

Columbia Gas of Kentucky, Inc.

AG Data Request 1

Volume 2 of 5

RECEIVED

JUN 16 2009

PUBLIC SERVICE
COMMISSION

RECEIVED

JUN 16 2009

PUBLIC SERVICE
COMMISSION

PSC Case No. 2009-00141

AG DR Set 1-096

Respondent(s): Stephen B. Seiple

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 096:

Please provide copies of all internal correspondence from 2005-2009, inclusive, which deals in any way with the Company's retirement unit costs, depreciation rates, and/or the depreciation study.

Response:

Columbia objects to and declines to respond to this discovery request to the extent that it is overbroad and causes annoyance, embarrassment, oppression, or undue burden or expense. To comply with this data request Columbia would have to review the files and emails of dozens of people. To review the files and emails of that many people would be unduly burdensome. It is impossible for Columbia to conduct such a review given the time constraints of the discovery process in this case. If the Attorney General's office can submit a more focused request Columbia will attempt to provide the data requested.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 097:

Please provide copies of all external correspondence from 2005-2009, inclusive, including correspondence with Mr. Spanos and/or Gannett Fleming, which deals in any way with the Company's retirement unit costs, depreciation rates, and/or the depreciation study.

Response:

Columbia objects to and declines to respond to this discovery request to the extent that it is overbroad and causes annoyance, embarrassment, oppression, or undue burden or expense. To comply with this data request Columbia would have to review the files and emails of dozens of people. To review the files and emails of that many people would be unduly burdensome. It is impossible for Columbia to conduct such a review given the time constraints of the discovery process in this case. If the Attorney General's office can submit a more focused request Columbia will attempt to provide the data requested.

PSC Case No. 2009-00141
AG DR Set 1-098
Respondent(s):J. Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 098:

Please provide copies of all industry statistics available to Mr. Spanos and/or Columbia relating to gas or common depreciation rates. Also, identify all industry statistics upon which Mr. Spanos or the Company relied in formulating the depreciation proposals.

Response:

The attached spreadsheets set forth the industry statistics primarily relied upon by Mr. Spanos in formulating the depreciation proposals.

SERVICE LIFE A. .ET SALVAGE STATISTICS - GAS

FERC ACCT	DESCRIPTION	CENTERPOINT ENERGY ARKANSAS		ALLIANT ENERGY WISCONSIN POWER & LIGHT		AMERENUE		CENTERPOINT ENERGY OKLAHOMA		CENTRA GAS BRITISH COLUMBIA		CITIZENS GAS AND COKE UTILITY		COLUMBIA GAS OF KENTUCKY									
		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:									
		2004		2005		2005		2003		2001		2005		2005									
PROCEDURE:		ELG / Rem Life		ASL / Rem Life		ASL / Rem Life		ELG / Rem Life		ASL / Whole Life		ELG / Rem Life		ELG / Rem Life									
		SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %								
305.0	STRUCTURES AND IMPROVEMENTS			50	-R3	0	60	-L0.5*	0			60	-R3	0									
311.0	LIQUEFIED PETROLEUM GAS EQUIPMENT						55	-L1*	0														
374.0	LAND AND LAND RIGHTS - LAND RIGHTS	75	-R3	0	70	-R4	0	70	-R3	0	75	-R4	0	65	-R2.5	0							
375.0	STRUCTURES AND IMPROVEMENTS			50	-R2.5	(10)	50	-R2	0	40	-R1.5	(10)	50	-R2.5	0	33	-S0.5	0					
376.0	MAINS	60	-R3	(200)	55	-R1	(15)	45	-R3	0	55	-S0.5	(100)	60	-R2.5	(15)							
378.0	MEASURING & REGULATING STATION EQUIPMENT	55	-R2.5	(75)	32	-R0.5	(15)	65	-R2.5	0	42	-R1.5	(40)	40	-R3	(15)	20	-L1	(10)	35	-S0	(10)	
380.0	SERVICES	48	-R2.5	(250)			35	-R3	(3)	52	-R2	(200)	50	-R2	(25)	35	-R2.5	(40)					
381.0	METERS	32	-R3	0	26	-R1	0	45	-R3	0	30	-R4	0	30	-R2.5	5	30	-R0.5	0	38	-R2.5	0	
382.0	METER AND REGULATOR INSTALLATION	45	-S1	(20)						34	-R3	(60)	35	-R3	0	30	-R0.5	0	39	-S1.5	(10)		
383.0	HOUSE REGULATORS	26	-R4	0	29	-R0.5	5	45	-R3	0	30	-S3	0	34	-R4	0	34	-R4	0	34	-S1.5	(5)	
384.0	HOUSE REGULATORS - INSTALL						25	-R0.5	4	42	-R1.5	(40)		34	-R4	0				35	-S2.5	0	
385.0	INDUSTRIAL M&R STA EQUIPMENT	52	-R2	0										30	-O1	(5)				25	-R2.5	0	
387.2	ODORIZATION																						
387.2	OTHER EQUIPMENT - TELEPHONE																						
387.3	OTHER EQUIPMENT - RADIO																						
387.4	CUSTOMER INFORMATION SERVICES																				27	-R2	0
387.4	OTHER EQUIPMENT - TELEMETERING																						
387.5	OTHER EQUIPMENT - CUSTOMER INFO SERVICES																						
392.2	TRANSPORTATION EQUIPMENT - TRAILERS			21	-S2.5	5															22	-S3	0
396.0	POWER OPERATED EQUIPMENT	11	-L0.5	10	18	-L1	10	18	-S2	6	11	-L0.5	30	14	-L1.5	20	15	-S1	25				

SERVICE LIFE ANALYSIS - T SALVAGE STATISTICS - GAS

CLIENT:		DELMARVA POWER & LIGHT		DOMINION EAST OHIO		NORTHWEST NATURAL GAS		NSTAR ELECTRIC & GAS COMPANY		PUBLIC SERVICE COMPANY OF N. CAROLINA		PUGET SOUND ENERGY		QUESTAR GAS COMPANY	
STUDY DATE:		2005		2005		2005		2004		2005		2005		2004	
PROCEDURE:		ASL / Rem Life		ASL / Whole Life		ASL / Rem Life		ASL / Rem Life		ASL / Rem Life		ASL / Rem Life		ASL / Rem Life	
FERC ACCT	DESCRIPTION	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
305.0	STRUCTURES AND IMPROVEMENTS											50 - R4	(5)		
311.0	LIQUEFIED PETROLEUM GAS EQUIPMENT											50 - R4	(10)		
374.0	LAND AND LAND RIGHTS - LAND RIGHTS	70 - R4	0	75 - R3	0	65 - R3	0			65 - R4	0			75 - R3	0
375.0	STRUCTURES AND IMPROVEMENTS	50 - S3	0			30 - R1	0					45 - R3	(5)	120 - R1	0
376.0	MAINS			70 - R2	(30)									62 - R2.5	(45)
378.0	MEASURING & REGULATING STATION EQUIPMENT	45 - R2.5	(10)	50 - R0.5	(20)	45 - R1.5	(20)			19 - S1	(15)	30 - R1.5	(15)	34 - S0	(35)
380.0	SERVICES			50 - R1.5	(100)	45 - R1.5	(60)	52 - R1.5	(50)	50 - R1	(80)	40 - R2.5	(65)	47 - R2	(90)
381.0	METERS	28 - R2.5	(5)	37 - R1.5	0	40 - R2.5	0	37 - R4	0	43 - R2.5	0	35 - R3	0	28 - S2.5	0
382.0	METER AND REGULATOR INSTALLATION			45 - L2.5	0	38 - R2.5	(2)	37 - R4	(5)	50 - R3	0	40 - R2.5	0	41 - R2.5	(10)
383.0	HOUSE REGULATORS			30 - R4	(15)	35 - S2	0	15 - L2.5	0			40 - R4	(10)	28 - S2.5	0
384.0	HOUSE REGULATORS - INSTALL			43 - R1.5	(5)							40 - R4	0	45 - R1.5	0
385.0	INDUSTRIAL M&R STA EQUIPMENT	30 - R2.5	(5)	44 - R0.5	(5)					22 - R1.5	10	30 - R2.5	0		
387.2	ODORIZATION														
387.2	OTHER EQUIPMENT - TELEPHONE														
387.3	OTHER EQUIPMENT - RADIO														
387.4	CUSTOMER INFORMATION SERVICES														
387.4	OTHER EQUIPMENT - TELEMETERING														
387.5	OTHER EQUIPMENT - CUSTOMER INFO SERVICES														
392.2	TRANSPORTATION EQUIPMENT - TRAILERS			11 - L2	35										
396.0	POWER OPERATED EQUIPMENT			11 - L2.5	40	15 - S0.5	15	15 - SQ	0	11 - S2	20			10 - L3	25

SERVICE LIFE ANALYSIS - ASSET SALVAGE STATISTICS - GAS

FERC ACCT	DESCRIPTION	SIERRA PACIFIC POWER COMPANY		APPOLLO GAS COMPANY		CENTERPOINT ENERGY - FIELD SERVICES		CENTERPOINT ENERGY - GENERAL		CENTERPOINT ENERGY - OKLAHOMA	
		STUDY DATE:		1992		2002		2003		2003	
		PROCEDURE:		ASLELG Rem Life		ASL / Rem Life		ELG / Rem Life		ELG / Rem Life	
		SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
305.0	STRUCTURES AND IMPROVEMENTS										
311.0	LIQUEFIED PETROLEUM GAS EQUIPMENT										
374.0	LAND AND LAND RIGHTS - LAND RIGHTS	55 - S6	0	60 - R3						70 - R3	0
375.0	STRUCTURES AND IMPROVEMENTS	50 - R4	0					40 - R2	(5)	40 - R2	(5)
376.0	MAINS	48 - S1.5	(30)	50 - S1						55 - S0.5	(100)
378.0	MEASURING & REGULATING STATION EQUIPMENT	40 - R5	0	30 - S3						42 - R1.5	(40)
380.0	SERVICES	42 - R2	(70)							52 - R2	(200)
381.0	METERS	40 - R2.5	(25)	43 - R5				30 - R4	0	30 - R4	0
382.0	METER AND REGULATOR INSTALLATION	40 - R2.5	0	40 - R3				34 - R3	(60)	34 - R3	(60)
383.0	HOUSE REGULATORS	37 - S6	0	30 - R3				25 - S4	0	30 - S3	0
384.0	HOUSE REGULATORS - INSTALL			30 - R3							
385.0	INDUSTRIAL M&R STA EQUIPMENT			25 - R1						42 - R1.5	(40)
387.2	ODORIZATION										
387.2	OTHER EQUIPMENT - TELEPHONE										
387.3	OTHER EQUIPMENT - RADIO										
387.4	CUSTOMER INFORMATION SERVICES										
387.4	OTHER EQUIPMENT - TELEMETERING										
387.5	OTHER EQUIPMENT - CUSTOMER INFO SERVICES										
392.2	TRANSPORTATION EQUIPMENT - TRAILERS										
396.0	POWER OPERATED EQUIPMENT	FC	10	15 - L3		14 - S2	0	7 - L0	30	11 - L0.5	30

SERVICE LIFE A. .T SALVAGE STATISTICS - GAS

FERC ACCT	DESCRIPTION	CENTERPOINT ENERGY ARKLA - GENERAL		CENTERPOINT ENERGY ARKLA - LOUISIANA		CENTERPOINT ENERGY ENTEX - TEXAS DIVISION		CINNCINNATI GAS & ELECTRIC COMPANY		COLUMBIA GAS OF MARYLAND		COLUMBIA GAS OF OHIO	
		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:	
		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:	
PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:	
		2002		2002		2003		2000		1995		1998	
		ELG / Rem Life		ELG / Rem Life		ELG / Rem Life		ASL / Rem Life		ASL / Rem Life		ASL / Whole Life	
		SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET
		CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %
305.0	STRUCTURES AND IMPROVEMENTS							50 - R2.5	(10)	40 - SQ	0		
311.0	LIQUEFIED PETROLEUM GAS EQUIPMENT							45 - R1	(5)	25 - R2	0		
374.0	LAND AND LAND RIGHTS - LAND RIGHTS			75 - R3	0	75 - R3	0	75 - R3		60 - R3	0		
375.0	STRUCTURES AND IMPROVEMENTS	35 - R1	0	35 - R1	0	55 - R3	(5)	47 - S0.5		34 - R1.5	0		
376.0	MAINS			54 - R2	(75)	25 - R2.5	0			60 - R2.5	(30)	68 - S1	(27)
378.0	MEASURING & REGULATING STATION EQUIPMENT			46 - R1	(20)	28 - R1	(20)	48 - S0.5	(85)	32 - R1	(10)	37 - L0.5	(10)
380.0	SERVICES			45 - R1.5	(200)			35 - R2		44 - S0	(110)	50 - R2	(60)
381.0	METERS	29 - R3	0	29 - R3	0	48 - R2	0	43 - R2	5	42 - S3	(50)	39 - R3	5
382.0	METER AND REGULATOR INSTALLATION	31 - R3	0	42 - R2	0	43 - S2	Small,	43 - R3		45 - R2	(40)	52 - R3	(15)
383.0	HOUSE REGULATORS	24 - R4	0	24 - R4	0	31 - R2	30 Large	48 - R2	10	26 - S3	(15)	32 - R4	(20)
384.0	HOUSE REGULATORS - INSTALL							48 - R2		22 - R5	0	32 - R3	
385.0	INDUSTRIAL M&R STA EQUIPMENT			45 - R1.5	0	25 - S0	20	30 - R1	(10)	25 - R1	(5)	31 - O1	(10)
387.2	ODORIZATION												
387.2	OTHER EQUIPMENT - TELEPHONE									10 - R5	(10)		
387.3	OTHER EQUIPMENT - RADIO									15 - L1	(10)		
387.4	CUSTOMER INFORMATION SERVICES												
387.4	OTHER EQUIPMENT - TELEMETERING									20 - S3	(10)		
387.5	OTHER EQUIPMENT - CUSTOMER INFO SERVICES									10 - S4	(10)	10 - S1.5	
392.2	TRANSPORTATION EQUIPMENT - TRAILERS							12 - R2.5	25	20 - L4	0	15 - SQ	
396.0	POWER OPERATED EQUIPMENT	11 - R0.5	20	11 - R0.5	20	6 - S4	30	11 - R2.5	35	10 - L3	15	11 - L2.5	30

SERVICE LIFE ANALYSIS - ASSET SALVAGE STATISTICS - GAS

FERC ACCT	DESCRIPTION	COLUMBIA GAS OF PENNSYLVANIA		COLUMBIA GAS OF VIRGINIA		ELIZABETHTOWN GAS COMPANY		EQUITABLE GAS COMPANY		LACLEDE GAS COMPANY		LAWRENCEBURG GAS COMPANY		NATIONAL FUEL GAS DISTRIBUTION - NY DIVISION	
		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:	
		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:	
PROCEDURE:		2001		1997		2001		2002		2003		1990		2006	
		ASLELG / Rem Life		ASL / Rem Life		ASL / Rem Life		ASLELG / Rem Life		ASL / Whole Life		ASL / Rem Life		ASL / Rem Life	
		SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET
		CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %
305.0	STRUCTURES AND IMPROVEMENTS			SQ	(5)					60 - R0.5	(15)				
311.0	LIQUEFIED PETROLEUM GAS EQUIPMENT			32 - R1.5	(15)					33 - R1	(5)				
374.0	LAND AND LAND RIGHTS - LAND RIGHTS	65 - R2.5		75 - R3	0	65 - R4	0	75 - R3				60 - R4	0	75 - H3.5	0
375.0	STRUCTURES AND IMPROVEMENTS					75 - S2	0	43 - S0				43 - S0	(10)	65 - H2.5	(5)
376.0	MAINS	72 - R2		58 - S1	(20)	60 - S2.5	(75)	70 - R2.5						24 - H2.2	0
378.0	MEASURING & REGULATING STATION EQUIPMENT	42 - R0.5		35 - L1	(25)	35 - L2	(10)	46 - S1		35 - O1	(30)	35 - R2	(75)	35 - H1	(25)
380.0	SERVICES	43 - R1		30 - R1	(25)	45 - R4	(100)	47 - S0				28 - L0.5	(30)	52 - H1.2	(30)
381.0	METERS	41 - S3.5		35 - R1.5	(2)	34 - S4	(10)	29 - S0		37 - S1	5	33 - S2	10	36 - H3	0
382.0	METER AND REGULATOR INSTALLATION	55 - R2.5		37 - R2.5	(2)	40 - R3	(10)	47 - S0				25 - R4	(20)	52 - H1.2	0
383.0	HOUSE REGULATORS	34 - S3		30 - R3	(2)	35 - S4	0	47 - S0		50 - R3	0	55 - R2.5	25	30 - H2.7	0
384.0	HOUSE REGULATORS - INSTALL	33 - L3		25 - R3	(2)			47 - S0				44 - R3	10	52 - H1.2	0
385.0	INDUSTRIAL M&R STA EQUIPMENT	32 - R0.5		25 - O1	(7)	25 - S2.5	(10)	35 - R2		39 - S0	(10)	20 - L1.5	(10)	45 - H1.5	(25)
387.2	ODORIZATION														
387.2	OTHER EQUIPMENT - TELEPHONE														
387.3	OTHER EQUIPMENT - RADIO														
387.4	CUSTOMER INFORMATION SERVICES														
387.4	OTHER EQUIPMENT - TELEMETERING														
387.5	OTHER EQUIPMENT - CUSTOMER INFO SERVICES	20 - R2.5		15 - S2	0										
392.2	TRANSPORTATION EQUIPMENT - TRAILERS	15 - SQ		18 - S2.5	0			22 - L1							
396.0	POWER OPERATED EQUIPMENT	10 - L3		14 - L3	0	15 - L2	15	12 - S3		13 - L2	15			20 - H1.7	0

SERVICE LIFE AND SALVAGE STATISTICS - GAS

FERC ACCT	DESCRIPTION	NATIONAL FUEL GAS DISTRIBUTION - PA DIVISION		NORTH PENN GAS COMPANY		NORTH SHORE GAS COMPANY		PENN FUEL GAS 2000		PEOPLES GAS LIGHT AND COKE COMPANY 2003		PUBLIC SERVICE COMPANY OF COLORADO 1999		RIVER GAS COMPANY 1989	
		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:	
		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:	
PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:	
		ASLELG / Rem Life		ASLELG / Rem Life		ASL / Rem Life		ASLELG / Rem Life		ASL / Rem Life		ELG / Rem Life		ASL / Whole Life	
		SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
305.0	STRUCTURES AND IMPROVEMENTS					34 - S1.5		40 - R3		28 - L0.5					
311.0	LIQUEFIED PETROLEUM GAS EQUIPMENT					50 - R2									
374.0	LAND AND LAND RIGHTS - LAND RIGHTS	70 - R4		70 - R4		65 - R4		70 - R4		75 - R2		65 - R4	0	80 - R2.5	0
375.0	STRUCTURES AND IMPROVEMENTS					34 - S1.5		40 - S3				60 - R1.5	(10)		
376.0	MAINS	24 - S2		52 - L2		55 - R3		52 - L2				65 - R3	(40)	48 - S1	(10)
378.0	MEASURING & REGULATING STATION EQUIPMENT	30 - S0		34 - R1.5		20 - R1.5		34 - R1.5				45 - R1	(5)	30 - S0.5	(15)
380.0	SERVICES	39 - L0.5		33 - R1.5		37 - R2		33 - R1		35 - R1		57 - R2.5	(50)	30 - R1.5	(45)
381.0	METERS	36 - R4		41 - L3		30 - S3		41 - L3				50 - R4	5	46 - S1.5	(5)
382.0	METER AND REGULATOR INSTALLATION	39 - L0.5		55 - R2		33 - S4		52 - R2		32 - S4		45 - R4	0		
383.0	HOUSE REGULATORS	33 - R5		37 - S2		24 - R5		37 - S2		32 - S4		45 - R3	0	18 - R0.5	(20)
384.0	HOUSE REGULATORS - INSTALL	39 - L0.5		43 - R1.5				40 - R1.5						19 - R0.5	(15)
385.0	INDUSTRIAL M&R STA EQUIPMENT	42 - R1.5		37 - R1		20 - S1		37 - R1		22 - L2				28 - R0.5	(2)
387.2	ODORIZATION														
387.2	OTHER EQUIPMENT - TELEPHONE														
387.3	OTHER EQUIPMENT - RADIO														
387.4	CUSTOMER INFORMATION SERVICES														
387.4	OTHER EQUIPMENT - TELEMETERING														
387.5	OTHER EQUIPMENT - CUSTOMER INFO SERVICES														
392.2	TRANSPORTATION EQUIPMENT - TRAILERS			15 - SQ										13 - L4	25
396.0	POWER OPERATED EQUIPMENT	23 - S1		25 - R2		9 - L3		22 - R2		9 - S2				9 - L3	40

