



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

James W. Gardner  
Chairman

Daniel E. Logsdon Jr.  
Vice Chairman

December 7, 2015

## PARTIES OF RECORD

Re: Case No. 2015-00342

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

Any questions regarding this memorandum should be directed to Molly Katen, Commission Staff Attorney, at (502) 782-2580.

Sincerely,



Jeff Derouen  
Executive Director

MK/ph

Attachment

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File No. 2015-00342  
**FROM:** Molly Katen, Staff Attorney  
**DATE:** December 7, 2015  
**RE:** Telephonic informal conference of December 4, 2015

Pursuant to the Commission's December 3, 2015 Order a telephonic informal conference was held in this matter on December 4, 2015.

Commission Staff began the conference by stating that the purpose of the meeting was to address Columbia Gas's 2015 Accelerated Main Replacement Program ("AMRP") Filing. Commission Staff referred to AMRP Forms 1.1 and 2.0 and the attendees discussed why the accumulated reserve for depreciation was added to net plant rather than subtracted. Columbia Gas agreed to provide Commission Staff with a summary schedule that it had prepared which it stated may assist Commission Staff in understanding the issue. Columbia Gas also agreed to file information reconciling the numerical discrepancy with respect to the detailed list of projects filed in response to Commission Staff's Initial Request for Information. Commission Staff further questioned whether the retired property was assumed to be 100% depreciated, which Columbia Gas responded in the affirmative. There being no further issues to discuss, the conference was adjourned.

Following the conference, Columbia Gas provided the requested information by email to Staff counsel. Those documents are attached hereto, along with a copy of the attendance roster for the December 4, 2015 conference.

Attachments

**COLUMBIA GAS OF KENTUCKY, INC.**  
**SUMMARY OF NET PROPERTY, PLANT & EQUIPMENT IN 2015 AMRP FILING**

	Account 101	Account 108 (excl. Cost of Removal)	Account 108 Cost of Removal	Form Reference	Accounting Entries
2014 Additions	8,018,293			Form 2.2 Page 1 Line 13 Column E (also on Form 2.0)	dr. Account 101; cr. Cash
2014 Retirements @ Original Cost	(1,403,425)	1,403,425		Form 2.2 Page 1 Line 13 Column H (also on Form 2.0)	dr. Account 108; cr. Account 101
2014 Cost of Removal			460,619	Form 2.2 Page 1 Line 13 Column K (also on Form 2.0)	dr. Account 108; cr. Cash
2014 Depreciation Expense		(41,624)		Form 2.2 Page 1 Line 13 Column L	dr. Account 403; cr. Account 108
2015 Additions	15,300,002			Form 2.0 Page 2 Line 7 (Additions) Column 6	dr. Account 101; cr. Cash
2015 Retirements @ Original Cost	(1,844,278)	1,844,278		Form 2.0 Page 2 Line 7 (Retirements) Column 6	dr. Account 108; cr. Account 101
2015 Cost of Removal			866,211	Form 2.0 Page 2 Line 16 Column 6	dr. Account 108; cr. Cash
2015 Depreciation Expense		(255,344)		Form 2.0 Page 2 Line 8 Columns 5 & 7	dr. Account 403; cr. Account 108
2016 Additions	15,756,749			Form 2.0 Page 1 Line 7 (Additions) Column 6	dr. Account 101; cr. Cash
2016 Retirements @ Original Cost	(1,872,413)	1,872,413		Form 2.0 Page 1 Line 7 (Retirements) Column 6	dr. Account 108; cr. Account 101
2016 Cost of Removal			486,038	Form 2.0 Page 1 Line 16 Column 6	dr. Account 108; cr. Cash
2016 Depreciation Expense		(520,519)		Form 2.0 Page 1 Line 8 Columns 5 & 7	dr. Account 403; cr. Account 108
Ending Balance @ 12/31/16	33,954,928	4,302,629	1,812,868		
Summary:					
Total Additions	39,075,044				
Total Retirements @ Original Cost	(5,120,116)	5,120,116			
Total Depreciation Expense		(817,487)			
Total Cost of Removal			1,812,868		
	33,954,928	4,302,629	1,812,868		

