Year 50% Bonus Depr Tax Depr Rates (3)	MACRS 20 Year 100% Bonus Depr Tax Depr Rates (4)		MACRS 20 Year No Bonus Depr Tax Depr Rates (5)	Year 1 Additions (7)	Year 2 Additions (8)	Year 3 Additions (9)								Year 4 Additions (10)
1	Additions Initiated Post 9/8/2010							1,170,333	7,894,600	11,019,611							
2	Additions Initiated Pre 9/8/2010						9,383,051	4,837,493	2,560,864	-							
3	Total						9,383,051	6,007,826	10,455,464	11,019,611							
						Tax Depreciation											
						66.465%											
4	Composite Bonus Tax / Repairs / 263A %																
5	0.52500	0.05000	0.51875	1.00000	0.03750	1	4,926,102			4,926,102	523,010	72,828	5,376,284	1,917,553	-	1,9	3
6	0.04750	0.09500	0.03610	-	0.07219	2	445,695	3,710,017		4,155,712	220,278	198,681	4,177,309	1,509,380	-	3,4	3
7	0.04275	0.08550	0.03339	-	0.06677	3	401,125	229,781	9,223,048	9,853,954	505,369	339,287	10,020,036	3,582,328	-	7,009,261	
8	0.03850	0.07700	0.03089	-	0.06177	4	361,247	206,803	92,434	7,462,787	8,123,271	654,998	8,267,817	3,129,353	(499,696)	9,638,919	
9	0.03465	0.06930	0.02857	-	0.05713	5	325,123	186,243	85,494	266,771	863,631	-	863,631	393,706	(502,756)	9,529,869	
10	0.03115	0.06230	0.02643	-	0.05285	6	292,282	167,619	79,092	246,742	785,735	-	785,735	358,476	(51,738)	9,836,606	
11	0.02950	0.05900	0.02444	-	0.04888	7	276,800	150,688	73,151	228,265	728,904	-	728,904	332,405	-	10,169,011	
12	0.02950	0.05900	0.02261	-	0.04522	8	276,800	142,706	67,671	211,118	698,295	-	698,295	317,835	-	10,486,846	
13	0.02955	0.05910	0.02231	-	0.04462	9	277,269	142,706	62,588	195,302	677,865	-	677,865	307,868	-	10,794,714	
14	0.02950	0.05900	0.02231	-	0.04461	10	276,800	142,948	57,901	180,631	658,280	-	658,280	298,364	-	11,093,079	
15	0.02955	0.05910	0.02231	-	0.04462	11	277,269	142,706	57,133	167,106	644,214	-	644,214	292,154	-	11,385,233	
16	0.02950	0.05900	0.02231	-	0.04461	12	276,800	142,948	57,120	164,889	641,757	-	641,757	291,104	-	11,676,337	
17	0.02955	0.05910	0.02231	-	0.04462	13	277,269	142,706	57,133	164,852	641,960	-	641,960	291,189	-	11,967,526	
18	0.02950	0.05900	0.02231	-	0.04461	14	276,800	142,948	57,120	164,889	641,757	-	641,757	291,104	-	12,258,630	
19	0.02955	0.05910	0.02231	-	0.04462	15	277,269	142,706	57,133	164,852	641,960	-	641,960	291,189	-	12,549,819	
20	0.01475	0.02950	0.02231	-	0.04461	16	138,400	142,948	57,120	164,889	503,357	-	503,357	231,869	-	12,781,688	
21	-	-	0.02231	-	0.04462	17	-	71,353	57,133	164,852	293,338	-	293,338	140,634	-	12,922,322	
22	-	-	0.02231	-	0.04461	18	-	-	57,120	164,889	222,009	-	222,009	108,755	-	13,031,077	
23	-	-	0.02231	-	0.04462	19	-	-	57,133	164,852	221,985	-	221,985	108,747	-	13,139,825	
24	-	-	0.02231	-	0.04461	20	-	-	57,120	164,889	222,009	-	222,009	108,755	-	13,248,580	
25	-	-	0.01116	-	0.02231	21	-	-	57,133	164,852	221,985	-	221,985	108,747	-	13,357,327	
26						22			57,120	164,889	222,009	-	222,009	108,755	-	13,466,083	
27						23			28,566	164,852	193,418	-	193,418	89,652	-	13,555,735	
28										82,444	82,444						
							9,383,051	6,007,826	10,455,464	11,019,611	36,865,951		1,121,248				

NOTES:
1_ / Includes Impact of State Disallowance on Bonus Tax Depreciation

Columbia Gas of Kentucky, Inc.