SERVICE LIFE ANALYSIS SALVAGE STATISTICS - GAS

		SOUTH JERSEY GAS COMPANY		T.W. PHILLIPS GAS AND OIL COMPANY		THE EAST OHIO GAS COMPANY		THE PEOPLES NATURAL GAS COMPANY		UGI UTILITIES, INC. - GAS DIVISION		UNION LIGHT HEAD AND POWER CO		VIRGINIA GAS DISTRIBUTION COMPANY	
CLIENT:		2002		2001		1992		2002		2001		2004		2001	
STUDY DATE:		2002		2001		1992		2002		2001		2004		2001	
PROCEDURE:		ASL / Rem Life		ASLELG / Rem Life		ASLELG / Whole Life		ASL / Rem Life		ASLELG / Rem Life		ELG / Rem Life		ASL / Rem Life	
FERC ACCT	DESCRIPTION	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
305.0	STRUCTURES AND IMPROVEMENTS	30 - R4	(5)									50 - R4	(5)		
311.0	LIQUEFIED PETROLEUM GAS EQUIPMENT	28 - R2.5	(5)									35 - S1.5	(5)		
374.0	LAND AND LAND RIGHTS - LAND RIGHTS			60 - R3		70 - R3	0	70 - R3				65 - R4	0	75 - R3	0
375.0	STRUCTURES AND IMPROVEMENTS	60 - S1.5	(10)							56 - S0		50 - R2.5	(10)	40 - R2	(5)
376.0	MAINS	52 - S0.5	(30)	53 - S1.5		65 - R2	(10)	65 - R2.5						60 - S1	(25)
378.0	MEASURING & REGULATING STATION EQUIPMENT	31 - R4	(20)	43 - S1		35 - R1	(10)	38 - R1.5		50 - R1		50 - R2.5	(75)	35 - R1	(10)
380.0	SERVICES	45 - S1	(75)	44 - S0.5		37 - R1	(80)	48 - R1		43 - R2		40 - R1.5	(35)	40 - R1.5	(40)
381.0	METERS	38 - S4	0	31 - R1		46 - L2	5	30 - S1.5		38 - R2		37 - R3	10	30 - S1.5	0
382.0	METER AND REGULATOR INSTALLATION	34 - R1.5	0	35 - R1				48 - R1		43 - R2		37 - R3	0	35 - R3	0
383.0	HOUSE REGULATORS	40 - S3	(20)			38 - R1	(30)			43 - R2		44 - R1.5	10	30 - R2	0
384.0	HOUSE REGULATORS - INSTALL	40 - R2.5	0							43 - R2		44 - R1.5	0	35 - R3	0
385.0	INDUSTRIAL M&R STA EQUIPMENT	30 - R1	(10)			36 - R0.5	0	38 - O1		38 - R2		32 - R2	(10)	30 - R1	(5)
387.2	ODORIZATION														
387.2	OTHER EQUIPMENT - TELEPHONE														
387.3	OTHER EQUIPMENT - RADIO														
387.4	CUSTOMER INFORMATION SERVICES														
387.4	OTHER EQUIPMENT - TELEMETERING														
387.5	OTHER EQUIPMENT - CUSTOMER INFO SERVICES														
392.2	TRANSPORTATION EQUIPMENT - TRAILERS					9 - L2.5	30	15 - L3				10 - R2	5		
396.0	POWER OPERATED EQUIPMENT	11 - L1	0	15 - L2		11 - L1.5	25	12 - L2		14 - L2.5		11 - R2.5	0		

SERVICE LIFE AND SALVAGE STATISTICS - GAS

		VIRGINIA NATURAL GAS, INC.		MANITOBA HYDRO	
CLIENT:		2002		2005	
STUDY DATE:		ASL / Rem Life		ASL / Whole Life	
PROCEDURE:					
FERC ACCT	DESCRIPTION	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
305.0	STRUCTURES AND IMPROVEMENTS	SQ	0		
311.0	LIQUEFIED PETROLEUM GAS EQUIPMENT	75 - R3*	(5)		
374.0	LAND AND LAND RIGHTS - LAND RIGHTS	75 - R4	0	75 - R4	0
375.0	STRUCTURES AND IMPROVEMENTS	30 - R2	0	40 - R1	(10)
376.0	MAINS	65 - S1.5	(25)	65 - R3	(20)
378.0	MEASURING & REGULATING STATION EQUIPMENT			31 - R2	(20)
380.0	SERVICES	55 - R2	(70)	50 - R2.5	(50)
381.0	METERS	21 - S1.5	0	28 - R3	0
382.0	METER AND REGULATOR INSTALLATION	35 - R4	0	40 - R4	0
383.0	HOUSE REGULATORS	34 - R1.5	(20)		
384.0	HOUSE REGULATORS - INSTALL	40 - R3	0		
385.0	INDUSTRIAL M&R STA EQUIPMENT	38 - R1.5	(5)		
387.2	ODORIZATION				
387.2	OTHER EQUIPMENT - TELEPHONE				
387.3	OTHER EQUIPMENT - RADIO				
387.4	CUSTOMER INFORMATION SERVICES				
387.4	OTHER EQUIPMENT - TELEMETERING				
387.5	OTHER EQUIPMENT - CUSTOMER INFO SERVICES				
392.2	TRANSPORTATION EQUIPMENT - TRAILERS				
396.0	POWER OPERATED EQUIPMENT	14 - L1.5	20	15 - L1.5	20

PSC Case No. 2009-00141
AG DR Set 1-099
Respondent(s):J. Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 099:

On an account-by-account basis, which accounting method is reflected in the life studies; "location-life" or "cradle-to-grave"? Also, what is impact of the accounting method used on the lives calculated in the depreciation study?

Response:

All accounts utilized "cradle-to-grave" accounting methodology. Cradle-to-grave methodology generally produce longer service lives than "location-life" lives.

PSC Case No. 2009-00141
AG DR Set 1-100
Respondent(s): Lon R. Patton

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 100:

Please provide a copy of the Company's current capitalization policy. If the policy has changed at all since 2000, please provide a copy of all prior policies in effect during any portion of that period.

Response:

Please see attachment AG DR Set 1-100, for the Company's current capitalization policy. Prior to compiling the information contained within this policy from numerous sources there was not one all inclusive document covering capitalization.

POLICY SUBJECT: Gas Distribution Capital Allocation/Authorization Policy

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

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

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

Table of Contents

Section 1	Definition and Overview	2
1.1	Corporate Level	2
1.2	Business Class Levels	3
Section 2	Other Capital	4
Section 3	Budget Types	4
3.1	Blanket Budgets	4
3.2	Project Budgets	4
3.3	Specific Budgets	4
Section 4	Planning and Management Process	5
Section 5	Budget Development and Allocation Process	5
5.1	Annual Capital Review	6
5.2	Prioritization and Risk Assessment	6
5.3	Five Year Capital Investment Plan	6
Section 6	Reviews and Approvals	7
6.1	Annual Program Approval	7
6.2	Project and Specific Budget Approval	7
6.3	New Business Approval	8
6.4	Corporate Review and Approval	9
6.5	Engineering Peer Reviews	10
Section 7	Completed Project Evaluations	10
7.1	Cost and Benefit Tracking	10
7.2	Post Audit Review	11
Section 8	Budget Variance Explanations	11
8.1	Program Variance	11
8.2	Specific or Project Budget Variance	11
Appendix A	Specific Budget Business Case Request – Standard Form	12-13
Appendix B	"Level 2" Budget Variance Explanation – Standard Form	14
Appendix C	Frequently Asked Questions	15-16

Section 1: Definition and Overview

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

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

General Plant consists of the following type of equipment:

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

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

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

Figure 1

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

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

1.1 Corporate Level

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

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

1.2 Business Class Levels

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

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

1.2.2 Betterment ("Capacity" or "Compliance")

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

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

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

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

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

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

1.2.5 Support Services

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

² Near-term is considered 1 to 3 years.

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

Section 2: Other Capital

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

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

Section 3: Budget Types

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

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

3.1 Blanket Budgets

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

3.2 Project Budgets

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

3.3 Specific Budgets

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

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

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

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

Section 4: Planning and Management Process

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

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

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

Section 5: Budget Development and Allocation Process

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

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

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

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

5.1 Annual Capital Review

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

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

5.2 Prioritization and Risk Assessment

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

5.3 Five Year Capital Investment Plan

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

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

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

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

Section 6: Reviews and Approvals

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

6.1 Annual Program Approval

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

6.2 Project and Specific Budget Approval

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

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

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

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

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

Table 1 – Capital Approval Matrix

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

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

6.3 Additional New Business Approval

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

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

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

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

Table 2 – Additional Signature Approvals for New Business

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

6.4 Corporate Review and Approval

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

Table 3 – Guidelines for Corporate Review and Approval

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

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

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

6.5 Engineering Peer Reviews

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

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

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

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

Section 7: Completed Project Evaluations

7.1 Cost and Benefit Tracking

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

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

Table 4 – Cost and Benefit Report: Required Information

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

7.2 Post Audit Review

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

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

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

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

Section 8: Budget Variance Explanations

8.1 Program Variance

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

8.2 Specific or Project Budget Variance

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

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

Appendix A

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

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

Appendix A
(Continued)

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

To: Name
Vice President, Engineering

cc: Name
Mgr, Capital Mgmt & Analysis

From: Sponsor Name and Title

Company: Company Name

Subject: Project Name

Date: DD/MM/YYYY

Project Description & Overview

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

Alternative Solutions

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

Risks and Mitigation

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

Success Criteria

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

Financial Analysis

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

Additional Information

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

Appendix B

“Level 2” Budget Variance Explanation – Standard Form

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

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

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

Brief Project Description

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

Cost Element Change

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

Reason for Budget Variance

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

Approvals

	Signature	Date
Manager, Field Engineering		
VP, Distribution Engineering		

Appendix C

Gas Distribution Capital Policy Frequently Asked Questions

September 2008

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

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

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

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

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

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

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

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

Appendix C

(Continued)

Distribution Capital Policy Frequently Asked Questions September 2008

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

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

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

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

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

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

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

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 101:

Please identify and explain all changes since the last depreciation study which might affect depreciation rates.

Response:

Depreciation rates are affected by life and net salvage parameters, plant activity, ratio of plant to depreciation reserve and depreciation procedure. Each account has experienced at least two of these factors and many accounts were exposed to all four factors since the last depreciation study.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 102:

Please provide the Company's most recent Asset Management Plan or any similar document used to plan for maintaining plant capacity, reliability and efficiency.

Response:

Columbia ensures its distribution systems have adequate capacity and reliability through a continuous process of modeling, verifying, planning, and monitoring. Columbia models its distribution systems utilizing either SynerGEE network modeling software or a mainframe modeling application. These models are developed by importing or otherwise entering pipeline data and customer usage into a modeling environment. The accuracy of each model is verified using actual peak day pressure and flow observations that results from Columbia's winter operations planning and monitoring program. Annually, individuals from Engineering, Planning, and Operations meet to work through and agree to a winter operations plan. An assessment of system performance occurs at certain threshold temperature levels as identified in the winter operations plan. After the winter is complete, Columbia conducts meetings to discuss any capacity and reliability related issues. Any time unforeseen system problems develop that affect customer supply or reliability, Columbia works to resolve the problem immediately.

Accurate models are also used to evaluate the system effects resulting from the increased natural gas demand of growth projects. In addition, as replacement and public improvement projects are contemplated, models are used to evaluate the system effects of various pipe sizes and the effects of supply from various pressure systems. In general, Columbia endeavors to improve efficiency by designing its new and replacement systems utilizing the smallest medium pressure pipe that will satisfy the existing demand and projected future needs. Efficiency is also improved by eliminating dual main systems.

A recent winter operations plan for Lexington and Frankfort is attached.

Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN
WINTER OPERATIONS PREPAREDNESS PROGRAM – Lexington/Frankfort Areas

Program Goal

To ensure safe, reliable gas distribution service to customers during periods of high demand in a manner that is cost effective and compliant with regulatory requirements.

Program Elements

The elements of this program consist of:

- Distribution System Assessment
- Contingency Planning
- Distribution System Monitoring
- GTS Load Interruption Assessment
- Communications
- Post-Winter Operations Review

Distribution System Assessment

Capacity Assessment

Each Field Engineer and Gas Systems Planning, with input from M&R, shall continuously assess ED's distribution systems to ensure that adequate capacity and pressures are available to serve projected peak day demand. Consideration should be given to:

- Prior year's actual peak day pressures and system performance
- Impact of current year's load growth or system configuration changes
- Progress in completing all current year planned system upgrades/betterment
- Information from ESS and upstream pipelines indicating changes from historical delivery pressures

If it becomes evident that planned capacity betterment cannot be completed prior to the heating season, the Operations Engineer shall reassess the need for the betterment based on actual customer/load growth and develop any necessary alternative or contingency plans.

M&R Operations Assessment

M&R, with input from Field Ops, Engineering, Technical Services M&R Design, ESS and upstream pipelines, shall continuously assess the operational capability of ED's Point of Delivery, District and Customer Measurement, Regulation and related facilities to ensure reliable service based on anticipated Gas Quality. Consideration should be given to:

- Prior Year's actual operating experience

Columbia Gas of Kentucky - Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN

- Potential changes in gas quality/moisture content based on reported changes in upstream pipeline or storage field operations
- Reported or experienced changes in gas quality/moisture content
- Proper Operation and Maintenance of M&R and related equipment such as heaters, filters, scrubbers, etc.

Distribution System Monitoring

Capacity/Pressure Monitoring

The Field Engineer and Gas Systems Planning shall review the location and type of pressure and flow monitoring devices (spring gauges, SCADA points, permanent recording gauges, etc) within each distribution system and recommend necessary enhancements (soft spot gauges, etc.).

Engineering shall establish and communicate the necessary protocols for system monitoring, data collection and reporting, including, but not limited to:

- Temperature thresholds, trigger points, notifications (when to take readings)
- Reporting format/information requirements
- Reporting channels for normal data /distribution lists, etc.
- Reporting Channels for winter operations problems and solutions

Engineering and Gas Systems Planning will advise Field Ops/ M&R and ESS Gas Control of the required winter operations pressure set points for district regulator stations.

M&R Operations Monitoring

MRC shall establish and communicate the necessary protocols for M&R surveillance, monitoring and operation of M&R facilities when notified by ESS Gas Control, upstream pipelines or other sources that changes in upstream pipeline and/or storage field operations might negatively impact Gas Quality and increase the potential for “Freeze-Offs”, etc.

GTS Load Interruption Requirements

Engineering, with input from ESS, shall determine if (and under what temperature conditions) GTS Interruptions will be required to maintain adequate system pressures.

Engineering will initiate and/or participate in meetings with Gas Control, Sales, and Field Ops, prior to the heating season to ensure that there is a common understanding of the requirements for and that proper notification procedures are in place to operate peak shaving plants or implement interruptions.

Communications

Engineering will communicate winter operations preparedness plans, monitoring and reporting procedures in accordance with the following:

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

- The Operations Engineer will hold formal pre-winter meetings in the local operating areas with OCM(s), FOL(s), and M&R and TCO personnel to discuss preparedness plans, monitoring and reporting requirements.
- The Senior Engineer(s) and Engineering Manager will initiate meetings with ESS, Sales, Field Ops, M&R and Gas Control to discuss all of the above.
- Engineering and Gas Systems Planning will create standard Peak Day reporting advisory document (Pressure Surveys).
- M&R will create a standard M&R gas quality monitoring advisory document.
- Engineering will prepare standard pressure or distribution system problem reporting document (Cold Weather Report).
- M&R will create a standard M&R gas quality related problem reporting document.
- Engineering and M&R will create standard notification/contact lists (Exhibit A)
- The Operations Engineer will hold formal post-winter meetings in the local operating areas with the OCM(s), FOL(s), M&R and TCO personnel to discuss the Post-Winter Operations Review (including plans to address operational issues encountered) and to re-adjust control regulator set points.

Post Winter Operations Review

Engineering and M&R will review and document operations at the conclusion of winter operations. This review will cover the following areas

- Temperatures – notate where official temperature readings were recorded.
- Observations - review of each market and notate if low-pressure problems were encountered.
- Interruptions – notate restrictions and/or interruptions imposed on customers
- Gas Supply – notate any supply-related difficulties encountered.
- SCADA – notate any exiting deficiencies and/or enhancements that can be made.
- Throughput – analysis of peak day flows and temperatures.
- M&R “Freeze-Offs” and/or other gas quality related issues

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

COLD WEATHER REPORTING AND CAPACITY MONITORING PROCEDURE

General

Cold weather reporting is critical in order to ensure safe, reliable gas distribution service to customers. Collecting and compiling cold weather (peak day) information enables engineering personnel to proactively address operational issues and provides a platform for system planning and modeling.

Monitoring Requirements

The following monitor points are recommended for the first time the temperature is forecast to drop to 20°F and 15°F. This initial survey is required so that engineering can make an early assessment of some of the suspected problem areas.

- End of 32010154 at Donerail Drive in Georgetown (Model Verification).
- Inlet and Outlet pressure of R-1197 at Bluegrass Station
- End of line of System 32047004 near Radar Road (Model Verification).
- System 32010181 inlet pressure to Thistleton with a temporary recording gauge.
- End of line of System 32010061 at Peach Lumber [existing].
- System 32010061 at Bridgeport [existing].
- End of system 32010041 at the Equestrian Stadium in the horse park, depending on the status of the uprate of the system.
- Outlet pressure of LP run at Birchwood Station.

In addition, a complete pressure survey is requested when the temperature is forecasted to reach 10°F and 5°F for the first time and each time the temperature is forecast to drop to 0°F or below. Unless otherwise directed, readings will not be taken on weekends or holidays. Each time a pressure survey is conducted, a report shall be completed that includes the inlet/outlet pressure, temperature, any notable problem or observation such as regulator droop, icing, heaving, and whether a pressure adjustment was necessary to maintain desired outlet pressure.

Each location is asked to choose a reliable source for the actual temperature and consistently use this as the official temperature. For the Lexington Area, the Lexington Weather Station will be used for the official temperature. Forecasts and actual temperature reports for this station are assessable on the web at <http://mymerchantenergy.nisource.net/portal/pane/Home> on the weather tab.

Readings should be taken at key district regulators (inlet and outlet), at temporary recording gauges and soft spots identified and listed on their respective recording forms. Personnel assigned to read the gauges should be trained to do so and should know the system MAOP in order to recognize problems and immediately report discrepancies to their supervisor.

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

In addition to the above, M&R facilities surveillance, monitoring, and operational checks shall be initiated by M&R leadership when notified by ESS Gas Control, the upstream pipeline or other source, that changes in pipeline and/or storage field operations could negatively impact gas quality and adversely impact certain M&R facilities operations.

Documentation

All readings shall be recorded on either the Cold Weather Recording Form for Key Regulator Stations and Temporary Gauges (Exhibit C). Spring gauges should be read between 6:30 a.m. and 8:30 a.m. and the time should also be noted on the appropriate recording form and peak day map.

Reporting

Critical problems shall be communicated to the M&R FLL and Operations Engineer upon discovery. The Operations Engineer will notify the Senior Engineer detailing the severity of the problem. Problems related to M&R facilities resulting from apparent poor gas quality shall be reported to engineering and M&R leadership.

If attempts to contact the Operations Engineer are unsuccessful, contact the Senior Engineer directly.

Note: This procedure has no effect on normal reporting channels for emergencies or incidents.

Cold weather inspection results (readings) shall be submitted to the Operations Engineer by 11:00am on the same day. This submission may be by fax, e-mail or telephone. The original recording forms documenting the readings will be submitted to the Operations Engineer as soon as practical.

The Operations Engineer shall prepare and submit a Cold Weather Report (Exhibit B) for each local operating area center to their Senior Engineer by 12:00 noon and copy the Engineering Manager and Communications Manager.