Project Name - Job Order	Project ID	City	Install Material	Size(s) to Install	Install Footage	Bare Steel Retirement (feet)	Cast Iron Retirement (feet)	Current MACP	New MACP	Total Services to Replace	Estimated Construction Start and Completion	Main Cost	Service Replacement Cost	Total Project Cost
DKZ Replacement at Basin Springs 15026564900	1528334	Lexington	CS	12"	1,450	900	0	175	175	1	April Start June End	\$326,500	\$3,600	\$332,100
Keene Ridge AMRP 15026563800	1426316	Lexington	CS	12"	6,800	4,500	0	160	160	1	January Start August End	\$1,679,600	\$3,600	\$1,683,200
Maple Leaf Relocation 13026477400	1318520	Maysville	Plastic	4.2	10,644	9,250	7,386	10	10	39	August 2015 Start April 2016 End	\$969,382	\$140,000	\$1,109,382
Rosa Street Replacement 13026474402	1318470	Lexington	Plastic	6.2	1,200	1,500	0	LP	45	6	June Start August End	\$96,000	\$21,600	\$117,600
Jefferson Street 13026437701	1314148	Lexington	Plastic	6"	780	771	0	LP	LP	22	May Start June End	\$80,340	\$79,200	\$159,540
Main Street between 5th and 7th 15026617400	1534109	Greenup	Plastic	4"	601	480	0	LP	LP	10	February Start March End	\$48,060	\$36,000	\$84,060
W. 8th Street Cast Iron 15026603800	1532567	Lexington	Plastic	2.4,6	3,035	747	1,953	LP	40	46	April Start July End	\$664,665	\$165,600	\$830,265
Highland Avenue AMRP 15026562600	1527978	Winchester	Plastic	4"	1,200	1,200	0	LP	LP	37	December 2015 Start January 2016 End	\$210,000	\$133,200	\$343,200
Maysville Replacement @ Train Depot 13026468100	1317728	Maysville	Plastic	4.2	3,145	3,036	109	LP	50	40	July Start November End	\$251,600	\$144,000	\$395,600
Diamond A Farm/DKZ West Replacement 15026618200	1534184	Versailles	Plastic	6"	4,365	4,365	0	50	50	1	July Start October End	\$327,375	\$3,600	\$330,975
Clintonville Road AMRP 15026608700	1532971	Paris	Plastic	6.2	4,500	2,175	1,670	LP	50	66	May Start September End	\$463,500	\$237,600	\$701,100
Eastam Avenue AMRP 15026618000	1534183	Lexington	Plastic	8.6	1,493	1,493	0	LP	LP	12	August Start October End	\$179,160	\$43,200	\$222,360
5th Avenue Replacement 15026590700	1531309	Frankfort	Plastic	4.2	4,170	5,028	0	LP	40	81	March Start May End	\$333,600	\$291,600	\$625,200
Higbee Mill Replacement 15026580900	1530562	Lexington	Coated Steel	8", 12"	250	375	0	160	160	0	April Start June End	\$175,332	\$0	\$175,332
Fitch Avenue AMRP 15026583900	1530807	Winchester	Plastic	6"	450	450	0	LP	LP	10	April Start May End	\$40,411	\$36,000	\$76,411
Winding Way AMRP 15026576700	1530064	Frankfort	Plastic	4"	200	200	0	LP	LP	4	Sept Start Sept End	\$89,028	\$14,400	\$103,428
American Street Replacement 15026590300	1531306	Lexington	Plastic	4.2	1,000	1,000	0	LP	LP	9	July Start August End	\$100,000	\$32,400	\$132,400
Edgemont Intermediate Pressure Cast Iron Replacement 15026617800	1534182	Maysville	Plastic	4.2	4,991	1,098	3,773	10	10	48	April Start November End	\$399,280	\$172,800	\$572,080
Pigua Street Replacement 14026521900	1423260	Ashland	Coated Steel	12"	250	200	0	132	132	0	March Start April End	\$92,500	\$0	\$92,500
West Main Street Cast Iron 15026607600	1532884	Lexington	Plastic	6"	360	360	360	LP	LP	1	April Start May End	\$93,600	\$3,600	\$97,200
35th Street @ Springhaven 15026615700	1533898	Catlettsburg	Plastic	2"	8,200	8,200	0	LP	48	92	February Start October End	\$533,000	\$331,200	\$864,200