Calculation of State Disallowance on Bonus Tax Depreciation for 2009 Additions

Ln. No.	Year	State ADIT					Cumulative ADIT Adj
		State vs. Fed Tax Depr	on Disallowed Bonus	Fed Benefit ADIT	Total ADIT Adj		
1	2009	469,153	4,456,949	267,417	(93,596)	173,821	173,821
2	2010	891,390	(445,695)	(26,742)	9,360	(17,382)	156,439
3	2011	802,251	(401,126)	(24,068)	8,424	(15,644)	140,795
4	2012	722,495	(361,248)	(21,675)	7,586	(14,089)	126,706
5	2013	650,245	(325,122)	(19,507)	6,828	(12,680)	114,027
6	2014	584,564	(292,282)	(17,537)	6,138	(11,399)	102,628
7	2015	553,600	(276,800)	(16,608)	5,813	(10,795)	91,832
8	2016	553,600	(276,800)	(16,608)	5,813	(10,795)	81,037
9	2017	554,538	(277,269)	(16,636)	5,823	(10,813)	70,224
10	2018	553,600	(276,800)	(16,608)	5,813	(10,795)	59,428
11	2019	554,538	(277,269)	(16,636)	5,823	(10,813)	48,615
12	2020	553,600	(276,800)	(16,608)	5,813	(10,795)	37,820
13	2021	554,538	(277,269)	(16,636)	5,823	(10,813)	27,006
14	2022	553,600	(276,800)	(16,608)	5,813	(10,795)	16,211
15	2023	554,538	(277,269)	(16,636)	5,823	(10,813)	5,398
16	2024	<u>276,801</u>	<u>(138,400)</u>	<u>(8,304)</u>	<u>2,906</u>	<u>(5,398)</u>	0
17		9,383,051	0	0	0	0	

Calculation of State Disallowance on Bonus Tax Depreciation for 2010 Additions

Ln. No.	Year	State ADIT					Cumulative ADIT Adj
		State vs. Fed Tax Depr	on Disallowed Bonus	Fed Benefit ADIT	Total ADIT Adj		
18	2010	300,391	3,409,626	204,578	(71,602)	132,976	132,976
19	2011	570,743	(340,962)	(20,458)	7,160	(13,298)	119,678
20	2012	513,669	(306,866)	(18,412)	6,444	(11,968)	107,710
21	2013	462,603	(276,360)	(16,582)	5,804	(10,778)	96,932
22	2014	416,342	(248,723)	(14,923)	5,223	(9,700)	87,232
23	2015	374,288	(223,600)	(13,416)	4,696	(8,720)	78,512
24	2016	354,462	(211,756)	(12,705)	4,447	(8,258)	70,253
25	2017	354,462	(211,756)	(12,705)	4,447	(8,258)	61,995
26	2018	355,063	(212,115)	(12,727)	4,454	(8,273)	53,723
27	2019	354,462	(211,756)	(12,705)	4,447	(8,258)	45,464
28	2020	355,063	(212,115)	(12,727)	4,454	(8,273)	37,192
29	2021	354,462	(211,756)	(12,705)	4,447	(8,258)	28,933
30	2022	355,063	(212,115)	(12,727)	4,454	(8,273)	20,661
31	2023	354,462	(211,756)	(12,705)	4,447	(8,258)	12,403
32	2024	355,063	(212,115)	(12,727)	4,454	(8,273)	4,130
33	2025	<u>177,228</u>	<u>(105,875)</u>	<u>(6,354)</u>	<u>2,224</u>	<u>(4,130)</u>	0
34		6,007,826	0	0	0	0	

Columbia Gas of Kentucky, Inc.
Calculation of State Disallowance on Bonus Tax Depreciation for 2011 Additions