**Columbia Gas of Kentucky - Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Significant Load Additions Since Last Peak Day:

The following systems have experienced significant load growth since the last peak day:

2621

1. System 32010143, LP, Urban Active Fitness, (1.26 mcfh, WMS0885033).
2. System 32010034, 60 psig MAOP, Lexhold Tech Center (6.51 mcfh, WMS0781560).
3. System 32010041, 10 psig MAOP, Spindletop Hall Pool, 32010041 (1.76 mcfh, WMS0886165).
4. System 32010010, 90 psig MAOP, Osram Sylvania (5 mcfh, WMS0886114).
5. System 32010102, 60 psig MAOP, Malone's Restaurant (3.51 mcfh, WMS0886726).
6. System 32010041, 60 psig MAOP (once uprated), Equestrian Stadium (15 mcfh, WMS0677149).

2623

7. System 32010181, 60 psig, MAOP, Capital Boiler House (20 mcfh, WMS0673532).
8. System 32010058, 14 psig MAOP, Cattleman's Roadhouse (1.66 mcfh, WMS0886012).
9. System 32010058, 14 psig MAOP, Parkside Centre (2.51 mcfh, WMS0887668).

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

2008 Betterment and System Improvements:

2621

1. Completion of 8" replacement on inlet of Regulator 1188 (07-0262042-00) – project is pending.
2. Completion of Kentucky Horse Park improvements / up rates. Construction heat, estimated to be about 5 mcfh, is expected at the Equestrian Stadium this winter. The high pressure line feeding the Berea Road Regulator (R-1098) is cut into and land rights have delayed the replacement of this line. A temporary regulator station is set off of Georgetown Road is currently feeding system (32010041) and R-1193, system 32010116, feeds this temporary regulator station. To be able to supply the system, system 32010041 needs to be uprated so that the temporary regulator can supply 25 psig into the system. *(07-0262101-00) – project is pending.

Potential Soft Spots:

1. Alumni Drive System 32010027, 8# MAOP, 2005/2006 pressure problem that was unresolved.
2. Inlet to Thistleton Station in Frankfort.
3. End of Main at Peach Lumber in Frankfort.
4. Inlet and outlet to R-1075, at Dundee Drive.
5. Lexington Beltline HP inlet to R-1073 at Oxford Circle and Versailles Road, System 32010138, 160 psig MAOP.
6. End of System 32010154 at Donerail Drive in Georgetown, 30 psig MAOP.
7. Station R-1010 on Bryan Avenue.
8. System 32010002 – Midway MP at Carriage Lane & Coach Station Road.
9. System 32010075 – Richmond Road MP at 1784 Eastwood Drive.
10. System 32010046 – Georgetown Indian Hills, Redding Road.
11. System 32010041 – Equestrian Stadium at the horse park.
12. System 32010101 - Aristocracy Drive

Contingency Planning:

1. The University of Kentucky in Lexington and Capital Boiler House in Frankfort have elected to be selectively interruptible. Engineering will make an assessment as to whether to interrupt these services when the temperature is forecast to fall below 10 degrees.
2. If CKY experiences operational constraints that are not reasonably within the control of Columbia, interruption is an alternative to preserve the integrity of residential and other high priority customers. CKY's tariff indicates that transportation service is subservient to human needs service. Within section 3, it states that "all deliveries by Company to Customer, including Customer's Authorized Daily Volumes, are subject to partial or complete interruption during force majeure situations. Our customers must sign an agreement acknowledging that the service is subject to interruption and the Company has no obligation to serve except the Daily Firm Volume that the customer has specified.
3. Install 2 1/8" orifice in monitor of Regulator 1052.

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Stations Nearing Capacity / 25% MAOP:

The following facilities should be closely observed for future planning purposes.

1. R-1188 at Higbee Mill Road in Lexington
2. R-1075 [45 psig run] at Dundee Drive
3. R-1054 at 785 Cheryl Lane
4. R-1521 at Thistleton in Frankfort
5. R_1150at Buttonwood Ct in Tankbark Subdivision

Market Supply Plan:

Prior to cold weather, each low-pressure station needs to be adjusted to a control set point of 10-11” w.c. The regulator set points for normal winter flow operations for the 32010 Market seeks to maximize flow in the LHP [System 32010138, 160 psig] to supply the south side of Lexington and Versailles. This action maximizes the delivery pressure to Frankfort and the City Gate in Versailles, R-1584. R-1584 is the district station that supplies Osrarn Sylvania and the Frankfort Street MP station.

For Lexington, we will be asking TCO to supply the outer beltline from Muth Farm at 155 psig. Gas Control has remote set point control of St. James and the Propane Plant. We will be asking Gas Control personnel to operate these two stations at 156-158 psig under peak conditions and somewhat lower when the peak has passed. If the pressure at Muth Farm begins to creep toward MAOP, the set points at St. James and the Propane plant may be lowered remotely to avoid a callout of TCO personnel. On systems having multiple supplies from the Outer Beltline, System 32010138, the specified set points are designated so that the upstream regulator will supply as much gas as practical. Andover will be the primary supply for System 32010158 with both runs at FMC functioning as the secondary supply. This action unloads a portion of KA-1 so that the inlet pressure at the KA-1/Line G header is the maximum available.

MS820375 and MS805095 at Paul Miller Ford supplies System 32010087 [250 psig] and MS829541 at Lake Carnico supplies 32010170 [720 psig] which supplies Turner Station and Jim Beam. Both Lake Carnico and Turner Station have remote set point control. CKY’s contract with Columbia Gas Transmission specifies that they will supply MS 829541 a minimum of 750 psig when the temperature drops below 20 degrees. Distribution gas control has proscribed set points for various weather conditions. We will request that Gas Control maintain an outlet pressure at Turner Station at 245 psig.

R_1071 that feeds from 32010087 to 32010138 at New Circle & Georgetown Rd in Lexington will be set at 130 psig. R_1592, Williams Lane in Versailles, will also feed 32010138 from 32010087 is to be set at 75 psig.

R-1178 at Paul Miller Ford and Knuckles Station, R-1637 in Winchester supply 32010145. The operational constraints that were located at TCO’s POD in Winchester have now been eliminated. The station on Rt. 89 in Winchester will be the primary supply for Andover Forrest, DKZ, and a number of Winchester Stations.

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Set Pressures for Critical Stations during peak conditions (below 10 degrees)

System 32010158, 60 psig MAOP:

1. R-1151 at FMC set at 50 psig
2. R-1202 at Andover Forrest set at 55 psig

System 32010062, 40 psig MAOP

3. R-1549 at Wilkinson Road set at 37 psig.
4. R-1854 at East Campbell Street at 26 psig

System 32010008, 45 psig MAOP

5. R-1593 at Big Sink in Versailles, at 43 psig
6. R-1583 at Clifton Ave in Versailles at 42 psig
7. R-1585 at Camden Ave in Versailles at 41 psig

System 32010131, 45 psig MAOP

8. R-1006 at Harrodsburg Rd Near Bob-O-Link at 35 psig
9. R-1050 at Mt. Tabor near Chinoe at 42 psig
10. R-1051 at Idle Hour 43 psig
11. R-1064 at 3rd Street at 43 psig
12. R-1075 at Dundee Drive at 42 psig
13. R-1082 at Nicholasville near Jesslin at 35 psig
14. R-1096 at Cisco Rd at 35 psig
15. R-1139 at Felix Street at 35 psig

System 32010111, 60 psig MAOP

16. R-1188 at Higbee Mill Road control set at 55 psig
17. R-1190 at Grassy Creek at 55 psig

System 32010087, 250 psig MAOP

18. R-1855 at Jim Beam set at 245 psig.
19. R-1572 at the 460 Bypass & 62 in Georgetown at 245 psig
20. R-1571 at Turner Station at 245 psig, [Remote Set Point Control]

System 32010061, 40 psig MAOP

21. R-1521 at Thistleton Drive set at 37 psig

System 32010181, 60 psig MAOP

22. R-1519 at Todd Street set at 58 psig

System 32010048, 42 psig MAOP

23. R-1557 at Showalter set at 37 psig.
24. R-1573 at Paddler Lane set at 40 psig.

System 32010170, 720 psig MAOP

25. R-1238 at Lake Carnico dependant on temperature and inlet pressure from TCO. Below 25 F, set at 690 psig [Remote set point control]

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

System 32010138, 160 psig MAOP

- 26. R-1049 at St. James set at 157 psig [Remote Set Point Control]
- 27. R-1008 at Propane set at 157 psig [Remote Set Point Control]

System 32010077, 40 psig MAOP

- 28. R-1037 at Eastin Road set at 36 psig. Raise to 38 psig when temperature is forecast to fall below 5 degrees.

System 32010030, 14 psig MAOP

- 29. R-1091 at Anniston Drive set at 9 psig.
- 30. R-1090 at Jennifer Court set at 11 psig.

System 32010132, 20 psig MAOP

- 31. R-1048 at Lane Allen (shopping center) at 17 psig
- 32. R-1073 at Oxford Circle & Versailles Rd at 17 psig
- 33. R-1079 at Cardinal Lane @ Twin Oaks at 17 psig
- 34. R-1109 Parkers Mill near Lane Allen at 13 psig

System 32010101, 40 psig MAOP

- 35. R-1094 at the Propane Plant set at 35 psig. Set to 37-38 psig if recording chart at Aristocracy Drive suggests problems at very low temperatures.

System 32010120, 60 psig MAOP

- 36. R-1150 at Buttonwood Ct – Tanbark Subdivision at 50 psig
- 37. R-1179 at Kennesaw at Armstrong Mill at 58 psig
- 38. R-1191 at Rapid Run at 40 psig
- 39. R-1205 at Waterford at 45 psig

System 32010075, 20 psig MAOP

- 40. R-1077 at Tates Creek @ Kirklevington at 18 psig
- 41. R-1104 at Water Co on Richmond Rd at 18 psig
- 42. R-1132 at New Circle & Palumbo at 18 psig
- 43. R-1179 at Kennesaw at Armstrong Mill at 18 psig

System 32010102, 19 psig MAOP

- 44. R-1081 at Clays Mill near Wellington at 17 psig
- 45. R-1084 at 3090 Arrowhead Dr at 17 psig
- 46. R-1103 at Clays Mill near Post Rd at 17 psig

System 32010154, 30 psig MAOP

- 47. R-1564 at US 25 at Scott Co High School in Georgetown at 28 psig

**Columbia Gas of Kentucky - Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Heater Operation and Potential Freeze Off:

1. SCADA points and/or temperature alarms will give advanced notice in the event a heater goes off line. CKY has relight kits at Lake Carnico, Rt. 89, and Turner Station.
2. The CKY heaters at the following stations are needed to be in operation for winter.

Lexington/Frankfort Area Heaters

CKY Owned Heaters		TCO Owned
R-1238 Lake Carnico	R-1571 Turner Station	MS805095 Muth Farm
R-1008 Propane Plant	R-1151 FMC – Indirect and Catalytic	MS820375 Paul Miller Ford
Toyota Manufacturing	R-1283 Rt. 27 – Indirect fired	
Todd Street - Catalytic	Burke Road - Catalytic	

Pressure Monitoring Points:

EFC Monitoring:

1. Engineering will continue to monitor the EFC's with phone connections to look for anomalies in the system operation.

Anticipated Future Growth:

1. Hamburg, 32010158
2. Harrods Ridge / Keene Manor 32010111
3. West Wind / Hamburg Farms 32010101
4. Expansion Area East of I-75

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit A

Lexington/Frankfort Area Emergency Contacts

Name	Title	Work	Pager	Mobile	Home
Dave Mueller	OCM	859.288.0283	877-652-7172	859.533.9784	
Zane Salyers	M & R FLL	859.288.0260	859.281.2889	859.983.8214	859.368.7877
Greg Hatton	FOL	502.695.5132	859.352.2102	859.621.6973	859.548.5917
John Toy	FOL	859.288.0262	859.259.5078	859.621.0699	859.498.7808
James Cooper	FOL	859.744.3081	859.281.7516	859.556.0004	
Mark Spears	M & R Tech			859.361.2667	
Tony Bryant	M & R Tech			859.509.0082	
Chris Hungate	M & R Tech			859.991.2649	
Tommy Smith	M & R Tech			859.991.2904	
Gary Sullivan	Senior Engineer	859.288.0225	800.386.2869		859.873.0987
Bryan Slone	Operations Engineer	859.288.0253	800.390.8694	859.221.2185	859.223.5486
David Lemons	Operations Engineer	859.288.0249		859.940.9210	859.293.2811
Donnie Griffith	Engineering Technician	859.288.6358		859.221.4481	
Kay Botkins	Engineering Technician	859.288.0231		859.983.9495	859.234.1150
Tom Walker	Engineering Technician	859.288.0236		859.351.5262	859.263.9900
Brad Stuck	Gas Systems Planning	859.288.0244		859.621.6972	859.873.7057
Lyle Whittemore	Gas Systems Planning	614.460.2029		614.989.1323	
Lisa Smith	Communications	859.288.0245	877-652-4245	859-421-3307	859.223.0774
ED Gas Control		614.460.4989		800.921.2165	
Logistics	Logistics	877.242.8642			
Doug Nusbaum	Director of Sales	440-891-2457		440-666-5236	
Shawn Tolle	Major Account Representative	859-288-6307		859-221-4575	

**Columbia Gas of Kentucky - Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit A

KY APPALACHIAN GATHERING & LATERAL CONTACT LIST

NAME	POSITION	LOCATION	OFFICE	CELLULAR	PAGER	HOME	AREA
MAVERICK BENTLEY	DIRECTOR	CHARLESTON, WV	304-357-2169	304-389-2874		606-478-4359	TCO
RALPH HALL	MANAGER	WINCHESTER, KY	859-745-6403	859-556-2363		859-623-3622	KY & WV
LARRY FLETCHER	OPS TEAM LEADER	ALEXANDRIA, WINCHESTER	859-635-4366, 859-745-6408	859-556-2364	859-527-2033	859-635-3994	CENTRAL KY
DANNY WEDDINGTON	M&R TEAM LEADER	LOCKWOOD	606-739-2266	606-791-4003	606-886-5588	304-393-3173	ALL
JEFFERY HILL	OPS TEAM LEADER	HUFF CREEK CS	304-938-4912	304-784-0901	304-540-3467	304-426-8564	EASTERN KY
STEVE JORDAN	MAINT. TEAM LEADER	LOCKWOOD	606-739-2276	304-654-4761	304-696-1051	304-529-1067	ALL
TIMMY SMITH	DIST. INST. MECH.	ALEXANDRIA	859-635-4366	859-556-0810	859-527-2072	606-747-0211	ALEXANDRIA, FOSTER
JOEL CALDWELL	DIST. INST. MECH.	MT. OLIVET	606-724-2704	859-556-2370	859-527-2040	606-724-5760	MT. OLIVET, MAYSVILLE GERMANTOWN
BILL LAFEVER	DIST. INST. MECH.	WINCHESTER, KY	859-745-6409	859-221-1824	859-527-2042	859-625-0182	LEXINGTON, RICHMOND, IRVINE
LARRY SIMS	DIST. INST. MECH.	WINCHESTER, KY	859-745-6413	859-556-0803	859-527-1902	859-745-1194	WINCHESTER, MT. STERLING, FRENCHBURG
DERRECK KING	DIST. INST. MECH.	LOCKWOOD, KY	606-739-2228	606-923-6739	606-920-0722	606-585-0137	ASHLAND, GREENUP, GRAYSON, CATLETTSBURG, SOUTHSHORE
MIKE CURNUTTE	DIST. INST. MECH.	LOCKWOOD, KY	606-739-2239	606-923-6849	606-924-8593	606-836-0826	ASHLAND, GREENUP, GRAYSON, CATLETTSBURG, SOUTHSHORE
GEORGE PREECE	DIST. INST. MECH.	INEZ, KY	606-298-0807	304-687-1476	304-526-6862	304-385-4303	INEZ, LOUISA
PAUL ROBERTS	DIST. INST. MECH.	BOLDMAN, KY	606-478-6306	606-794-9884	606-482-9703	606-478-2912	PIKEVILLE, BOLDMAN, PRESTONSBURG, LANCER, SOUTH WILLIAMSON
MIKE RODEBAUGH	DIST. INST. MECH.	BOLDMAN, KY	606-478-6307	606-791-9885	606-482-9719	606-886-9125	PIKEVILLE, BOLDMAN, PRESTONSBURG, LANCER
MONITORING CENTER		CHARLESTON, W	800-835-7191				24/7
DAVID GREEN	M&R ENGINEER	CHARLESTON, WV	304-357-2190	304-380-7655			ALL
J C BURNS	M&R TECH.	LOCKWOOD, KY	606-739-2241	606-831-0030	606-920-0222	606-739-4540	ALL
JAMES BOWLING	PIPELINE ENGR. TECH	LOCKWOOD, KY	606-739-2226	606-831-2726	606-327-3647	606-739-4540	ALL
IVAN CALDWELL	PIPELINER A	LOCKWOOD, KY	606-739-2272	304-634-8798	606-920-3878	304-697-2477	ASHLAND AREA
JAMES LANCE	PIPELINER A	LANCER, KY	606-478-6312	606-791-7360	606-482-9704	606-285-9054	BOLDMAN AREA
STUART HIGHT	PIPELINER A	INEZ, KY	606-298-0807	606-791-1489	304-540-1000	606-257-5166	INEZ AND LOUISA AREA
LEON MAYNARD	PIPELINER A	MT. OLIVET, KY	606-724-2700	859-556-1736	606-527-2076	606-724-5885	MT OLIVET, MAYSVILLE WINCHESTER,
TERRY GROSS	PIPELINER A	WINCHESTER, KY	859-745-6404	859-556-2366	606-924-7771	859-745-1282	LEXINGTON

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit B

COLD WEATHER REPORT

Instructions for Completing

It is understood that a range of temperatures can be experienced within an Operating Centers territory. Some towns may have a temperature equal to or lower than the Cold Weather Report triggering temperature while other towns may not reach this temperature. A Cold Weather Report should be submitted whenever a temperature anywhere within the Operating Center's territory reaches a reporting occurrence. The following examples provide information on how to complete the Cold Weather Report when various temperatures occur within the Operating Centers territory.

Example 1

A town somewhere in the Operating Center territory reaches a reporting temperature. Other towns within the Operating Center experience temperatures above the reporting temperature. No problems have occurred.

Complete the top portion of the Cold Weather Report using the information for the town that reached the reporting temperature. Indicate that no problems occurred.

Example 2

A town somewhere in the Operating Center territory reaches a reporting temperature. Other towns within the Operating Center experience temperatures above the reporting temperature. A problem has occurred in a town that did not reach the reporting temperature.

Complete the top portion of the Cold Weather Report using the information for the town who reached reporting temperature. Indicate that a problem has occurred. Complete the Problem Description portion of the Cold Weather Report using the information for the town in which the problem occurred.

In both examples above, if multiple towns reached the reporting temperature use the coldest reported temperature and the town in which it occurred to complete the top portion of the Cold Weather Report. Also, if multiple towns experienced any problems complete the Problem Description portion of the Cold Weather Report for each town with a problem.