Project Name - Job Order	Project ID	City	Install Material	Size(s) to Install	Install Footage	Bare Steel Retirement (feet)	Cast Iron Retirement (feet)	Current MAOP	New MAOP	Total Services to Replace	Estimated Construction Start and Completion	Main Cost	Service Replacement Cost	Total Project Cost
Wallace/Meagher Avenue Cast Iron Replacement 15026593900	1531706	Frankfort	Plastic	8"	1,250	1,467	783	LP	LP	12	October Start November End	\$62,640	\$43,200	\$105,840
Bon Haven AMRP 13026465400	1317638	Winchester	Plastic	6", 2"	3,685	3,050	0	LP	45	51	April Start July End	\$295,000	\$183,600	\$478,600
North Hamilton Street AMRP 15026583200	1530750	Georgetown	Plastic	2"	1,163	1,254	0	LP	47	34	Sept Start October End	\$175,570	\$122,000	\$297,570
Third Street 15026518400	1533186	Lexington	Plastic	6.2	1,500	1,500	0	LP	45	17	October Start December End	\$180,000	\$61,200	\$241,200
Allnut Replacement Project 15-0266222-00	1534439	Frankfort	Plastic	6.2	6,806	5,693	0	LP	60	61	April Start November End	\$816,720	\$219,600	\$1,036,320
Muddy Creek AMRP 12-0264104-00	1208062	Winchester	Steel	12"	3,400	2,900	0	175	175	2	August Start November End	\$765,000	\$7,200	\$772,200
Gallahar Avenue AMRP 15-0265909-00	1531310	Ashland	Plastic	4.2	5,444	4,700	0	LP	48	36	June Start November End	\$490,000	\$129,600	\$619,600
Scattered Priority Main Line Replacements											January Start December End	\$500,000	\$100,000	\$600,000
GPS Mains and Services												\$246,330	\$110,930	\$357,268
Scattered Priority Service Line Replacements										656	January Start December End		\$2,000,000	\$2,000,000
Sub Totals:												\$10,986,211	\$4,870,538	\$15,856,749

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COLUMBIA GAS OF KENTUCKY )  
INC.'S 2015 ACCELERATED MAIN ) CASE NO.  
REPLACEMENT PROGRAM FILING ) 2015-00342

December 4, 2015

Please sign in:

NAME	REPRESENTING
Molly Katen	PSC Legal
Andrew Brunell	PSC
Matthew Baer	PSC
Mary Whitaker	PSC
GARY GLOVER	PSC ENGINEERING
Leah Faulkner	PSC
Mary Beth Purvis	PSC
RICHARD RAFF	PSC-LEGAL
Brooke Leslie	Columbia Gas- by telephone
Richard Taylor	"
Judy Cooper	"
Mark Katko	"
Craig Inscho	"
Jim Richard	"

\*Columbia Gas of Kentucky, Inc.  
2001 Mercer Road  
P. O. Box 14241  
Lexington, KY 40512-4241

\*Brooke E Leslie  
290 Nationwide Blvd.  
P.O. Box 117  
Columbus, OHIO 43216

\*Richard S Taylor  
225 Capital Avenue  
Frankfort, KENTUCKY 40601