Ln. No.	Year	State ADIT					Cumulative ADIT Adj
		State Tax Depr	State vs. Fed Tax Depr	on Disallowed Bonus	Fed Benefit ADIT	Total ADIT Adj	
1	2011	392,080	8,830,968	529,858	(185,450)	344,408	344,408
2	2012	754,780	(662,346)	(39,741)	13,909	(25,831)	318,576
3	2013	698,111	(612,617)	(36,757)	12,865	(23,892)	294,684
4	2014	645,834	(566,742)	(34,005)	11,902	(22,103)	272,581
5	2015	597,321	(524,170)	(31,450)	11,008	(20,443)	252,139
6	2016	552,571	(484,900)	(29,094)	10,183	(18,911)	233,228
7	2017	511,063	(448,475)	(26,909)	9,418	(17,491)	215,737
8	2018	472,796	(414,895)	(24,894)	8,713	(16,181)	199,556
9	2019	466,523	(409,390)	(24,563)	8,597	(15,966)	183,590
10	2020	466,418	(409,298)	(24,558)	8,595	(15,963)	167,627
11	2021	466,523	(409,390)	(24,563)	8,597	(15,966)	151,661
12	2022	466,418	(409,298)	(24,558)	8,595	(15,963)	135,698
13	2023	466,523	(409,390)	(24,563)	8,597	(15,966)	119,732
14	2024	466,418	(409,298)	(24,558)	8,595	(15,963)	103,770
15	2025	466,523	(409,390)	(24,563)	8,597	(15,966)	87,803
16	2026	466,418	(409,298)	(24,558)	8,595	(15,963)	71,841
17	2027	466,523	(409,390)	(24,563)	8,597	(15,966)	55,875
18	2028	466,418	(409,298)	(24,558)	8,595	(15,963)	39,912
19	2029	466,523	(409,390)	(24,563)	8,597	(15,966)	23,946
20	2030	466,418	(409,298)	(24,558)	8,595	(15,963)	7,983
21	2031	<u>233,262</u>	<u>(204,696)</u>	<u>(12,282)</u>	<u>4,299</u>	<u>(7,983)</u>	<u>(0)</u>
22		10,455,464	0	(0)	0	(0)	

Calculation of State Disallowance on Bonus Tax Depreciation for 2012 Additions

Ln. No.	Year	State ADIT					Cumulative ADIT Adj
		State Tax Depr	State vs. Fed Tax Depr	on Disallowed Bonus	Fed Benefit ADIT	Total ADIT Adj	
23	2012	3,905,963	3,556,824	213,409	(74,693)	138,716	138,716
24	2013	533,542	(266,771)	(16,006)	5,602	(10,404)	128,312
25	2014	493,484	(246,742)	(14,805)	5,182	(9,623)	118,689
26	2015	456,530	(228,265)	(13,696)	4,794	(8,902)	109,787
27	2016	422,237	(211,119)	(12,667)	4,433	(8,234)	101,553
28	2017	390,604	(195,302)	(11,718)	4,101	(7,617)	93,936
29	2018	361,262	(180,631)	(10,838)	3,793	(7,045)	86,892
30	2019	334,212	(167,106)	(10,026)	3,509	(6,517)	80,375
31	2020	329,778	(164,889)	(9,893)	3,463	(6,431)	73,944
32	2021	329,704	(164,852)	(9,891)	3,462	(6,429)	67,515
33	2022	329,778	(164,889)	(9,893)	3,463	(6,431)	61,084
34	2023	329,704	(164,852)	(9,891)	3,462	(6,429)	54,655
35	2024	329,778	(164,889)	(9,893)	3,463	(6,431)	48,224
36	2025	329,704	(164,852)	(9,891)	3,462	(6,429)	41,795
37	2026	329,778	(164,889)	(9,893)	3,463	(6,431)	35,364
38	2027	329,704	(164,852)	(9,891)	3,462	(6,429)	28,935
39	2028	329,778	(164,889)	(9,893)	3,463	(6,431)	22,504
40	2029	329,704	(164,852)	(9,891)	3,462	(6,429)	16,075
41	2030	329,778	(164,889)	(9,893)	3,463	(6,431)	9,645
42	2031	329,704	(164,852)	(9,891)	3,462	(6,429)	3,215
43	2032	<u>164,889</u>	<u>(82,445)</u>	<u>(4,947)</u>	<u>1,731</u>	<u>(3,215)</u>	<u>0</u>
44		11,019,611	(0)	0	(0)	0	

Columbia Gas of Kentucky, Inc.
Accelerated Main Replacement Program
2012 Breakdown of Account 376 Main Line Additions