**Columbia Gas of Kentucky - Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit B

COLD WEATHER REPORT FORM

(This report should be submitted to the appropriate Senior Engineer by 12:00 Noon)

Operating Center	
Date	
Location (Town)	
Time	
Temperature	
Wind Chill	
Reported By	
Problem – Yes or No <i>(if yes, describe below)</i>	

**Columbia Gas of Kentucky - Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit C

**COLD WEATHER RECORDING FORM
(Key Regulator Stations and Temporary Gauges)**

Frankfort, KY (West)

Date _____

Temperature _____

Wind Chill _____

Station Name or Location	Station Number	System	MAOP	Set Point	Inlet Pressure	Outlet Pressure	Time	Remarks
Thistleton	1521	32010061	40 psig	37 psig				Temp. Recording Gauge
Todd Street	1519	32010081	60 psig	52 psig				
Tanner Ct	1854	32010062	40 psig	26 psig				
Lewis St	1505	32010057	LP	10" w.c.				
Lilly St	1508	32010066	LP	10" w.c.				
Comanche Run 1	1525	32010073	28 psig	18 psig				
Comanche Run 2	1525	32010060	LP	10" w.c.				
Schenkel Lane	1512	32010065	30 psig	23 psig				
Tanglewood	1522	32010056	LP	10" w.c.				
Stanley Alley	1517	32010056	LP	10" w.c.				
Sutterlin Lane	1528	32010057	LP	10" w.c.				
Collins St	1502	32010057	LP	10" w.c.				
Peach Lumber	N/A	32010061	40 psig	N/A				Recording Chart
Bridgeport	N/A	32010061	40 psig	N/A				Recording Chart

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit C

**COLD WEATHER RECORDING FORM
(Key Regulator Stations and Temporary Gauges)**

Frankfort, KY (East)

Date _____

Temperature _____

Wind Chill _____

Station Name or Location	Station Number	System	MAOP	Set Point	Inlet Pressure	Outlet Pressure	Time	Remarks
Wilkinson St.	1549	32010062	40 psig	37 psig				
KSU	1548	32010060	LP	10" w.c.				
Jim Beam	1855	32010087	250 psig	245 psig				
535 Holmes St.	1524	32010057	LP	10" w.c.				
Duckers Rd.	1543	32010070	60 psig	55 psig				
Randle-Davis (Millcreek)	N/A	32010070	60 psig	N/A				Spring gauge 0-60#
Chenault Rd.	1538	32010071	58 psig	50 psig				
Walnut St.	1515	32010060	LP	10" w.c.				
Strathmore	1520	32010060	LP	10" w.c.				
County Lane	1536	32010068	12 psig	8 psig				
Silver Lake	1546	32010151	60 psig	30 psig				
Jett	1526	32010058	14 psig	12 psig				
Governor's Place	1545	32010153	60 psig	18 psig				
Birchwood	1514	32010060	LP	10" w.c.				Temporary Recording Gauge
Central Utility Plant	N/A		40 psig	N/A				

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit C

**COLD WEATHER RECORDING FORM
(Key Regulator Stations and Temporary Gauges)**

Georgetown, KY

Date _____

Temperature _____

Wind Chill _____

Station Name or Location	Station Number	System	MAOP	Set Point	Inlet Pressure	Outlet Pressure	Time	Remarks
Degaris Mill Rd.	1552	32010047	LP	10" w.c.				
North Court Alley	1555	32010047	LP	10" w.c.				
Highland Court	1556	32010046	10 psig	8 psig				
110 Donerail Dr.	N/A	32010154	30 psig	N/A				Temporary Recording Gauge
228 Redding Rd.	N/A	32010046	10 psig	N/A				Temporary Recording Gauge

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit C

**COLD WEATHER RECORDING FORM
(Key Regulator Stations and Temporary Gauges)**

Versailles / Midway, KY

Date _____

Temperature _____

Wind Chill _____

Station Name or Location	Station Number	System	MAOP	Set Point	Inlet Pressure	Outlet Pressure	Time	Remarks
Shetland Acres @ Lexington Rd.	1586	32010007	7 psig	6 psig				
Berry Ave. (IP Run)	1579	32010004	8 psig	7 psig				
Berry Ave. (LP Run)	1579	32010003	LP	10" w.c.				
Williams Lane (HP Run)	1592	32010138	160 psig	150 psig				
Williams Lane (MP Run)	1592	32010160	50 psig	40 psig				
Camden Ave. (MP Run)	1583	32010008	45 psig	42 psig				
Clifton Road (MP Run)	1585	32010008	45 psig	41 psig				
East Parrish St. (MP Run)	1577	32010002	35 psig	31 psig				
East Parrish St. (LP Run)	1577	32010001	LP	10" w.c.				
North Winter St.	1576	32010001	LP	10" w.c.				
US R62 By-pass	1581	32010001	LP	10" w.c.				

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit C

**COLD WEATHER RECORDING FORM
(Key Regulator Stations and Temporary Gauges)**

Lexington, KY (Route 1)

Date _____

Temperature _____

Wind Chill _____

Station Name or Location	Station Number	System	MAOP	Set Point	Inlet Pressure	Outlet Pressure	Time	Remarks
Venice Park	1059	32010143	LP	10" w.c.				
Cardinal Valley	1073	32010132	20 psig	17 psig				
Mitchell Ave. (MP Run)	1029	32010130	60 psig	49 psig				
Mitchell Ave. (LP Run)	1029	32010143	LP	10" w.c.				
Indian Hills (20# Run)	1084	32010102	19 psig	17 psig				
Indian Hills (60# Run)	1084	32010125	60 psig	46 psig				
Higbee Mill Rd.	1188	32010111	60 psig	55 psig				
Cisco Rd. (MP Run)	1096	32010131	45 psig	35 psig				
Cisco Rd. (LP Run)	1096	32010141	LP	10" w.c.				
Felix St. (MP Run)	1139	32010131	45 psig	35 psig				
Felix St. (LP Run)	1139	32010143	LP	10" w.c.				

**Columbia Gas of Kentucky - Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit C

**COLD WEATHER RECORDING FORM
(Key Regulator Stations and Temporary Gauges)**

Lexington, KY (Route 2)

Date _____

Temperature _____

Wind Chill _____

Station Name or Location	Station Number	System	MAOP	Set Point	Inlet Pressure	Outlet Pressure	Time	Remarks
Leestown @ Viley	1196	32010051	60 psig	50 psig				
Russell Cave @ New Circle	1201	32010033	14 psig	11 psig				
Eastin Rd. (40# Run)	1037	32010077	40 psig	36 psig				
Eastin Rd. (14# Run)	1037	32010033	14 psig	10 psig				
Eastin Rd. (LP Run)	1037	32010143	LP	10" w.c.				
N. Broadway @ NC (MP Run)	1072	32010135	35 psig	30 psig				
N. Broadway @ NC (LP Run)	1072	32010143	LP	10" w.c.				
Wakefield Terrace (MP Run)	1207	32010137	40 psig	35 psig				
Wakefield Terrace (IP Run)	1207	32010031	10 psig	8 psig				
Wakefield Terrace (LP Run)	1207	32010032	LP	10" w.c.				
1701 Sahalee Dr.	N/A	32010033	14 psig	N/A				EOL Gauge
Bluegrass Station	1197	32047004	60 psig	40 psig				
Radar Road EOL	N/A	32047004	60 psig	N/A				Temporary Recording Gauge
EOL @ KY Horse Park	N/A	32010041	?	N/A				

**Columbia Gas of Kentucky – Lexington/Frankfort Areas
2008-2009 WINTER OPERATIONS PLAN**

Exhibit C

**COLD WEATHER RECORDING FORM
(Key Regulator Stations and Temporary Gauges)**

Lexington, KY (Route 3)

Date _____

Temperature _____

Wind Chill _____

Station Name or Location	Station Number	System	MAOP	Set Point	Inlet Pressure	Outlet Pressure	Time	Remarks
KY American @ Richmond Rd.	1104	32010075	20 psig	18 psig				
Idle Hour (MP Run)	1051	32010131	45 psig	43 psig				
Idle Hour (LP Run)	1051	32010081	LP	11" w.c.				
3290 Pepperhill Dr.	N/A	32010027	8 psig	N/A				EOL Temp Gauge
1784 Eastwood Dr.	N/A	32010075	20 psig	N/A				EOL Temp Gauge
Alumni Dr. (MP Run)	1050	32010131	45 psig	42 psig				
Alumni Dr. (IP Run)	1050	32010027	8 psig	7 psig				
Alumni Dr. (LP Run)	1050	32010143	LP	10" w.c.				
Dundee Dr. (45# Run)	1075	32010131	45 psig	42 psig				
Dundee Dr. (15# Run)	1075	32010088	15 psig	11 psig				
Jesselin Dr. (MP Run)	1082	32010131	45 psig	35 psig				
Jesselin Dr. (LP Run)	1082	32010143	LP	10" w.c.				

PSC Case No. 2009-00141
AG DR Set 1-103
Respondent(s): Robert Kriner

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 103:

Please provide a copy of the Company's 2006, 2007 and 2008 annual reports to the KY Public Service Commission. Please reconcile the December 31, 2008 plant shown in the depreciation study with the EOY 2008 plant shown in the 2008 Commission Report, and provide a complete explanation for each difference.

Response:

Copies of the Company's 2003-2008 annual reports to the KY Public Service Commission were provided in response to Data Request AG DR Set 1-160.

With regard to the EOY 2008 plant, please see Columbia's response to AG Dr Set 1-161.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 104:

The following questions relate to the potential accounting move from U.S. GAAP to International Financial Reporting Standards ("IFRS").

- a. Please provide a narrative explanation of the anticipated, potential impact of moving from U.S. GAAP to IFRS.
- b. Does the Company expect to adopt IFRS? If so, when?
- c. Please provide all analyses, quantifications, reports, studies, etc. that the Company has conducted regarding the potential adoption of IFRS.
- d. Please provide a specific discussion of how the potential change to IFRS will impact the Company's accounting calculations and entries relating to SFAS No. 143, FIN No. 47 and the existing regulatory liability for cost of removal, SFAS No. 71 and the difference between financial and regulatory accounting.
- e. Please provide a specific discussion of how the potential change to IFRS will impact the Company's accounting calculations and entries relating to depreciation, accumulated depreciation, gross salvage and cost of removal. Include a discussion of any difference between financial and regulatory reporting relating to these items.
- f. Please provide a specific discussion of how the potential change to IFRS will impact the Company's accounting calculations and entries relating to current income taxes, deferred income tax expense and accumulated deferred taxes. Include a discussion of any difference between financial and regulatory reporting relating to these items.
- g. Identify all items and accounts currently classified as contra-accounts, deferred debits and credits, liabilities and assets which will or may flow to equity upon the potential replacement of GAAP with IFRS.

Response:

- a) Columbia Gas of Kentucky (CKY) has not yet performed an analysis of the impact of adopting the International Financial Reporting Standards (IFRS) and moving from GAAP.
- b) Yes, CKY expects to adopt IFRS for financial reporting purposes if IFRS is adopted by the SEC. If IFRS is adopted by the SEC, CKY will adopt IFRS at

the same time that NiSource, Inc. (CKY's parent company) adopts IFRS. It is anticipated that the adoption will be at the required adoption date of December 31, 2014. Adoption for financial reporting purposes does not necessarily mean adoption for regulatory reporting purposes.

- c) Please refer to the response to Part (a) above.
- d) Please refer to the response to Part (a) above.
- e) Please refer to the response to Part (a) above.
- f) Please refer to the response to Part (a) above.
- g) Please refer to the response to Part (a) above.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 105:

Please provide all tabulations included in the depreciation study and all data necessary to recreate in their entirety, all analyses and calculations performed for the preparation of the depreciation study. Please provide this and all electronic data in Excel (or .txt format if appropriate), with all formulae intact. Please provide any record layouts necessary to interpret the data. Include in the response electronic spreadsheet copies of all of the schedules and/or tables included in the depreciation study, with all formulae intact. Identify and explain any and all unique spreadsheet formula's or assumptions required to recreate in their entirety all of Mr. Spanos' calculations given his inputs.

Response:

The requested data is included on the CD as files named:

- Attachment A – AG-1-105-CGK08elg-Amort-rpt.xls
- Attachment B – AG-1-105-cky08bal.txt
- Attachment C – AG-1-105-CKY08sal.txt
- Attachment D – AG-1-105-RETRATE.txt
- Attachment E – AG-1-105-SALVAGE.txt
- Attachment F – AG-1-105-DEPRATE.txt

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 106:

For *each* plant account, and for each year since the inception of the account up to and including 2008, please provide the following standard depreciation study data as identified at pages 27-30 of the August 1996 NARUC Public Utility Depreciation Practices Manual (“NARUC Manual”). At a minimum, the data provided should be the same data set used to conduct the life analyses included in the depreciation study. Please provide the data in electronic format (Excel or .txt). Provide aged vintage data if available. Use the codes identified for each type of data, unless the Company regularly uses other codes. In those circumstances, identify and explain the Company’s coding system.

<u>Code</u>	<u>Data Type</u>
9	Addition
0	Ordinary Retirement
1	Reimbursement
2	Sale
3	Transfer – In
4	Transfer – Out
5	Acquisition
6	Adjustment
7	Final retirement of life span property (see NARUC Manual, Chapter X)
8	Balance at Study Date
	Initial Balance of Installation

Response:

The attached documents set forth the service life data in .txt format for each plant account from the first year of available activity through 2008. This is the same data that was utilized in the service life study. The service life file is included on the CD with the file name AG-1-106SL2008.TXT.

PSC Case No. 2009-00141
AG DR Set 1-107
Respondent(s): J. Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 107:

If the depreciation study data provided in response to the preceding question is not the exact set of data used to conduct the life studies for the depreciation study submitted in this case, please explain all differences and reconcile the amounts provided to those used in the depreciation study.

Response:

The data set forth in response to AG-1-105 is the same data utilized in conducting the life studies for the depreciation study.

PSC Case No. 2009-00141
AG DR Set 1-108
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 108:

If not provided elsewhere, please provide all amortization workpapers and calculations in electronic format (Excel) with all formulae intact. Include all workpapers and support for the selection of the proposed amortization periods.

Response:

The industry statistics set forth as an attachment to this response, labeled Attachment A AG-1-108-amortization statistics, provides the support for the amortization periods.

SERVICE LIFE AND NET SALVAGE STATISTICS - GAS

FERC ACCT	DESCRIPTION	CENTERPOINT ENERGY ARKANSAS		ALLIANT ENERGY WISCONSIN POWER & LIGHT		AMERENUE		CENTRA GAS BRITISH COLUMBIA		CITIZENS GAS AND COKE UTILITY		COLUMBIA GAS OF KENTUCKY	
		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:	
		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:	
PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:		PROCEDURE:	
		ELG / Rem Life		ASL / Rem Life		ASL / Rem Life		ASL / Whole Life		ELG / Rem Life		ELG / Rem Life	
		SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET	SURVIVOR	NET
		CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %	CURVE	SALV %
391.0	OFFICE FURNITURE & EQUIPMENT - FURNITURE	20 - SQ	0			15 - SQ	0	20 - SQ	0	25 - SQ	0	20 - SQ	0
391.1	OFFICE FURNITURE & EQUIPMENT - EQUIPMENT												
391.4	OFFICE FURNITURE AND EQUIPMENT - INFO SYSTEM												
393.0	STORES EQUIPMENT					20 - SQ	0			30 - SQ	0		
394.0	TOOLS SHOP AND GARAGE EQUIPMENT	20 - SQ	0	25 - SQ	0	20 - SQ	0	20 - SQ	0	20 - SQ	0	25 - SQ	0
395.0	LABORATORY EQUIPMENT			15 - SQ	0	20 - SQ	0					20 - SQ	0
398.0	MISCELLANEOUS EQUIPMENT	15 - SQ	0							20 - SQ	0	15 - SQ	0

SERVICE LIFE NET SALVAGE STATISTICS - GAS

		CLIENT: DELMARVA POWER & LIGHT		DOMINION EAST OHIO		NORTHWEST NATURAL GAS		NSTAR ELECTRIC & GAS COMPANY		PUBLIC SERVICE COMPANY OF N. CAROLINA		PUGET SOUND ENERGY	
		STUDY DATE: 2005		2005		2005		2004		2005		2005	
		PROCEDURE: ASL / Rem Life		ASL / Whole Life		ASL / Rem Life		ASL / Rem Life		ASL / Rem Life		ASL / Rem Life	
FERC ACCT	DESCRIPTION	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
391.0	OFFICE FURNITURE & EQUIPMENT - FURNITURE	20 - SQ	0	20 - SQ	0	20 - SQ	0	15 - SQ	0	20 - SQ	0		
391.1	OFFICE FURNITURE & EQUIPMENT - EQUIPMENT												
391.4	OFFICE FURNITURE AND EQUIPMENT - INFO SYSTEM					7 - SQ	0						
393.0	STORES EQUIPMENT	25 - SQ	0	20 - SQ	0	25 - SQ	0	15 - SQ	0	25 - SQ	0	20 - SQ	0
394.0	TOOLS SHOP AND GARAGE EQUIPMENT	25 - SQ	0	20 - SQ	0	25 - SQ	0	15 - SQ	0	25 - SQ	0	20 - SQ	0
395.0	LABORATORY EQUIPMENT	20 - SQ	0	20 - SQ	0	20 - SQ	0	15 - SQ	0	15 - SQ	0	20 - SQ	0
398.0	MISCELLANEOUS EQUIPMENT	20 - SQ	0	15 - SQ	0			15 - SQ	0	20 - SQ	0		

SERVICE LIFE . J NET SALVAGE STATISTICS - GAS

		QUESTAR GAS COMPANY		SIERRA PACIFIC POWER COMPANY		CENTERPOINT ENERGY ARKLA - GENERAL		CENTERPOINT ENERGY ARKLA - LOUISIANA		CENTERPOINT ENERGY ARKLA - SERVICES		CENTERPOINT ENERGY ENTEX - TEXAS DIVISION	
CLIENT:		2004		2004		2002		2002		2002		2003	
STUDY DATE:		2004		2004		2002		2002		2002		2003	
PROCEDURE:		ASL / Rem Life		ASL / Rem Life		ELG / Rem Life		ELG / Rem Life		ELG / Rem Life		ELG / Rem Life	
FERC ACCT	DESCRIPTION	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
	391.0 OFFICE FURNITURE & EQUIPMENT - FURNITURE	20 - SQ	0	20 - SQ	0	15 - SQ	0	15 - SQ	0	15 - SQ		20 - SQ	0
	391.1 OFFICE FURNITURE & EQUIPMENT - EQUIPMENT												
	391.4 OFFICE FURNITURE AND EQUIPMENT - INFO SYSTEM												
	393.0 STORES EQUIPMENT	20 - SQ	0									25 - SQ	0
	394.0 TOOLS SHOP AND GARAGE EQUIPMENT	10 - SQ	0	25 - SQ	0	20 - SQ	0	20 - SQ	0			20 - SQ	0
	395.0 LABORATORY EQUIPMENT	15 - SQ	0	15 - SQ	0							20 - SQ	0
	398.0 MISCELLANEOUS EQUIPMENT	15 - SQ	0	15 - SQ	0	15 - SQ	0	15 - SQ	0			15 - SQ	0

SERVICE LIFE AND NET SALVAGE STATISTICS - GAS

		CINCINNATI GAS & ELECTRIC COMPANY		COLUMBIA GAS OF MARYLAND		COLUMBIA GAS OF OHIO		COLUMBIA GAS OF PENNSYLVANIA		COLUMBIA GAS OF VIRGINIA		ELIZABETHTOWN GAS COMPANY	
		CLIENT:		1995		1998		2001		1997		2001	
		STUDY DATE:		2000		1995		1998		2001		1997	
		PROCEDURE:		ASL / Rem Life		ASL / Rem Life		ASLELG / Rem Life		ASL / Rem Life		ASL / Rem Life	
FERC ACCT	DESCRIPTION	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
391.0	OFFICE FURNITURE & EQUIPMENT - FURNITURE	20 - SQ		20 - SQ	5	20 - SQ		20 - SQ		20 - SQ	0	20 - SQ	0
391.1	OFFICE FURNITURE & EQUIPMENT - EQUIPMENT			15 - SQ	0			15 - SQ		15 - SQ	0	15 - SQ	0
391.4	OFFICE FURNITURE AND EQUIPMENT - INFO SYSTEM	5 - SQ		10 - SQ	0	5 - SQ		5 - SQ		5 - SQ	0		
393.0	STORES EQUIPMENT			30 - SQ	0	30 - SQ		20 - SQ		20 - SQ	0	25 - SQ	0
394.0	TOOLS SHOP AND GARAGE EQUIPMENT	25 - SQ		30 - SQ	0	25 - SQ		25 - SQ		25 - SQ	0	20 - SQ	0
395.0	LABORATORY EQUIPMENT	15 - SQ		25 - SQ	0	20 - SQ		20 - SQ		20 - SQ	0		
398.0	MISCELLANEOUS EQUIPMENT			20 - SQ	0	20 - SQ		15 - SQ		15 - SQ	0	10 - SQ	0

SERVICE LIFE J NET SALVAGE STATISTICS - GAS

FERC ACCT	DESCRIPTION	EQUITABLE GAS COMPANY		LACLEDE GAS COMPANY		NATIONAL FUEL GAS DISTRIBUTION - NY DIVISION		NATIONAL FUEL GAS DISTRIBUTION - PA DIVISION		NORTH PENN GAS COMPANY		PUBLIC SERVICE COMPANY OF COLORADO	
		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:	
		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:	
PROCEDURE:		2002		2003		2006		2004		2000		1999	
		ASLELG / Rem Life		ASL / Whole Life		ASL / Rem Life		ASLELG / Rem Life		ASLELG / Rem Life		ELG / Rem Life	
		SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
391.0	OFFICE FURNITURE & EQUIPMENT - FURNITURE	20 - SQ				25 - SQ	0	25 - SQ		20 - SQ		20 - SQ	0
391.1	OFFICE FURNITURE & EQUIPMENT - EQUIPMENT			15 - SQ	0	15 - SQ	0	15 - SQ					
391.4	OFFICE FURNITURE AND EQUIPMENT - INFO SYSTEM												
393.0	STORES EQUIPMENT	25 - SQ		25 - SQ	0	30 - SQ	0	30 - SQ		20 - SQ		30 - SQ	0
394.0	TOOLS SHOP AND GARAGE EQUIPMENT	25 - SQ		20 - SQ	0	25 - SQ	0	25 - SQ		25 - SQ		25 - SQ	0
395.0	LABORATORY EQUIPMENT	20 - SQ		20 - SQ	0	30 - SQ	0					20 - SQ	0
398.0	MISCELLANEOUS EQUIPMENT	15 - SQ		15 - SQ	0	20 - SQ	0	20 - SQ				20 - SQ	0

SERVICE LIFE AND NET SALVAGE STATISTICS - GAS

FERC ACCT	DESCRIPTION	SOUTH JERSEY GAS COMPANY		T.W. PHILLIPS GAS AND OIL COMPANY		THE PEOPLES NATURAL GAS COMPANY		UGI UTILITIES, INC. - GAS DIVISION		UNION LIGHT HEAD AND POWER CO		VIRGINIA GAS DISTRIBUTION COMPANY	
		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:		CLIENT:	
		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:		STUDY DATE:	
PROCEDURE:		ASL / Rem Life		ASLELG / Rem Life		ASL / Rem Life		ASLELG / Rem Life		ELG / Rem Life		ASL / Rem Life	
		SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %	SURVIVOR CURVE	NET SALV %
391.0	OFFICE FURNITURE & EQUIPMENT - FURNITURE	20 - SQ	0	20 - SQ		20 - SQ		20 - SQ		20 - SQ	0	15 - SQ	0
391.1	OFFICE FURNITURE & EQUIPMENT - EQUIPMENT			10 - SQ		15 - SQ		5 - SQ					
391.4	OFFICE FURNITURE AND EQUIPMENT - INFO SYSTEM												
393.0	STORES EQUIPMENT	25 - SQ	0	25 - SQ		20 - SQ		10 - SQ		20 - SQ	0		
394.0	TOOLS SHOP AND GARAGE EQUIPMENT	20 - SQ	0	15 - SQ		25 - SQ		20 - SQ		25 - SQ	0	10 - SQ	0
395.0	LABORATORY EQUIPMENT	20 - SQ	0										
398.0	MISCELLANEOUS EQUIPMENT	20 - SQ	0			15 - SQ		10 - SQ		20 - SQ	0		

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 109:

Is amortization accounting currently used by the Company for its general accounts?

- a. If not, please explain the sentence found on page I-4 of the depreciation study submitted in Case No. 2007-00008, which states, "The continuation of amortization accounting for certain accounts is recommended..."
- b. If yes, please explain the 5-year amortization of the "unrecovered reserve" shown on pages III-5 and III-6 of the Study.
- c. Also, please explain why Mr. Spanos did not propose the 5-year amortization of the "unrecovered reserve" in the study submitted in Case No. 2007-00008.
- d. Explain all differences between the amortization proposal and calculations proposed in Case No. 2007-00008 and those proposed in this case. Provide all workpapers and calculations in Excel format with all formulae intact.

Response:

Amortization accounting is currently used by the Company for its general plant accounts.

- a&b) Amortization accounting is currently being utilized and has been implemented since the 2001 case. However, implementation of amortization accounting from depreciation accounting has two steps in order to properly recover costs. The first step is to establish the proper amortization periods and to establish practices for recording annual retirements. The second step relates to the annual depreciation rate. In order to book the amortization rate which is produced from the amortization period of each account, the reserve must be properly aligned since past practices were not handled under these characteristics. The unrecovered reserve amounts allow for proper recovery of the existing assets on the account level. There was no change to the account reserve balance, just segregated in order to produce amortization rates.
- c) This practice was not proposed in Case No. 2007-00008 because it was not apparent to Mr. Spanos the desire for a consistent handling of all of the Columbia Gas properties. This step is currently in place for the other

Columbia Gas properties and allows for regulators to see the developed depreciation rate for amortization accounts being consistent from year to year.

- d) The amortization periods in Case No. 2007-00008 and this case are the same. The proposal in this case was split into two components in order to set forth an amortization accrual rate which is consistent with the amortization period. The excess or under-accumulated reserve will be recovered separately over five years. In Case No. 2007-00008, the reserve is not segregated, therefore, the amortization accrual rate will not match the amortization period. The rate must recover the excess over the remaining life.

PSC Case No. 2009-00141
AG DR Set 1-110
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 110:

If not provided elsewhere, please provide the cost of removal and gross salvage data used in the depreciation study net salvage analyses. If this data differs from that reflected on the Company's books, please explain the differences and provide a reconciliation. Please provide this data in electronic (Excel or .txt) format with all formulae intact.

Response:

The cost of removal and gross salvage data used in the depreciation study net salvage analyses was attached to the response to Data Request AG-1-105.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 111:

Please provide the following annual accumulated depreciation amounts for *all* plant accounts for the last 10 years (up to, and including, 2008). If the requested data is not available for the last 10 years, please provide the data for as many years as are available. Please provide data in both hard copy and electronic format with all formulae intact (Excel or .txt).

- a. Beginning and ending reserve balances,
- b. Annual depreciation expense,
- c. Annual retirements,
- d. Annual cost of removal and gross salvage,
- e. Annual third party reimbursements.

Response:

The information requested in parts (a), (b), (c), and (d) are provided in the attachments labeled AG DR Set 1-111 Attachment A through Attachment F by calendar year for the period September 2003 through December 2008 in Excel format. The information is provided in the attachment labeled AG DR Set 1-111 Attachment G in the original PDF format. The requested information is not readily available prior to this due to the Company's conversion to the PowerPlant Fixed Asset Accounting System.

Regarding part (e), third party reimbursements are recorded as credits to specific capital construction job orders and thus do not impact the accumulated depreciation account.

Monthly Depreciation Reserve A. y
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 09/2003
Ending Month: 12/2003

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
Production								
CKY 30500 Structures & Improvement	\$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
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37440 Land Rights, Other Dist	\$94,187.25	\$2,267.65	(\$8,194.62)	\$0.00	\$0.00	\$0.00	\$0.00	\$88,260.28
CKY 37450 Rights of Way	\$497,177.05	\$11,542.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$508,719.91
CKY 37520 CG M&R Structures	\$5,249.05	\$25.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,274.76
CKY 37530 General M&R Structures	\$10,363.41	\$70.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,434.29
CKY 37540 Regulating Structures	\$308,545.87	\$3,485.11	(\$941.00)	(\$531.53)	\$0.00	\$0.00	\$0.00	\$310,558.45
CKY 37560 Dist Ind M&R Structures	\$31,136.83	\$576.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,713.14
CKY 37570 Other Structures	\$1,393,541.59	\$47,375.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,440,917.50
CKY 37580 Communication Structures	\$16,348.50	\$589.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,938.33
CKY 37600 Mains	\$40,915,702.95	\$611,927.70	(\$479,211.74)	(\$14,684.43)	\$0.00	(\$1,653.63)	\$0.00	\$41,032,080.85
CKY 37810 M&R Equip-General	\$251,347.98	\$1,479.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$252,826.98
CKY 37820 M&R Equip-General-Reg	\$1,944,212.91	\$32,720.63	(\$1,946.12)	(\$62.02)	\$0.00	\$0.00	\$0.00	\$1,974,925.40
CKY 37830 M&R Eq-Local Gas Purc	\$25,625.82	\$411.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,037.62
CKY 37910 M&R Equip-CG-Check St	\$232,162.69	\$1,962.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$234,125.39
CKY 38000 Services	\$46,428,809.54	\$568,550.97	(\$620,180.14)	(\$45.74)	(\$1,341.94)	\$0.00	\$0.00	\$46,375,792.69
CKY 38100 Meters	\$3,282,558.71	\$84,142.32	(\$67,165.69)	\$0.00	\$0.00	\$0.00	\$0.00	\$3,299,535.34
CKY 38200 Meter Installations	\$2,726,140.66	\$54,881.96	(\$55,559.34)	(\$472.11)	\$0.10	\$0.00	\$0.00	\$2,724,991.27
CKY 38300 House Regulators	\$869,250.25	\$5,418.56	(\$5,821.88)	\$0.00	\$0.00	\$1,653.63	\$0.00	\$870,500.56
CKY 38400 House Reg Installation	\$1,568,770.79	\$8,768.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,577,539.29
CKY 38500 Ind M&R Equipment	\$1,089,554.03	\$14,590.66	(\$26,690.24)	(\$22.54)	\$0.00	\$0.00	\$0.00	\$1,077,431.91
CKY 38720 Other Eq-Odorization	\$115,546.56	\$2,982.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$118,528.71
CKY 38741 Other Eq-Telephone	\$169,149.83	\$2,676.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$171,826.67
CKY 38742 Other Eq-Radio	\$428,663.01	\$6,989.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$435,652.29
CKY 38744 Other Eq-Other Comm	\$43,110.76	\$59.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,169.91
CKY 38745 Other Eq-Telemetry	\$341,771.33	\$8,019.14	\$0.00	\$0.00	\$0.00	(\$257.96)	\$0.00	\$349,532.51
CKY 38746 Other Eq-Cust Info Se	\$89,159.70	\$1,007.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,166.70
Depr Summ 2 Subtotal:	\$102,878,087.07	\$1,472,522.62	(\$1,265,710.77)	(\$15,818.37)	(\$1,341.84)	(\$257.96)	\$0.00	\$103,067,480.75
General								
CKY 39220 Trailers over 1,000	\$26,796.56	\$1,536.42	\$0.00	\$0.00	\$0.00	\$8,763.86	\$0.00	\$37,096.84
CKY 39221 Trailers 1,000 & less	\$3,349.81	\$48.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75

Monthly Depreciation Reserve A. .y
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 09/2003
Ending Month: 12/2003

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
General								
CKY 39411 CNG Equip, Stationary	\$312,336.54	\$37,560.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$349,897.14
CKY 39600 Power Oper Equipment	\$561,689.31	\$0.00	\$0.00	\$0.00	\$0.00	(\$8,763.86)	\$0.00	\$552,925.45
Depr Summ 2 Subtotal:	\$904,172.22	\$39,145.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$943,318.18
Depr Summ Subtotal:	\$103,782,259.29	\$1,511,668.58	(\$1,265,710.77)	(\$15,818.37)	(\$1,341.84)	(\$257.96)	\$0.00	\$104,010,798.93
Amortizable Assets								
Intangibles								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$73,333.09	\$12,584.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$85,917.50
Depr Summ 2 Subtotal:	\$73,333.09	\$12,584.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$85,917.50
Software								
CKY 30310 DIS Software	\$715,399.30	\$8,402.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$723,802.16
CKY 30320 FARA Software	\$251,825.18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$251,825.18
CKY 30330 Other Software	\$1,166,521.25	\$141,808.63	(\$331,020.89)	\$0.00	\$0.00	\$0.00	\$0.00	\$977,308.99
Depr Summ 2 Subtotal:	\$2,133,745.73	\$150,211.49	(\$331,020.89)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,952,936.33
Leaseholds - Distribution								
CKY 37571 Lse 451 Ashland, KY	\$33,229.38	\$2,441.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,671.05
Depr Summ 2 Subtotal:	\$33,229.38	\$2,441.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,671.05
General								
CKY 39110 Office Furniture & Equip	\$339,802.97	\$21,608.76	\$0.00	\$0.00	\$0.00	(\$2,503.34)	\$0.00	\$358,908.39
CKY 39111 Data Handling Equip	\$56,021.90	\$2,355.04	\$0.00	\$0.00	\$0.00	\$3,492.06	\$0.00	\$61,869.00
CKY 39112 Information Systems	\$58,236.94	\$18,807.73	\$0.00	\$0.00	\$0.00	(\$730.76)	\$0.00	\$76,313.91
CKY 39300 Stores Equipment	\$13,787.48	\$172.35	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,959.83
CKY 39410 Garage & Service Equip	\$14,922.80	\$379.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,302.06
CKY 39420 Shop Equipment	\$1,374.41	\$13.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,388.15
CKY 39430 Tools & Other Equipment	\$735,786.85	\$23,882.18	\$0.00	\$0.00	\$0.00	(\$279.56)	\$0.00	\$759,389.47
CKY 39500 Laboratory Equipment	\$2,310.87	\$101.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,412.23
CKY 39800 Misc Equipment	\$60,262.22	\$2,444.51	\$0.00	\$0.00	\$0.00	\$279.56	\$0.00	\$62,986.29
Depr Summ 2 Subtotal:	\$1,282,506.44	\$69,764.93	\$0.00	\$0.00	\$0.00	\$257.96	\$0.00	\$1,352,529.33

Monthly Depreciation Reserve A y
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 09/2003
Ending Month: 12/2003

Set of Books Company Depr Summary Depr Summary2 Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Financial/SEC								
Columbia Gas of Kentucky								
Amortizable Assets								
Other								
CKY 39413 Underground Tank Cleanu	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Depr Summ 2 Subtotal:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Depr Summ Subtotal:	\$3,704,046.84	\$235,002.50	(\$331,020.89)	\$0.00	\$0.00	\$257.96	\$0.00	\$3,608,286.41
Future Use								
Other								
CKY 105.000 Future Use	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Depreciable								
Production								
CKY 30410 Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37410 Land, CG & ML Ind M&R	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37420 Land, Other Dist	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other								
CKY None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Company Subtotal:	\$107,486,306.13	\$1,746,671.08	(\$1,596,731.66)	(\$15,818.37)	(\$1,341.84)	\$0.00	\$0.00	\$107,619,085.34
Grand Total:	\$107,486,306.13	\$1,746,671.08	(\$1,596,731.66)	(\$15,818.37)	(\$1,341.84)	\$0.00	\$0.00	\$107,619,085.34

Monthly Depreciation Reserve / y
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2004
Ending Month: 12/2004

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
Production								
CKY 30500 Structures & Improvement	\$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
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37440 Land Rights, Other Dist	\$88,260.28	\$7,259.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,519.66
CKY 37450 Rights of Way	\$508,719.91	\$34,360.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$543,080.76
CKY 37520 CG M&R Structures	\$5,274.76	\$102.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,377.60
CKY 37530 General M&R Structures	\$10,434.29	\$212.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,646.93
CKY 37540 Regulating Structures	\$310,558.45	\$10,719.08	(\$14,256.83)	(\$3,166.73)	\$0.00	\$0.00	\$0.00	\$303,853.97
CKY 37560 Dist Ind M&R Structures	\$31,713.14	\$1,728.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,442.10
CKY 37570 Other Structures	\$1,440,917.50	\$142,042.25	\$0.00	\$0.00	\$0.00	(\$362.40)	\$0.00	\$1,582,597.35
CKY 37580 Communication Structures	\$16,938.33	\$1,769.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,707.85
CKY 37600 Mains	\$41,032,080.85	\$1,850,571.69	(\$2,023,543.50)	(\$218,273.40)	\$3,000.00	(\$122.04)	\$0.00	\$40,643,713.60
CKY 37810 M&R Equip-General	\$252,826.98	\$5,916.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$258,742.98
CKY 37820 M&R Equip-General-Reg	\$1,974,925.40	\$99,120.43	(\$165,247.69)	(\$5,745.15)	\$0.00	\$0.00	\$0.00	\$1,903,052.99
CKY 37830 M&R Eq-Local Gas Purc	\$26,037.62	\$1,206.60	(\$4,200.08)	\$0.00	\$3,000.00	\$0.00	\$0.00	\$26,044.14
CKY 37910 M&R Equip-CG-Check St	\$234,125.39	\$5,878.36	(\$1,480.77)	(\$128.40)	\$0.00	\$0.00	\$0.00	\$238,394.58
CKY 38000 Services	\$46,375,792.69	\$1,778,861.83	(\$995,384.02)	\$721,384.19	\$0.00	\$1,908.17	\$0.00	\$47,882,562.86
CKY 38100 Meters	\$3,299,535.34	\$251,506.77	(\$281,724.06)	\$0.00	\$13,445.41	\$4,944.97	\$0.00	\$3,287,708.43
CKY 38200 Meter Installations	\$2,724,991.27	\$168,971.46	(\$48,980.86)	(\$181.27)	\$169.66	\$551.78	\$0.00	\$2,845,522.04
CKY 38300 House Regulators	\$870,500.56	\$23,565.61	(\$3,345.54)	\$81.15	\$26.06	(\$848.04)	\$0.00	\$889,979.80
CKY 38400 House Reg Installation	\$1,577,539.29	\$26,313.99	(\$64.85)	(\$69.50)	\$0.00	\$0.00	\$0.00	\$1,603,718.93
CKY 38500 Ind M&R Equipment	\$1,077,431.91	\$43,054.70	(\$130,180.02)	(\$7,110.26)	\$0.00	\$0.00	\$0.00	\$983,196.33
CKY 38720 Other Eq-Odorization	\$118,528.71	\$8,953.46	(\$28,979.19)	\$0.00	\$0.00	\$476.18	\$0.00	\$98,979.16
CKY 38741 Other Eq-Telephone	\$171,826.67	\$8,030.17	(\$50.20)	(\$0.18)	\$0.00	\$0.00	\$0.00	\$179,806.46
CKY 38742 Other Eq-Radio	\$435,652.29	\$20,816.88	(\$26,177.21)	(\$6,725.05)	\$0.00	\$0.00	\$0.00	\$423,566.91
CKY 38744 Other Eq-Other Comm	\$43,169.91	\$264.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,434.37
CKY 38745 Other Eq-Telemetry	\$349,532.51	\$25,632.18	(\$2,394.15)	(\$294.48)	\$0.00	\$0.00	\$0.00	\$372,476.06
CKY 38746 Other Eq-Cust Info Se	\$90,166.70	\$3,009.07	(\$1,747.99)	(\$6.36)	\$0.00	\$0.00	\$0.00	\$91,421.42
Depr Summ 2 Subtotal:	\$103,067,480.75	\$4,519,869.18	(\$3,727,756.96)	\$479,764.56	\$19,641.13	\$6,548.62	\$0.00	\$104,365,547.28
General								
CKY 39220 Trailers over 1,000	\$37,096.84	\$3,798.39	\$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

Monthly Depreciation Reserve A /
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2004
Ending Month: 12/2004

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
General								
CKY 39411 CNG Equip, Stationary	\$349,897.14	\$112,681.80	\$0.00	(\$32,063.65)	\$0.00	\$0.00	\$0.00	\$430,515.29
CKY 39600 Power Oper Equipment	\$552,925.45	\$0.00	(\$28,900.00)	\$0.00	\$45,940.94	\$0.00	\$0.00	\$569,966.39
Depr Summ 2 Subtotal:	\$943,318.18	\$116,480.19	(\$28,900.00)	(\$32,063.65)	\$45,940.94	\$0.00	\$0.00	\$1,044,775.66
Depr Summ Subtotal:	\$104,010,798.93	\$4,636,349.37	(\$3,756,656.96)	\$447,700.91	\$65,582.07	\$6,548.62	\$0.00	\$105,410,322.94
Amortizable Assets								
Intangibles								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$85,917.50	\$5,883.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,800.98
Depr Summ 2 Subtotal:	\$85,917.50	\$5,883.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91,800.98
Software								
CKY 30310 DIS Software	\$723,802.16	\$1,302.96	(\$713,161.37)	\$0.00	\$0.00	\$0.00	\$0.00	\$11,943.75
CKY 30320 FARA Software	\$251,825.18	\$0.00	(\$251,825.18)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30330 Other Software	\$977,308.99	\$223,635.07	(\$255,375.66)	\$0.00	\$0.00	\$0.00	\$0.00	\$945,568.40
Depr Summ 2 Subtotal:	\$1,952,936.33	\$224,938.03	(\$1,220,362.21)	\$0.00	\$0.00	\$0.00	\$0.00	\$957,512.15
Leaseholds - Distribution								
CKY 37571 Lse 451 Ashland, KY	\$35,671.05	\$8,471.50	\$0.00	\$0.00	\$0.00	\$544.32	\$0.00	\$44,686.87
Depr Summ 2 Subtotal:	\$35,671.05	\$8,471.50	\$0.00	\$0.00	\$0.00	\$544.32	\$0.00	\$44,686.87
General								
CKY 39110 Office Furniture & Equip	\$358,908.39	\$64,726.60	(\$38,301.68)	\$0.00	\$2,199.00	\$0.00	\$0.00	\$387,532.31
CKY 39111 Data Handling Equip	\$61,869.00	\$7,365.83	(\$70,807.81)	\$0.00	\$10.00	\$0.00	\$0.00	(\$1,562.98)
CKY 39112 Information Systems	\$76,313.91	\$63,248.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$139,562.31
CKY 39300 Stores Equipment	\$13,959.83	\$660.67	(\$13,787.48)	\$0.00	\$0.00	\$0.00	\$0.00	\$833.02
CKY 39410 Garage & Service Equip	\$15,302.06	\$1,205.96	(\$1,462.68)	(\$60,326.76)	\$46,527.48	\$0.00	\$0.00	\$1,246.06
CKY 39420 Shop Equipment	\$1,388.15	\$54.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,443.11
CKY 39430 Tools & Other Equipment	\$759,389.47	\$72,271.91	(\$33,207.47)	\$0.00	\$0.00	\$0.00	\$0.00	\$798,453.91
CKY 39500 Laboratory Equipment	\$2,412.23	\$466.44	(\$244.88)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,633.79
CKY 39800 Misc Equipment	\$62,986.29	\$8,788.84	(\$28,429.09)	\$0.00	\$0.00	(\$476.18)	\$0.00	\$42,869.86
Depr Summ 2 Subtotal:	\$1,352,529.33	\$218,789.61	(\$186,241.09)	(\$60,326.76)	\$48,736.48	(\$476.18)	\$0.00	\$1,373,011.39