Attachment A

Pipe Breakdown	Sum of Quantity (Footage)	Sum of Cost of Materials	Sum of Cost of Labor	Sum of Cost of Non-Material	Sum of Total Charges
Csg Hy/Rxing, 4" : 093026	12	734	1,177	4,152	6,063
Csg Hy/Rxing, 6" : 093036	289	4,215	4,481	39,152	47,848
Csg Hy/Rxing, 16" : 093056	90	1,473	445	5,884	7,802
Pipe, Pl, 2" : 463016	45,268	52,968	136,334	1,089,844	1,279,145
Pipe, Pl, 3" : 463021	46	1,451	2,499	4,850	8,800
Pipe, Pl, 4" : 463026	23,632	90,284	167,332	1,688,681	1,946,296
Pipe, Pl, 6" : 463036	4,732	28,268	43,972	478,749	550,988
Pipe, Pl, 8" : 463040	6,573	68,549	65,442	735,963	869,954
Pipe, St Tr Pe, 12" : 464150	676	44,265	13,358	176,774	234,397
Pipe, St Tr Wl, 2" : 464216	161	1,900	2,033	9,257	13,190
Pipe, St Tr Wl, 3" : 464221	179	3,174	3,793	7,197	14,164
Pipe, St Tr Wl, 4" : 464226	110	2,061	2,909	23,757	28,727
Pipe, St Tr Wl, 6" : 464236	231	3,535	4,747	42,638	50,920
Pipe, St Tr Wl, 8" : 464240	118	228	126	(453,350)	(452,996)
Pipe, St Tr Wl, 10" : 464245	902	18,631	12,010	139,675	170,316
Pipe, St Tr Wl, 12" : 464250	1,752	33,623	21,724	250,726	302,930
Pipe Total	84,771	355,358	482,381	4,243,949	5,078,545

Other Material Breakdown	Sum of Quantity (Footage)	Sum of Cost of Materials	Sum of Cost of Labor	Sum of Cost of Non-Material	Sum of Total Charges
Cleaner-Filter Fuel Gas : 104500	4	5,994	835	5,691	12,521
Fence : 237000	1	0	0	2,109	2,109
Heater G/O Catalytic : 315200	2	12,543	2,055	13,328	27,926
Insr-Wld End, 2" : 345216	1	271	244	919	1,434
Insr-Wld End, 3" : 345221	1	232	150	1,737	2,119
Insr-Wld End, 6" : 345236	3	2,278	2,636	30,006	34,920
Insr-Wld End, 8" : 345240	1	801	517	803	2,120
Insr-Wld End, 10" : 345245	1	1,226	792	9,190	11,209
Insr-Wld End, 12" : 345250	2	4,683	1,413	18,703	24,800
Regulator, 2" : 580016	4	1,834	133	1,173	3,139
Regulator, 3" : 580021	4	7,526	1,233	7,997	16,756
Ss Fitting St, 2" : 665516	6	609	1,341	9,003	10,954
Ss Fitting St, 3" : 665521	2	343	565	11,430	12,337
Ss Fitting St, 4" : 665526	0	21	44	29	94
Ss Fitting St, 6" : 665536	2	1,484	2,486	17,653	21,622
Ss Fitting St, 8" : 665540	0	0	0	107	107
Ss Fitting St, 10" : 665545	1	2,235	947	17,885	21,066
Ss Sph Tee St, 3" : 665621	1	501	324	3,920	4,745
Ss Sph Tee St, 4" : 665626	1	1,225	1,323	8,724	11,272
Ss Sph Tee St, 6" : 665636	9	9,088	11,790	111,751	132,629
Ss Sph Tee St, 8" : 665640	6	10,285	10,774	89,454	110,513
Ss Sph Tee St, 10" : 665645	2	6,184	2,442	20,639	29,265
Ss Sph Tee St, 12" : 665650	1	3,228	2,086	23,928	29,242
Ss Tee 3w St, 2" : 665716	12	2,175	5,084	28,970	36,228
Ss Tee 3w St, 3" : 665721	4	3,925	9,496	36,881	50,302
Ss Tee 3w St, 4" : 665726	16	12,000	18,656	147,192	177,848
Ss Tee 3w St, 6" : 665736	3	2,488	2,000	8,734	13,221
Valv P Ball, 2" : 892116	4	331	1,276	7,986	9,593
Valv P Ball, 3" : 892121	0	0	0	12	12
Valv P Ball, 4" : 892126	7	2,231	2,682	27,034	31,947
Valv P Ball, 6" : 892136	4	1,771	2,439	25,701	29,910
Valv P Ball, 8" : 892140	3	2,776	2,424	29,422	34,622
Valve, Ball, 2" : 890116	2	8,541	618	5,463	14,622
Valve, Ball, 3" : 890121	2	1,756	288	1,866	3,910
Valve, Ball, 4" : 890126	2	12,120	877	7,751	20,748
Valve, Ball, 6" : 890136	2	3,763	617	3,998	8,378
Valve, Gate, 2" : 890516	1	946	850	3,208	5,004
Valve, Gate, 3" : 890521	1	235	152	1,762	2,149
Valve, Gate, 6" : 890536	1	3,359	5,932	66,513	75,804
Valve, Gate, 8" : 890540	0	0	0	306	306
Valve, Gate, 12" : 890550	2	10,655	3,216	42,552	56,422
Other Material Total	121	141,662	100,735	851,528	1,093,925