Monthly Depreciation Reserve A /
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2004
Ending Month: 12/2004

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Amortizable Assets								
Other								
CKY 39413 Underground Tank Cleanu	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Depr Summ 2 Subtotal:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Depr Summ Subtotal:	\$3,608,286.41	\$458,082.62	(\$1,406,603.30)	(\$60,326.76)	\$48,736.48	\$68.14	\$0.00	\$2,648,243.59
Future Use								
Other								
CKY 105.000 Future Use	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Depreciable								
Production								
CKY 30410 Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37410 Land, CG & ML Ind M&R	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37420 Land, Other Dist	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other								
CKY None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Company Subtotal:	\$107,619,085.34	\$5,094,431.99	(\$5,163,260.26)	\$387,374.15	\$114,318.55	\$6,616.76	\$0.00	\$108,058,566.53
Grand Total:	\$107,619,085.34	\$5,094,431.99	(\$5,163,260.26)	\$387,374.15	\$114,318.55	\$6,616.76	\$0.00	\$108,058,566.53

Monthly Depreciation Reserve A /
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2005
Ending Month: 12/2005

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
Production								
CKY 30500 Structures & Improvement	\$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
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37440 Land Rights, Other Dist	\$95,519.66	\$7,324.06	\$0.00	(\$918.69)	\$0.00	\$0.00	\$0.00	\$101,925.03
CKY 37450 Rights of Way	\$543,080.76	\$32,970.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$576,051.62
CKY 37520 CG M&R Structures	\$5,377.60	\$102.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,480.44
CKY 37530 General M&R Structures	\$10,646.93	\$212.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,859.57
CKY 37540 Regulating Structures	\$303,853.97	\$10,688.71	(\$4,765.41)	(\$14,911.21)	\$0.00	\$0.00	\$0.00	\$294,866.06
CKY 37560 Dist Ind M&R Structures	\$33,442.10	\$1,728.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,171.06
CKY 37570 Other Structures	\$1,582,597.35	\$142,583.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,725,181.17
CKY 37580 Communication Structures	\$18,707.85	\$1,769.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,477.37
CKY 37600 Mains	\$40,643,713.60	\$1,866,623.63	(\$294,800.54)	(\$167,582.58)	\$0.00	\$0.00	\$0.00	\$42,047,954.11
CKY 37810 M&R Equip-General	\$258,742.98	\$5,589.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$264,332.64
CKY 37820 M&R Equip-General-Reg	\$1,903,052.99	\$99,589.50	\$6,692.89	(\$17,365.19)	\$0.00	\$0.00	\$0.00	\$1,991,970.19
CKY 37830 M&R Eq-Local Gas Purc	\$26,044.14	\$1,093.67	(\$2,926.05)	(\$65.19)	\$0.00	\$0.00	\$0.00	\$24,146.57
CKY 37910 M&R Equip-CG-Check St	\$238,394.58	\$5,854.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$244,249.14
CKY 38000 Services	\$47,882,562.86	\$1,845,681.91	(\$560,560.62)	(\$1,079,726.08)	\$0.00	\$1,517.25	\$0.00	\$48,089,475.32
CKY 38100 Meters	\$3,287,708.43	\$273,492.65	(\$44,057.43)	\$0.00	\$920.44	\$252.66	\$0.00	\$3,518,316.75
CKY 38200 Meter Installations	\$2,845,522.04	\$173,769.13	(\$29,225.26)	(\$25,515.93)	\$0.00	\$51.27	\$0.00	\$2,964,601.25
CKY 38300 House Regulators	\$889,979.80	\$32,072.03	(\$3,550.87)	(\$13.15)	\$0.00	\$150.00	\$0.00	\$918,637.81
CKY 38400 House Reg Installation	\$1,603,718.93	\$26,281.90	(\$22,963.64)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,607,037.19
CKY 38500 Ind M&R Equipment	\$983,196.33	\$42,451.72	(\$107,076.65)	(\$4,406.57)	\$0.00	\$0.00	\$0.00	\$914,164.83
CKY 38720 Other Eq-Odorization	\$98,979.16	\$7,890.36	\$0.00	(\$7,590.19)	\$0.00	\$0.00	\$0.00	\$99,279.33
CKY 38741 Other Eq-Telephone	\$179,806.46	\$14,129.09	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$193,935.55
CKY 38742 Other Eq-Radio	\$423,566.91	\$20,915.55	(\$6,787.61)	(\$2,722.02)	\$0.00	\$45.94	\$0.00	\$435,018.77
CKY 38744 Other Eq-Other Comm	\$43,434.37	\$2,972.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$46,406.73
CKY 38745 Other Eq-Telemetry	\$372,476.06	\$26,301.28	(\$42,818.50)	\$0.00	\$0.00	(\$11,702.21)	\$0.00	\$344,256.63
CKY 38746 Other Eq-Cust Info Se	\$91,421.42	\$2,980.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$94,401.50
Depr Summ 2 Subtotal:	\$104,365,547.28	\$4,645,070.49	(\$1,112,839.69)	(\$1,320,816.80)	\$920.44	(\$9,685.09)	\$0.00	\$106,568,196.63
General								
CKY 39220 Trailers over 1,000	\$40,895.23	\$3,794.40	\$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

Monthly Depreciation Reserve A.
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2005
Ending Month: 12/2005

Set of Books								
Company								
Depr Summary								
Depr Summary2								
Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
General								
CKY 39411 CNG Equip, Stationary	\$430,515.29	\$81,902.74	(\$360,032.15)	(\$1,234.30)	\$0.00	\$0.00	\$0.00	\$151,151.58
CKY 39600 Power Oper Equipment	\$569,966.39	\$0.00	\$0.00	\$0.00	\$5,465.00	\$0.00	\$0.00	\$575,431.39
Depr Summ 2 Subtotal:	\$1,044,775.66	\$85,697.14	(\$360,032.15)	(\$1,234.30)	\$5,465.00	\$0.00	\$0.00	\$774,671.35
Depr Summ Subtotal:	\$105,410,322.94	\$4,730,767.63	(\$1,472,871.84)	(\$1,322,051.10)	\$6,385.44	(\$9,685.09)	\$0.00	\$107,342,867.98
Amortizable Assets								
Intangibles								
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	\$5,883.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,684.47
Depr Summ 2 Subtotal:	\$91,800.98	\$5,883.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,684.47
Software								
CKY 30310 DIS Software	\$11,943.75	\$1,085.81	\$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	\$945,568.40	\$209,098.80	(\$253,758.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$900,909.20
Depr Summ 2 Subtotal:	\$957,512.15	\$210,184.61	(\$253,758.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$913,938.76
Leaseholds - Distribution								
CKY 37571 Lse 451 Ashland, KY	\$44,686.87	\$10,155.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54,842.83
Depr Summ 2 Subtotal:	\$44,686.87	\$10,155.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54,842.83
General								
CKY 39110 Office Furniture & Equip	\$387,532.31	\$63,161.42	(\$3,838.24)	\$0.00	\$0.00	(\$349.08)	\$0.00	\$446,506.41
CKY 39111 Data Handling Equip	(\$1,562.98)	\$3,042.03	(\$8,879.79)	\$0.00	\$0.00	\$953.27	\$0.00	(\$6,447.47)
CKY 39112 Information Systems	\$139,562.31	\$119,568.55	(\$23,231.71)	\$0.00	\$0.00	\$11,052.08	\$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	\$1,246.06	\$1,212.05	(\$5,456.64)	(\$600,779.67)	\$489,271.50	\$1,987.96	\$0.00	(\$112,518.74)
CKY 39420 Shop Equipment	\$1,443.11	\$54.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,498.07
CKY 39430 Tools & Other Equipment	\$798,453.91	\$73,417.19	(\$32,264.28)	\$0.00	\$0.00	\$0.00	\$0.00	\$839,606.82
CKY 39500 Laboratory Equipment	\$2,633.79	\$515.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,149.19
CKY 39800 Misc Equipment	\$42,869.86	\$6,839.19	(\$1,277.69)	(\$127.44)	\$0.00	(\$1,987.96)	\$0.00	\$46,315.96
Depr Summ 2 Subtotal:	\$1,373,011.39	\$267,810.79	(\$74,948.35)	(\$600,907.11)	\$489,271.50	\$11,656.27	\$0.00	\$1,465,894.49

Monthly Depreciation Reserve Ac
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2005
Ending Month: 12/2005

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Amortizable Assets								
Other								
CKY 39413 Underground Tank Cleanu	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Depr Summ 2 Subtotal:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,232.20
Depr Summ Subtotal:	\$2,648,243.59	\$494,034.85	(\$328,706.35)	(\$600,907.11)	\$489,271.50	\$11,656.27	\$0.00	\$2,713,592.75
ARO								
Distribution								
CKY 37551 Asbestos ARO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Future Use								
Other								
CKY 105.000 Future Use	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Depreciable								
Production								
CKY 30410 Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37410 Land, CG & ML Ind M&R	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37420 Land, Other Dist	\$0.00	\$0.00	(\$602.44)	(\$5,141.79)	\$0.00	\$0.00	\$0.00	(\$5,744.23)
Depr Summ 2 Subtotal:	\$0.00	\$0.00	(\$602.44)	(\$5,141.79)	\$0.00	\$0.00	\$0.00	(\$5,744.23)
Other								
CKY None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	(\$602.44)	(\$5,141.79)	\$0.00	\$0.00	\$0.00	(\$5,744.23)
Company Subtotal:	\$108,058,566.53	\$5,224,802.48	(\$1,802,180.63)	(\$1,928,100.00)	\$495,656.94	\$1,971.18	\$0.00	\$110,050,716.50
Grand Total:	\$108,058,566.53	\$5,224,802.48	(\$1,802,180.63)	(\$1,928,100.00)	\$495,656.94	\$1,971.18	\$0.00	\$110,050,716.50

Monthly Depreciation Reserve A /
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2006
Ending Month: 12/2006

Set of Books									
Company									
Depr Summary									
Depr Summary2									
Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve	
Financial/SEC									
Columbia Gas of Kentucky									
Depreciable Assets									
Production									
CKY 30500 Structures & Improvement	\$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	
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Distribution									
CKY 37440 Land Rights, Other Dist	\$101,925.03	\$7,282.49	(\$106.98)	\$0.00	\$0.00	\$0.00	\$0.00	\$109,100.54	
CKY 37450 Rights of Way	\$576,051.62	\$32,553.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$608,605.43	
CKY 37520 CG M&R Structures	\$5,480.44	\$42.85	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,523.29	
CKY 37530 General M&R Structures	\$10,859.57	\$88.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,948.17	
CKY 37540 Regulating Structures	\$294,866.06	\$10,948.87	(\$1,696.24)	\$5,141.79	\$0.00	(\$10,283.58)	\$0.00	\$298,976.90	
CKY 37560 Dist Ind M&R Structures	\$35,171.06	\$1,728.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36,900.02	
CKY 37570 Other Structures	\$1,725,181.17	\$142,630.44	(\$53,682.02)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,814,129.59	
CKY 37580 Communication Structures	\$20,477.37	\$1,769.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,246.89	
CKY 37600 Mains	\$42,047,954.11	\$1,911,983.70	(\$168,668.82)	(\$16,574.87)	\$0.00	\$0.00	\$0.00	\$43,774,694.12	
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	\$101,012.60	(\$13,979.24)	(\$10,061.78)	\$0.00	\$0.00	\$0.00	\$2,068,941.77	
CKY 37830 M&R Eq-Local Gas Purc	\$24,146.57	\$1,064.05	(\$436.92)	\$0.00	\$0.00	\$0.00	\$0.00	\$24,773.70	
CKY 37910 M&R Equip-CG-Check St	\$244,249.14	\$5,854.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250,103.70	
CKY 38000 Services	\$48,089,475.32	\$1,905,449.36	(\$647,851.56)	(\$537,538.97)	\$0.00	\$793.74	\$0.00	\$48,810,327.89	
CKY 38100 Meters	\$3,518,316.75	\$283,994.11	(\$20,531.54)	\$0.00	\$0.00	\$9,886.95	\$0.00	\$3,791,666.27	
CKY 38200 Meter Installations	\$2,964,601.25	\$177,550.68	(\$33,948.42)	(\$107.21)	\$0.00	\$1,674.23	\$0.00	\$3,109,770.53	
CKY 38300 House Regulators	\$918,637.81	\$37,153.97	(\$3,783.21)	(\$24.83)	\$0.00	\$1.44	\$0.00	\$951,985.18	
CKY 38400 House Reg Installation	\$1,607,037.19	\$25,747.38	(\$133,084.87)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,499,699.70	
CKY 38500 Ind M&R Equipment	\$914,164.83	\$53,558.25	(\$14,750.96)	(\$2,383.89)	\$0.00	\$0.00	\$0.00	\$950,588.23	
CKY 38720 Other Eq-Odorization	\$99,279.33	\$7,890.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$107,169.69	
CKY 38741 Other Eq-Telephone	\$193,935.55	\$16,640.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$210,576.31	
CKY 38742 Other Eq-Radio	\$435,018.77	\$20,868.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$455,887.75	
CKY 38744 Other Eq-Other Comm	\$46,406.73	\$3,002.22	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,408.95	
CKY 38745 Other Eq-Telemetering	\$344,256.63	\$26,122.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$370,379.12	
CKY 38746 Other Eq-Cust Info Se	\$94,401.50	\$2,980.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$97,381.58	
Depr Summ 2 Subtotal:	\$106,568,196.63	\$4,777,919.09	(\$1,092,520.78)	(\$561,549.76)	\$0.00	\$2,072.78	\$0.00	\$109,694,117.96	
General									
CKY 39220 Trailers over 1,000	\$44,689.63	\$3,794.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,484.03	
CKY 39221 Trailers 1,000 & less	\$3,398.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,398.75	

Monthly Depreciation Reserve A /
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2006
Ending Month: 12/2006

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
General								
CKY 39411 CNG Equip, Stationary	\$151,151.58	\$58,166.44	(\$122,973.34)	\$0.00	\$0.00	\$31,786.67	\$0.00	\$118,131.35
CKY 39600 Power Oper Equipment	\$575,431.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$575,431.39
Depr Summ 2 Subtotal:	\$774,671.35	\$61,960.84	(\$122,973.34)	\$0.00	\$0.00	\$31,786.67	\$0.00	\$745,445.52
Depr Summ Subtotal:	\$107,342,867.98	\$4,839,879.93	(\$1,215,494.12)	(\$561,549.76)	\$0.00	\$33,859.45	\$0.00	\$110,439,563.48
Amortizable Assets								
Intangibles								
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	\$5,883.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$103,568.00
Depr Summ 2 Subtotal:	\$97,684.47	\$5,883.53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$103,568.00
Software								
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	\$900,909.20	\$202,156.48	(\$493,105.92)	\$0.00	\$0.00	\$0.00	\$0.00	\$609,959.76
Depr Summ 2 Subtotal:	\$913,938.76	\$202,156.48	(\$506,135.48)	\$0.00	\$0.00	\$0.00	\$0.00	\$609,959.76
Leaseholds - Distribution								
CKY 37571 Lse 451 Ashland, KY	\$54,842.83	\$10,155.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$64,998.74
Depr Summ 2 Subtotal:	\$54,842.83	\$10,155.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$64,998.74
General								
CKY 39110 Office Furniture & Equip	\$446,506.41	\$62,919.58	(\$10,950.98)	\$0.00	\$0.00	\$0.00	\$0.00	\$498,475.01
CKY 39111 Data Handling Equip	(\$6,447.47)	\$2,560.77	(\$2,342.98)	\$0.00	\$0.00	\$0.00	\$0.00	(\$6,229.68)
CKY 39112 Information Systems	\$246,951.23	\$132,271.26	(\$142,043.36)	\$0.00	\$0.00	\$0.00	\$0.00	\$237,179.13
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)	\$1,063.20	\$0.00	\$0.00	\$0.00	\$111,508.17	\$0.00	\$52.63
CKY 39420 Shop Equipment	\$1,498.07	\$53.04	(\$1,151.93)	\$0.00	\$0.00	\$0.00	\$0.00	\$399.18
CKY 39430 Tools & Other Equipment	\$839,606.82	\$73,042.51	(\$42,472.99)	\$0.00	\$0.00	\$0.00	\$0.00	\$870,176.34
CKY 39500 Laboratory Equipment	\$3,149.19	\$515.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,664.59
CKY 39800 Misc Equipment	\$46,315.96	\$6,646.79	(\$3,674.40)	\$0.00	\$0.00	\$0.00	\$0.00	\$49,288.35
Depr Summ 2 Subtotal:	\$1,465,894.49	\$279,072.55	(\$202,636.64)	\$0.00	\$0.00	\$111,508.17	\$0.00	\$1,653,838.57

Monthly Depreciation Reserve A /
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2006
Ending Month: 12/2006

Set of Books Company Depr Summary Depr Summary2 Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Financial/SEC								
Columbia Gas of Kentucky								
Amortizable Assets								
Other								
CKY 39413 Underground Tank Cleanu	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	(\$143,294.84)	\$0.00	\$37,937.36
Depr Summ 2 Subtotal:	\$181,232.20	\$0.00	\$0.00	\$0.00	\$0.00	(\$143,294.84)	\$0.00	\$37,937.36
Depr Summ Subtotal:	\$2,713,592.75	\$497,268.47	(\$708,772.12)	\$0.00	\$0.00	(\$31,786.67)	\$0.00	\$2,470,302.43
ARO								
Distribution								
CKY 37551 Asbestos ARO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Future Use								
Other								
CKY 105.000 Future Use	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Depreciable								
Production								
CKY 30410 Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37410 Land, CG & ML Ind M&R	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37420 Land, Other Dist	(\$5,744.23)	\$0.00	(\$6,889.60)	(\$5,141.79)	\$0.00	\$10,283.58	(\$6,722.96)	(\$14,215.00)
Depr Summ 2 Subtotal:	(\$5,744.23)	\$0.00	(\$6,889.60)	(\$5,141.79)	\$0.00	\$10,283.58	(\$6,722.96)	(\$14,215.00)
Other								
CKY None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	(\$5,744.23)	\$0.00	(\$6,889.60)	(\$5,141.79)	\$0.00	\$10,283.58	(\$6,722.96)	(\$14,215.00)
Company Subtotal:	\$110,050,716.50	\$5,337,148.40	(\$1,931,155.84)	(\$566,691.55)	\$0.00	\$12,356.36	(\$6,722.96)	\$112,895,650.91
Grand Total:	\$110,050,716.50	\$5,337,148.40	(\$1,931,155.84)	(\$566,691.55)	\$0.00	\$12,356.36	(\$6,722.96)	\$112,895,650.91

Monthly Depreciation Reserve A
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2007
Ending Month: 12/2007

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
Production								
CKY 30500 Structures & Improvement	\$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
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37440 Land Rights, Other Dist	\$109,100.54	\$7,262.60	\$96.00	\$0.00	\$0.00	\$0.00	\$0.00	\$116,459.14
CKY 37450 Rights of Way	\$608,605.43	\$32,553.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$641,159.27
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	\$298,976.90	\$11,366.69	\$0.00	(\$3,197.19)	\$0.00	\$0.00	\$0.00	\$307,146.40
CKY 37560 Dist Ind M&R Structures	\$36,900.02	\$1,728.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$38,628.98
CKY 37570 Other Structures	\$1,814,129.59	\$141,670.05	\$0.00	(\$8,299.16)	\$31,983.11	\$0.00	\$0.00	\$1,979,483.59
CKY 37580 Communication Structure:	\$22,246.89	\$1,769.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,016.41
CKY 37600 Mains	\$43,774,694.12	\$2,004,532.88	(\$936,664.92)	(\$88,774.34)	\$0.00	\$0.14	\$0.00	\$44,753,787.88
CKY 37620 Mains - Coated/Wrapped	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37630 Mains - Bare Steel	\$0.00	\$0.14	\$0.00	\$0.00	\$0.00	(\$0.14)	\$0.00	\$0.00
CKY 37640 Mains - Plastic	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37650 Mains - Joint Seals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37660 Mains - Cathodic Protect	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37670 Mains - Other Valves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37680 Mains - Cast Iron	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37690 Mains - Fittings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
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	\$2,068,941.77	\$102,963.33	(\$5,735.54)	(\$3,124.42)	\$0.00	\$0.00	\$0.00	\$2,163,045.14
CKY 37830 M&R Eq-Local Gas Purc	\$24,773.70	\$1,057.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,831.38
CKY 37910 M&R Equip-CG-Check St	\$250,103.70	\$5,854.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$255,958.26
CKY 38000 Services	\$48,810,327.89	\$1,960,279.29	(\$637,998.22)	(\$351,280.20)	\$0.00	\$579.71	\$0.00	\$49,781,908.47
CKY 38100 Meters	\$3,791,666.27	\$289,898.14	(\$177,743.66)	\$0.00	\$0.00	\$9,684.09	\$0.00	\$3,913,504.84
CKY 38200 Meter Installations	\$3,109,770.53	\$182,331.44	(\$46,911.57)	(\$16.25)	\$0.00	\$224.06	\$0.00	\$3,245,398.21
CKY 38300 House Regulators	\$951,985.18	\$42,349.22	(\$5,603.50)	\$0.00	\$0.00	(\$0.01)	\$0.00	\$988,730.89
CKY 38400 House Reg Installation	\$1,499,699.70	\$24,582.54	(\$31,295.74)	\$0.00	\$0.00	\$0.00	\$0.00	\$1,492,986.50
CKY 38500 Ind M&R Equipment	\$950,588.23	\$54,221.42	(\$43,360.27)	(\$3,682.35)	\$1,475.00	\$0.00	\$0.00	\$959,242.03
CKY 38720 Other Eq-Odorization	\$107,169.69	\$7,841.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$115,011.40
CKY 38741 Other Eq-Telephone	\$210,576.31	\$16,640.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$227,217.07

Monthly Depreciation Reserve A.
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2007
Ending Month: 12/2007

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
Distribution								
CKY 38742 Other Eq-Radio	\$455,887.75	\$20,869.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$476,757.42
CKY 38744 Other Eq-Other Comm	\$49,408.95	\$3,795.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,204.31
CKY 38745 Other Eq-Telemetry	\$370,379.12	\$26,538.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$396,917.46
CKY 38746 Other Eq-Cust Info Se	\$97,381.58	\$2,980.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,361.66
Depr Summ 2 Subtotal:	\$109,694,117.96	\$4,943,088.22	(\$1,885,217.42)	(\$458,373.91)	\$33,458.11	\$10,487.85	\$0.00	\$112,337,560.81
General								
CKY 39220 Trailers over 1,000	\$48,484.03	\$3,794.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,278.43
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	\$118,131.35	\$45,031.35	(\$198,792.44)	\$0.00	\$0.00	\$0.00	\$0.00	(\$35,629.74)
CKY 39600 Power Oper Equipment	\$575,431.39	\$0.00	(\$27,614.44)	\$0.00	\$0.00	\$0.00	\$0.00	\$547,816.95
Depr Summ 2 Subtotal:	\$745,445.52	\$48,825.75	(\$226,406.88)	\$0.00	\$0.00	\$0.00	\$0.00	\$567,864.39
Depr Summ Subtotal:	\$110,439,563.48	\$4,991,913.97	(\$2,111,624.30)	(\$458,373.91)	\$33,458.11	\$10,487.85	\$0.00	\$112,905,425.20
Amortizable Assets								
Intangibles								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$103,568.00	\$12,275.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$115,843.00
Depr Summ 2 Subtotal:	\$103,568.00	\$12,275.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$115,843.00
Software								
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	\$609,959.76	\$154,298.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$764,258.65
Depr Summ 2 Subtotal:	\$609,959.76	\$154,298.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$764,258.65
Leaseholds - Distribution								
CKY 37571 Lse 451 Ashland, KY	\$64,998.74	\$9,309.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$74,308.31
Depr Summ 2 Subtotal:	\$64,998.74	\$9,309.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$74,308.31
General								
CKY 39110 Office Furniture & Equip	\$498,475.01	\$62,348.88	(\$22,058.34)	\$0.00	\$0.00	\$0.00	\$0.00	\$538,765.55
CKY 39111 Data Handling Equip	(\$6,229.68)	\$2,387.12	(\$8,611.60)	\$0.00	\$0.00	\$0.00	\$0.00	(\$12,454.16)
CKY 39112 Information Systems	\$237,179.13	\$103,699.86	(\$111,783.90)	\$0.00	\$0.00	\$0.00	\$0.00	\$229,095.09
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	\$52.63	\$1,063.20	\$0.00	(\$12,085.41)	\$0.00	\$0.00	\$0.00	(\$10,969.58)

Monthly Depreciation Reserve A
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2007
Ending Month: 12/2007

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Amortizable Assets								
General								
CKY 39420 Shop Equipment	\$399.18	\$8.51	(\$222.48)	\$0.00	\$0.00	\$0.00	\$0.00	\$185.21
CKY 39430 Tools & Other Equipment	\$870,176.34	\$72,211.43	(\$38,163.47)	\$0.00	\$0.00	\$0.00	\$0.00	\$904,224.30
CKY 39500 Laboratory Equipment	\$3,664.59	\$515.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,179.99
CKY 39800 Misc Equipment	\$49,288.35	\$6,464.85	(\$8,655.96)	\$0.00	\$0.00	\$0.00	\$0.00	\$47,097.24
Depr Summ 2 Subtotal:	\$1,653,838.57	\$248,699.25	(\$189,495.75)	(\$12,085.41)	\$0.00	\$0.00	\$0.00	\$1,700,956.66
Other								
CKY 39413 Underground Tank Cleanu	\$37,937.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,937.36
Depr Summ 2 Subtotal:	\$37,937.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,937.36
Depr Summ Subtotal:	\$2,470,302.43	\$424,582.71	(\$189,495.75)	(\$12,085.41)	\$0.00	\$0.00	\$0.00	\$2,693,303.98
ARO								
Distribution								
CKY 37551 Asbestos ARO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Future Use								
Other								
CKY 105.000 Future Use	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Depreciable								
Production								
CKY 30410 Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37410 Land, CG & ML Ind M&R	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37420 Land, Other Dist	(\$14,215.00)	\$0.00	(\$100.57)	\$0.00	\$0.00	\$14,215.00	\$100.57	\$0.00
Depr Summ 2 Subtotal:	(\$14,215.00)	\$0.00	(\$100.57)	\$0.00	\$0.00	\$14,215.00	\$100.57	\$0.00

Monthly Depreciation Reserve A /
 AG DR Set 1-111 Attachment A
 NiSource

Starting Month: 01/2007
 Ending Month: 12/2007

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Non-Depreciable								
Other								
CKY None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	(\$14,215.00)	\$0.00	(\$100.57)	\$0.00	\$0.00	\$14,215.00	\$100.57	\$0.00
Company Subtotal:	\$112,895,650.91	\$5,416,496.68	(\$2,301,220.62)	(\$470,459.32)	\$33,458.11	\$24,702.85	\$100.57	\$115,598,729.18
Grand Total:	\$112,895,650.91	\$5,416,496.68	(\$2,301,220.62)	(\$470,459.32)	\$33,458.11	\$24,702.85	\$100.57	\$115,598,729.18

Monthly Depreciation Reserve A /
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2008
Ending Month: 12/2008

Set of Books								
Company								
Depr Summary								
Depr Summary2								
Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
Production								
CKY 30500 Structures & Improvement	\$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
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37440 Land Rights, Other Dist	\$116,459.14	\$8,036.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$124,496.03
CKY 37450 Rights of Way	\$641,159.27	\$32,553.84	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$673,713.11
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	\$307,146.40	\$11,748.80	(\$1,434.00)	(\$2,534.34)	\$0.00	\$0.00	\$0.00	\$314,926.86
CKY 37560 Dist Ind M&R Structures	\$38,628.98	\$1,728.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,357.94
CKY 37570 Other Structures	\$1,979,483.59	\$141,823.79	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,121,307.38
CKY 37580 Communication Structures	\$24,016.41	\$1,769.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,785.93
CKY 37600 Mains	\$44,753,787.88	\$2,072,791.74	(\$896,714.26)	(\$87,460.18)	\$1,125.00	\$16.48	\$0.00	\$45,843,546.66
CKY 37620 Mains - Coated/Wrapped	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37630 Mains - Bare Steel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37640 Mains - Plastic	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37650 Mains - Joint Seals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37660 Mains - Cathodic Protect	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37670 Mains - Other Valves	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37680 Mains - Cast Iron	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37690 Mains - Fittings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37810 M&R Equip-General	\$264,332.64	\$0.00	(\$1,222.27)	(\$83.90)	\$0.00	\$0.00	\$0.00	\$263,026.47
CKY 37820 M&R Equip-General-Reg	\$2,163,045.14	\$104,311.72	(\$35,952.19)	(\$7,590.66)	\$0.00	(\$589.31)	\$0.00	\$2,223,224.70
CKY 37830 M&R Eq-Local Gas Purc	\$25,831.38	\$1,066.60	\$436.92	\$0.00	\$0.00	\$0.00	\$0.00	\$27,334.90
CKY 37910 M&R Equip-CG-Check St	\$255,958.26	\$5,854.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$261,812.82
CKY 38000 Services	\$49,781,908.47	\$2,034,946.71	(\$515,199.35)	(\$278,140.71)	\$0.00	\$2,943.83	\$0.00	\$51,026,458.95
CKY 38100 Meters	\$3,913,504.84	\$296,439.38	(\$156,469.76)	\$0.00	\$9,929.98	\$662.44	\$0.00	\$4,064,066.88
CKY 38200 Meter Installations	\$3,245,398.21	\$186,009.19	(\$75,055.19)	(\$24.79)	\$0.00	\$201.47	\$0.00	\$3,356,528.89
CKY 38300 House Regulators	\$988,730.89	\$46,742.72	(\$7,980.67)	\$0.00	\$0.00	\$139.85	\$0.00	\$1,027,632.79
CKY 38400 House Reg Installation	\$1,492,986.50	\$24,539.55	\$123,200.61	(\$23.69)	\$0.00	\$0.00	\$0.00	\$1,640,702.97
CKY 38500 Ind M&R Equipment	\$959,242.03	\$56,428.36	(\$73,550.98)	(\$9,657.72)	\$0.00	\$589.31	\$0.00	\$933,051.00
CKY 38720 Other Eq-Odorization	\$115,011.40	\$5,826.49	(\$154,128.18)	\$0.00	\$0.00	\$0.00	\$0.00	(\$33,290.29)
CKY 38741 Other Eq-Telephone	\$227,217.07	\$16,640.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$243,857.84

Monthly Depreciation Reserve A.
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2008
Ending Month: 12/2008

Set of Books	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Company								
Depr Summary								
Depr Summary2								
Depr Group								
Financial/SEC								
Columbia Gas of Kentucky								
Depreciable Assets								
Distribution								
CKY 38742 Other Eq-Radio	\$476,757.42	\$20,708.05	\$978.48	\$0.00	\$0.00	\$0.00	\$0.00	\$498,443.95
CKY 38744 Other Eq-Other Comm	\$53,204.31	\$4,266.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,471.30
CKY 38745 Other Eq-Telemetry	\$396,917.46	\$30,883.10	\$36.72	\$0.00	\$0.00	\$0.00	\$0.00	\$427,837.28
CKY 38746 Other Eq-Cust Info Se	\$100,361.66	\$2,980.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$103,341.74
Depr Summ 2 Subtotal:	\$112,337,560.81	\$5,108,097.81	(\$1,793,054.12)	(\$385,515.99)	\$11,054.98	\$3,964.07	\$0.00	\$115,282,107.56
General								
CKY 39220 Trailers over 1,000	\$52,278.43	\$3,774.99	(\$15,839.91)	\$0.00	\$0.00	\$0.00	\$0.00	\$40,213.51
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	(\$35,629.74)	\$45,031.35	\$198,792.44	\$0.00	\$0.00	\$0.00	\$0.00	\$208,194.05
CKY 39600 Power Oper Equipment	\$547,816.95	\$0.00	\$0.00	\$0.00	\$4,725.00	\$0.00	\$0.00	\$552,541.95
Depr Summ 2 Subtotal:	\$567,864.39	\$48,806.34	\$182,952.53	\$0.00	\$4,725.00	\$0.00	\$0.00	\$804,348.26
Depr Summ Subtotal:	\$112,905,425.20	\$5,156,904.15	(\$1,610,101.59)	(\$385,515.99)	\$15,779.98	\$3,964.07	\$0.00	\$116,086,455.82
Amortizable Assets								
Intangibles								
CKY 30100 Organization Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 30300 Intangible Plant	\$115,843.00	\$2,478.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$118,321.31
Depr Summ 2 Subtotal:	\$115,843.00	\$2,478.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$118,321.31
Software								
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	\$764,258.65	\$257,712.90	(\$273,809.59)	\$0.00	\$0.00	\$0.00	\$0.00	\$748,161.96
Depr Summ 2 Subtotal:	\$764,258.65	\$257,712.90	(\$273,809.59)	\$0.00	\$0.00	\$0.00	\$0.00	\$748,161.96
Leaseholds - Distribution								
CKY 37571 Lse 451 Ashland, KY	\$74,308.31	\$0.00	(\$74,308.31)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$74,308.31	\$0.00	(\$74,308.31)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
General								
CKY 39110 Office Furniture & Equip	\$538,765.55	\$61,266.28	(\$12,308.28)	\$0.00	\$0.00	\$0.00	\$0.00	\$587,723.55
CKY 39111 Data Handling Equip	(\$12,454.16)	\$1,798.80	(\$13,737.80)	\$0.00	\$0.00	\$0.00	\$0.00	(\$24,393.16)
CKY 39112 Information Systems	\$229,095.09	\$41,427.57	(\$9,532.20)	\$0.00	\$0.00	\$0.00	\$0.00	\$260,990.46
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	(\$10,969.58)	\$620.20	\$0.00	\$15,165.60	\$0.00	\$0.00	\$0.00	\$4,816.22

Monthly Depreciation Reserve Ac
AG DR Set 1-111 Attachment A
NiSource

Starting Month: 01/2008
Ending Month: 12/2008

Set of Books
Company
Depr Summary
Depr Summary2
Depr Group

	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Financial/SEC								
Columbia Gas of Kentucky								
Amortizable Assets								
General								
CKY 39420 Shop Equipment	\$185.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$185.21
CKY 39430 Tools & Other Equipment	\$904,224.30	\$72,145.79	(\$32,342.74)	\$0.00	\$0.00	\$0.00	\$0.00	\$944,027.35
CKY 39500 Laboratory Equipment	\$4,179.99	\$515.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,695.39
CKY 39800 Misc Equipment	\$47,097.24	\$6,088.70	(\$14,051.14)	\$0.00	\$0.00	\$0.00	\$0.00	\$39,134.80
Depr Summ 2 Subtotal:	\$1,700,956.66	\$183,862.74	(\$81,972.16)	\$15,165.60	\$0.00	\$0.00	\$0.00	\$1,818,012.84
Other								
CKY 39413 Underground Tank Cleanu	\$37,937.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,937.36
Depr Summ 2 Subtotal:	\$37,937.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$37,937.36
Depr Summ Subtotal:	\$2,693,303.98	\$444,053.95	(\$430,090.06)	\$15,165.60	\$0.00	\$0.00	\$0.00	\$2,722,433.47
ARO								
Distribution								
CKY 37551 Asbestos ARO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Future Use								
Other								
CKY 105.000 Future Use	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Depreciable								
Production								
CKY 30410 Land	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution								
CKY 37410 Land, CG & ML Ind M&R	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
CKY 37420 Land, Other Dist	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Monthly Depreciation Reserve A
 AG DR Set 1-111 Attachment A
 NiSource

Starting Month: 01/2008
 Ending Month: 12/2008

Set of Books Company Depr Summary Depr Summary2 Depr Group	Beginning Reserve	Provision	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Loss / (Gain)	Ending Reserve
Financial/SEC								
Columbia Gas of Kentucky								
Non-Depreciable								
Other								
CKY None	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ 2 Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depr Summ Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Company Subtotal:	\$115,598,729.18	\$5,600,958.10	(\$2,040,191.65)	(\$370,350.39)	\$15,779.98	\$3,964.07	\$0.00	\$118,808,889.29
Grand Total:	\$115,598,729.18	\$5,600,958.10	(\$2,040,191.65)	(\$370,350.39)	\$15,779.98	\$3,964.07	\$0.00	\$118,808,889.29

PSC Case No. 2009-00141
AG DR Set 1-112
Respondent(s): Robert Kriner

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 112:

Provide a summary of annual maintenance expense by USoA account (for all accounts) for the last 20 years. If the requested data is not available for the last 20 years, provide the data for as many years as are available. Please provide data in both hard copy and electronic format with all formulae intact.

Response:

Attached is a schedule labeled AG DR Set 1-112 Attachment A detailing the annual maintenance expense by account number for the period 1990 through 2008. Information is available only from 1990 forward.

COLUMBIA GAS OF KENTUCKY, INC.
AG SET 1 NO. 112

AG DR Set 1-112 Attachment A

Account Number	Account Description	2008	2007	2006	2005	2004	2003	2002	2001	2000
742	Production Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11	\$0
885	Supervision and Engineering	\$97,268	\$143,461	\$154,549	\$149,123	\$166,844	\$135,393	\$207,979	\$245,770	\$274,198
886	Structures and Improvements	\$87,171	\$104,408	\$111,180	\$93,823	\$92,016	\$97,350	\$123,851	\$139,200	\$135,433
887	Mains	\$1,458,638	\$1,217,663	\$1,258,775	\$966,351	\$952,910	\$1,194,398	\$1,081,668	\$1,058,455	\$984,178
889	Measuring and Regulator Station Equipment-General	\$113,854	\$143,154	\$139,891	\$123,018	\$124,122	\$126,125	\$219,865	\$232,589	\$161,639
890	Measuring and Regulator Station Equipment-Industrial	\$104,514	\$120,197	\$98,973	\$117,559	\$122,949	\$49,040	\$57,943	\$63,105	\$53,351
892	Services	\$471,011	\$453,798	\$343,171	\$298,310	\$287,956	\$355,997	\$421,641	\$396,579	\$389,599
893	Meters and House Regulators	\$97,410	\$116,988	\$139,404	\$146,822	\$155,204	\$268,135	\$333,189	\$300,846	\$296,664
894	Other Equipment	\$173,649	\$166,391	\$104,663	\$142,864	\$156,431	\$151,958	\$213,445	\$214,639	\$112,917
935	General Office Furniture and Equipment	\$389	\$401	\$394	\$1,583	\$3,112	\$3,187	\$1,378	\$1,515	\$1,786
Total Maintenance Expense		\$2,603,904	\$2,466,461	\$2,351,000	\$2,039,453	\$2,061,544	\$2,381,583	\$2,660,959	\$2,652,698	\$2,409,765

Account Number	Account Description	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
741	Structures and Improvements	\$1,392	\$192	\$33	\$684	\$372	\$563	\$6,379	\$31,628	\$34,793	\$26,272
742	Production Equipment	\$13,977	\$15,258	\$17,644	\$84,305	\$51,630	\$60,867	\$79,302	\$106,286	\$40,605	\$86,634
885	Supervision and Engineering	\$284,726	\$229,871	\$248,644	\$317,642	\$356,092	\$323,198	\$268,840	\$243,872	\$233,596	\$247,640
886	Structures and Improvements	\$175,252	\$154,089	\$145,564	\$121,583	\$61,654	\$78,209	\$98,515	\$63,316	\$52,834	\$41,529
887	Mains	\$880,489	\$852,650	\$1,239,456	\$945,470	\$892,063	\$803,405	\$785,465	\$774,780	\$790,604	\$994,469
889	Measuring and Regulator Station Equipment-General	\$132,861	\$159,926	\$144,710	\$135,165	\$153,414	\$166,289	\$150,326	\$142,536	\$139,558	\$123,715
890	Measuring and Regulator Station Equipment-Industrial	\$39,400	\$89,743	\$59,307	\$80,765	\$74,452	\$60,171	\$72,886	\$97,272	\$80,811	\$78,171
892	Services	\$379,597	\$407,253	\$468,629	\$448,409	\$485,546	\$478,430	\$522,710	\$596,362	\$540,457	\$486,871
893	Meters and House Regulators	\$302,156	\$319,140	\$312,307	\$445,687	\$445,631	\$663,912	\$635,516	\$813,983	\$805,486	\$803,092
894	Other Equipment	\$201,192	\$184,727	\$226,441	\$262,603	\$256,878	\$219,102	\$168,430	\$180,975	\$161,597	\$164,356
935	General Office Furniture and Equipment	\$34,792	\$21,147	\$22,349	\$19,105	\$38,839	\$28,956	\$33,792	\$22,316	\$17,496	\$13,306
Total Maintenance Expense		\$2,445,834	\$2,433,996	\$2,885,084	\$2,861,418	\$2,816,571	\$2,883,102	\$2,822,161	\$3,073,326	\$2,897,837	\$3,066,055

PSC Case No. 2009-00141
AG DR Set 1-113
Respondent(s): J. Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 113:

Please explain what consideration, if any, was given to annual maintenance expense data in Mr. Spanos' estimation of service lives, dispersion patterns and net salvage.