Non-Unitized	Sum of Quantity (Footage)	Sum of Cost of Materials	Sum of Cost of Labor	Sum of Cost of Non-Material	Sum of Total Charges
Non-Unitized /1	45	-91,231	114,570	982,057	1,005,396
Non-Unitized Total	45	-91,231	114,570	982,057	1,005,396

	Total Quantity (Footage)	Total Cost of Materials	Total Cost of Labor	Total Non-Material Items	Total Charges
GRAND TOTAL	84,937	405,789	697,686	6,077,534	7,177,866

1/ Note: Non-unitized charges represent projects that are complete and in service, and eligible for cost recovery, but for which pipe footage detail was not submitted to the accounting system by year end 2012

**RIDER AMRP
ACCELERATED MAIN REPLACEMENT PROGRAM RIDER**

APPLICABILITY

Applicable to all customers receiving service under the Company's Rate Schedules GS, IS, IUS, SVGTS, DS and SAS.

CALCULATION OF ACCELERATED MAIN REPLACEMENT RIDER REVENUE REQUIREMENT

The AMRP Rider Revenue Requirement includes the following:

- a. AMRP-related Plant In-Service not included in base gas rates minus the associated AMRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to AMRP construction;
- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
- d. Depreciation expense on the AMRP = related Plant In-Service less retirement and removals; and;
- e. Reduction for savings in Account No. 887 – Maintenance of Mains.

ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS

All customers receiving service under Rate Schedules GSR, GSO, IS, IUS, SVGTS, DS, GDS and SAS shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the accelerated main replacement program.

Rider AMRP will be updated annually, in order to reflect the impact on the Company's revenue requirements of net plant additions as offset by operations and maintenance expense reductions during the most recent twelve months ended December. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of June, and will reflect the allocation of the required revenue increase based on the revenue distribution approved by the Commission.

The charges for the respective gas service schedules for the revenue month beginning June 2013₂ per billing period are:

Rate GSR, Rate SVGTS - Residential Service	\$1.73 1.06
Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service	\$6.48 3.98
Rate IUS, Rate IUDS	\$67.13 41.38
Rate IS, Rate DS ^{1/} , Rate SAS	\$364.31 237.59

^{1/} - Excluding customers subject to Flex Provisions of Rate Schedule DS

DATE OF ISSUE	March 1, 2013 ₂
DATE EFFECTIVE	May 30, 2013 ₂ (Unit 1 June 2013 ₂)
ISSUED BY TITLE	Herbert A. Miller President

ISSUED BY AUTHORITY OF AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00073 DATED MAY 18, 2012

**RIDER AMRP
ACCELERATED MAIN REPLACEMENT PROGRAM RIDER**

APPLICABILITY

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CALCULATION OF ACCELERATED MAIN REPLACEMENT RIDER REVENUE REQUIREMENT

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- c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
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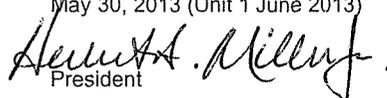
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Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service	\$6.48
Rate IUS, Rate IU DS	\$67.13
Rate IS, Rate DS ^{1/} , Rate SAS	\$364.31

^{1/} - Excluding customers subject to Flex Provisions of Rate Schedule DS

DATE OF ISSUE March 1, 2013

DATE EFFECTIVE May 30, 2013 (Unit 1 June 2013)

ISSUED BY
TITLE


President