Response:

Maintenance expense is an ongoing activity for utilities. Therefore, Mr. Spanos considers any changes to annual maintenance or if maintenance practices will alter capital expenditures. There were no plans to change the current maintenance practices; therefore, future service lives, dispersion patterns, and net salvage were not altered by maintenance.

PSC Case No. 2009-00141
AG DR Set 1-114
Respondent(s): J. Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 114:

If not provided elsewhere, please provide the calculation of the proposed depreciation rates in electronic format (Excel) with all formulae intact.

Response:

Please see the spreadsheet included as an attachment to the response for data request AG-1-105.

PSC Case No. 2009-00141
AG DR Set 1-115
Respondent(s): Lon R. Patton

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 115:

Does the Company maintain its book reserve by plant account? If not, please explain why not.

Response:

The Company does maintain its book reserve by gas plant account.

PSC Case No. 2009-00141
AG DR Set 1-116
Respondent(s): Lon R. Patton

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 116:

If the Company does not maintain its book reserve by plant account, please provide the calculation of the 2008 recorded reserve shown in the depreciation study.

Response:

Please see Columbia's response to AG DR Set 1-115.

PSC Case No. 2009-00141
AG DR Set 1-117
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 117:

Was reciprocal, harmonic, or ELG weighting used in any of the depreciation rate calculations? If yes, please provide all calculations using direct weighting. Also, provide this in hardcopy and in electronic format with all formulae intact (Excel).

Response:

The depreciation study calculations for Columbia Gas of Kentucky were performed using ELG weighting. The attached spreadsheet, labeled Attachment B AG-117-CGK 08asl-amort, and detailed depreciation calculation sets forth the depreciation rates using direct weighting.

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 374 LAND AND LAND RIGHTS - LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R2.5						
NET SALVAGE PERCENT.. 0						
1940	631.74	474	481	151	17.43	9
1946	27.50	19	19	9	20.52	
1948	58.63	41	42	17	21.64	1
1949	318.25	217	220	98	22.22	4
1954	1,417.34	906	920	497	25.27	20
1955	645.29	406	412	233	25.91	9
1956	802.91	498	506	297	26.56	11
1957	307.00	188	191	116	27.22	4
1958	1,494.06	899	913	581	27.88	21
1959	1,468.93	870	884	585	28.56	20
1960	262.71	153	155	108	29.24	4
1961	636.06	364	370	266	29.94	9
1962	1,753.87	986	1,001	753	30.64	25
1963	3,491.15	1,927	1,957	1,534	31.35	49
1964	3,424.35	1,856	1,885	1,539	32.06	48
1965	706.66	376	382	325	32.79	10
1966	848.01	442	449	399	33.52	12
1967	488.18	249	253	235	34.26	7
1968	530.52	265	269	262	35.01	7
1969	525.72	257	261	265	35.76	7
1970	1,612.58	771	783	830	36.52	23
1971	964.42	451	458	506	37.29	14
1972	4,729.85	2,158	2,192	2,538	38.06	67
1974	2,820.09	1,224	1,243	1,577	39.63	40
1976	334.72	138	140	195	41.23	5
1977	558.79	223	226	333	42.03	8
1978	2,922.50	1,134	1,152	1,771	42.85	41
1980	3,039.01	1,107	1,124	1,915	44.49	43
1981	6,212.73	2,191	2,225	3,988	45.32	88
1982	9,762.89	3,325	3,377	6,386	46.16	138
1983	19,109.45	6,279	6,377	12,732	47.00	271
1984	33,629.96	10,641	10,808	22,822	47.85	477
1985	20,976.82	6,383	6,483	14,494	48.70	298
1986	24,833.25	7,251	7,364	17,469	49.56	352
1987	63,558.92	17,777	18,055	45,504	50.42	902
1988	23,203.80	6,202	6,299	16,905	51.29	330
1989	38,118.77	9,716	9,868	28,251	52.16	542
1990	15,601.41	3,780	3,839	11,762	53.04	222

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 374 LAND AND LAND RIGHTS - LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R2.5						
NET SALVAGE PERCENT.. 0						
1991	9,950.28	2,285	2,321	7,629	53.93	141
1992	7,297.89	1,584	1,609	5,689	54.81	104
1993	1,640.72	335	340	1,301	55.70	23
1994	50,580.17	9,681	9,833	40,747	56.60	720
1995	16,269.77	2,906	2,951	13,319	57.50	232
1997	22,942.04	3,503	3,558	19,384	59.31	327
1998	7,537.57	1,052	1,068	6,470	60.23	107
1999	60.02	8	8	52	61.14	1
2000	11,645.10	1,321	1,342	10,303	62.06	166
2001	6,716.70	674	685	6,032	62.98	96
2002	15,890.64	1,382	1,404	14,487	63.91	227
2004	80,544.74	4,865	4,941	75,604	65.77	1,150
2005	15,482.60	728	739	14,744	66.71	221
2008	16,697.52	112	114	16,584	69.53	239
	555,084.60	122,580	124,496	430,593		7,892
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					54.6	1.42

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 374 LAND AND LAND RIGHTS - RIGHTS-OF-WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 75-S4						
NET SALVAGE PERCENT.. 0						
1900	7.64	7	8			
1905	4,639.41	4,402	4,639			
1906	453.46	429	453			
1908	509.81	481	510			
1910	32.76	31	33			
1911	39.25	37	39			
1912	166.79	156	167			
1913	39,647.24	36,939	39,647			
1914	440.81	410	441			
1915	17.37	16	17			
1916	3,714.53	3,433	3,715			
1917	2.52	2	2		1 5.89	
1918	222.02	204	222			
1920	8.85	8	9			
1921	4.00	4	4			
1922	550.17	499	550			
1927	574.78	511	575			
1928	7,615.83	6,739	7,616			
1929	9,365.20	8,249	9,365			
1930	293.53	257	294			
1931	75.68	66	76			
1932	11.42	10	11			
1933	121.75	105	122			
1934	38.48	33	38			
1936	42.73	36	42		1 11.48	
1937	147.11	124	146		1 11.90	
1938	291.95	244	287		5 12.34	
1939	54.17	45	53		1 12.80	
1940	1,406.23	1,157	1,362		44 13.27	3
1941	3,083.74	2,518	2,965		119 13.76	9
1942	82.48	67	79		3 14.28	
1943	178.77	143	168		11 14.81	1
1944	55.72	44	52		4 15.37	
1945	35.21	28	33		2 15.94	
1946	55.44	43	51		4 16.54	
1947	388.45	300	353		35 17.16	2
1948	1,231.01	939	1,106		125 17.80	7
1949	2,790.90	2,104	2,478		313 18.46	17

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 374 LAND AND LAND RIGHTS - RIGHTS-OF-WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 75-S4						
NET SALVAGE PERCENT.. 0						
1950	3,189.10	2,375	2,797	392	19.14	20
1951	7,892.84	5,804	6,835	1,058	19.85	53
1952	1,366.64	992	1,168	199	20.58	10
1953	4,099.22	2,934	3,455	644	21.32	30
1954	5,721.14	4,036	4,753	968	22.09	44
1955	314.60	219	258	57	22.88	2
1956	1,907.97	1,305	1,537	371	23.69	16
1957	1,176.95	792	933	244	24.52	10
1958	21,005.37	13,899	16,367	4,638	25.37	183
1959	5,254.98	3,417	4,024	1,231	26.23	47
1960	6,002.69	3,833	4,514	1,489	27.11	55
1961	11,709.76	7,336	8,639	3,071	28.01	110
1962	3,663.44	2,251	2,651	1,012	28.92	35
1963	5,765.71	3,472	4,089	1,677	29.84	56
1964	3,606.15	2,126	2,504	1,102	30.78	36
1965	2,918.74	1,684	1,983	936	31.72	30
1966	27,810.21	15,696	18,483	9,327	32.67	285
1967	4,679.09	2,581	3,039	1,640	33.64	49
1968	5,001.45	2,694	3,172	1,829	34.60	53
1969	42,871.21	22,533	26,534	16,337	35.58	459
1970	28,515.31	14,614	17,209	11,306	36.56	309
1971	16,220.35	8,102	9,541	6,679	37.54	178
1972	27,985.97	13,610	16,027	11,959	38.53	310
1973	5,481.78	2,593	3,053	2,429	39.52	61
1974	1,658.65	762	897	762	40.52	19
1975	9,583.32	4,279	5,039	4,544	41.51	109
1976	5,163.94	2,237	2,634	2,530	42.51	60
1977	4,195.28	1,762	2,075	2,120	43.51	49
1978	2,876.24	1,170	1,378	1,498	44.50	34
1979	13,433.07	5,283	6,221	7,212	45.50	159
1980	12,768.07	4,852	5,714	7,054	46.50	152
1981	10,564.93	3,874	4,562	6,003	47.50	126
1982	1,162.68	411	484	679	48.50	14
1983	9,009.79	3,063	3,607	5,403	49.50	109
1984	68,733.35	22,455	26,442	42,291	50.50	837
1985	12,854.49	4,027	4,742	8,112	51.50	158
1986	32,815.46	9,845	11,593	21,222	52.50	404
1987	21,779.43	6,244	7,353	14,426	53.50	270

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 374 LAND AND LAND RIGHTS - RIGHTS-OF-WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 75-S4						
NET SALVAGE PERCENT.. 0						
1988	97,331.04	26,601	31,325	66,006	54.50	1,211
1989	76,248.28	19,825	23,345	52,903	55.50	953
1990	86,482.89	21,335	25,123	61,360	56.50	1,086
1991	52,430.84	12,232	14,404	38,027	57.50	661
1992	60,042.13	13,209	15,555	44,487	58.50	760
1993	50,935.46	10,528	12,397	38,538	59.50	648
1994	214,025.02	41,371	48,717	165,308	60.50	2,732
1995	177,926.39	32,027	37,714	140,212	61.50	2,280
1996	30,598.73	5,101	6,007	24,592	62.50	393
1998	8,061.70	1,129	1,329	6,733	64.50	104
2000	11,902.50	1,349	1,589	10,314	66.50	155
2001	145,613.01	14,561	17,147	128,466	67.50	1,903
2002	1,125,585.22	97,588	114,916	1,010,669	68.50	14,754
2005	2,009.13	94	111	1,898	71.50	27
	2,668,348.92	576,932	673,713	1,994,633		32,647
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					61.1	1.22

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS - MEAS AND REG

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-S0.5						
NET SALVAGE PERCENT.. -10						
1911	893.77	983	983			
1915	197.21	216	217			
1928	898.88	891	989			
1929	397.89	391	438			
1930	176.23	172	194			
1932	64.48	62	71			
1936	248.19	230	273			
1937	24.89	23	27			
1939	318.36	288	350			
1940	539.34	483	593			
1941	1,395.54	1,239	1,535			
1943	38.93	34	43			
1947	675.25	566	715	28	11.20	3
1948	459.09	381	482	23	11.57	2
1949	331.79	272	344	21	11.94	2
1950	2,919.17	2,370	2,996	215	12.31	17
1951	5,497.33	4,414	5,579	468	12.69	37
1952	3,071.17	2,439	3,083	295	13.07	23
1953	2,951.41	2,317	2,929	318	13.45	24
1954	6,256.73	4,856	6,138	744	13.84	54
1955	3,459.47	2,653	3,353	452	14.23	32
1956	9,118.25	6,908	8,732	1,298	14.63	89
1957	7,296.41	5,459	6,900	1,126	15.03	75
1958	6,160.93	4,552	5,754	1,023	15.43	66
1959	7,876.94	5,745	7,262	1,403	15.84	89
1960	11,253.05	8,095	10,232	2,146	16.26	132
1961	4,185.29	2,970	3,754	850	16.68	51
1962	2,304.83	1,613	2,039	496	17.10	29
1963	4,177.23	2,881	3,642	953	17.53	54
1964	11,554.75	7,854	9,927	2,783	17.96	155
1965	7,064.31	4,727	5,975	1,796	18.41	98
1966	6,431.85	4,237	5,356	1,719	18.85	91
1967	2,588.14	1,678	2,121	726	19.30	38
1968	3,986.61	2,542	3,213	1,172	19.76	59
1970	13,799.07	8,494	10,736	4,443	20.70	215
1971	15,974.47	9,654	12,203	5,369	21.18	253
1972	7,169.41	4,252	5,374	2,512	21.66	116
1973	7,037.63	4,091	5,171	2,570	22.16	116

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS - MEAS AND REG

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 47-S0.5						
NET SALVAGE PERCENT.. -10						
1974	1,964.24	1,119	1,414	747	22.66	33
1976	71.18	39	49	29	23.68	1
1977	3,520.86	1,878	2,374	1,499	24.21	62
1978	3,260.89	1,699	2,148	1,439	24.74	58
1980	22,925.65	11,353	14,350	10,868	25.84	421
1981	7,370.71	3,554	4,492	3,616	26.40	137
1982	48,726.19	22,844	28,875	24,724	26.97	917
1983	14,081.23	6,409	8,101	7,388	27.55	268
1984	42,076.21	18,574	23,477	22,807	28.14	810
1985	60,910.87	26,017	32,885	34,117	28.75	1,187
1986	30,412.96	12,555	15,869	17,585	29.36	599
1987	93,861.55	37,365	47,229	56,019	29.99	1,868
1988	23,273.23	8,922	11,277	14,324	30.62	468
1989	6,531.81	2,405	3,040	4,145	31.27	133
1990	20,674.58	7,287	9,211	13,531	31.94	424
1995	2,142.14	579	732	1,624	35.45	46
1996	17,283.31	4,369	5,522	13,490	36.20	373
1997	580.71	136	172	467	36.96	13
1998	10,422.20	2,258	2,854	8,610	37.74	228
1999	6,771.06	1,341	1,695	5,753	38.54	149
2000	7,008.25	1,255	1,586	6,123	39.35	156
2001	22,146.35	3,535	4,469	19,892	40.18	495
2002	24,994.58	3,497	4,420	23,074	41.02	563
2003	4,822.92	577	729	4,576	41.89	109
2004	8,646.19	856	1,082	8,429	42.77	197
2005	5,198.99	405	512	5,207	43.67	119
2006	25,812.82	1,451	1,834	26,560	44.60	596
2007	27,457.41	939	1,187	29,016	45.54	637
2008	30,911.50	354	448	33,555	46.51	721
	732,654.88	294,604	371,756	434,163		13,708

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 31.7 1.87

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 375 STRUCTS AND IMPROV - OTHER DISTR SYSTEM STRUCT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
PARIS AREA OFFICE - VINE STREET INTERIM SURVIVOR CURVE.. SQUARE PROBABLE RETIREMENT YEAR.. 6-2028 NET SALVAGE PERCENT.. 0						
1950	3,575.48	2,682	2,719	856	19.50	44
1974	502.19	321	325	177	19.50	9
1975	469.01	296	300	169	19.50	9
1977	2,458.15	1,518	1,539	919	19.50	47
1985	678.43	371	376	302	19.50	15
2001	23,425.95	6,508	6,597	16,829	19.50	863
	31,109.21	11,696	11,856	19,252		987
WINCHESTER SERVICE CENTER & OFFICE INTERIM SURVIVOR CURVE.. SQUARE PROBABLE RETIREMENT YEAR.. 6-2042 NET SALVAGE PERCENT.. 0						
1992	567,413.50	187,246	189,815	377,599	33.50	11,272
2003	10,253.37	1,446	1,466	8,787	33.50	262
	577,666.87	188,692	191,281	386,386		11,534
LEXINGTON HEADQUARTERS INTERIM SURVIVOR CURVE.. SQUARE PROBABLE RETIREMENT YEAR.. 6-2044 NET SALVAGE PERCENT.. 0						
1924	240.00	169	171	69	35.50	2
1949	748.22	469	475	273	35.50	8
1994	6,179,394.33	1,792,024	1,816,612	4,362,782	35.50	122,895
1998	26,669.93	6,089	6,173	20,497	35.50	577
2000	9,603.96	1,855	1,880	7,724	35.50	218
2001	126,272.90	22,022	22,324	103,949	35.50	2,928
2003	8,863.24	1,189	1,205	7,658	35.50	216
2005	36,210.95	3,248	3,293	32,918	35.50	927
2006	3,323.54	219	222	3,102	35.50	87
	6,391,327.07	1,827,284	1,852,355	4,538,972		127,858

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 375 STRUCTS AND IMPROV - OTHER DISTR SYSTEM STRUCT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 34-S1.5						
NET SALVAGE PERCENT.. 0						
1936	430.55	431	431			
1951	1,184.61	1,090	1,105	80	2.71	30
1952	1,274.67	1,164	1,180	95	2.96	32
1953	627.88	569	577	51	3.21	16
1954	802.91	721	731	72	3.47	21
1955	908.64	809	820	89	3.72	24
1957	5,163.12	4,519	4,581	582	4.24	137
1958	3,138.49	2,723	2,761	377	4.50	84
1959	3,585.31	3,082	3,125	460	4.77	96
1961	3,791.07	3,198	3,242	549	5.32	103
1965	2,612.53	2,115	2,144	469	6.48	72
1967	962.53	762	773	190	7.10	27
1968	5,311.35	4,151	4,208	1,103	7.43	148
1970	237.56	181	184	54	8.10	7
1972	478.16	354	359	119	8.81	14
1985	1,278.71	723	733	546	14.77	37
1987	46,696.49	24,791	25,133	21,563	15.95	1,352
1996	30,096.82	10,296	10,438	19,659	22.37	879
2000	8,591.08	2,070	2,099	6,492	25.81	252
2003	1,820.23	289	293	1,527	28.60	53
2008	60,287.66	886	898	59,390	33.50	1,773
	179,280.37	64,924	65,815	113,467		5,157
	7,179,383.52	2,092,596	2,121,307	5,058,077		145,536
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					34.8	2.03

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 375 STRUCTURES AND IMPROVEMENTS - COMMUNICATION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R3						
NET SALVAGE PERCENT.. 0						
1952	667.68	668	668			
1960	2,487.10	2,444	2,487			
1962	120.00	116	120			
1963	318.95	306	319			
1970	2,821.28	2,534	2,800	21	3.06	7
1973	3,195.06	2,777	3,069	126	3.92	32
1987	18,970.52	11,938	13,192	5,779	11.12	520
1988	4,679.99	2,833	3,131	1,549	11.84	131
	33,260.58	23,616	25,786	7,475		690
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					10.8	2.07

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 376 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CAST IRON						
INTERIM SURVIVOR CURVE.. IOWA 68-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2027						
NET SALVAGE PERCENT.. -15						
1940	21,021.61	18,757	22,511	1,664	14.38	116
1941	10,136.22	9,009	10,812	845	14.51	58
1942	1,157.41	1,025	1,230	101	14.63	7
1944	919.11	807	969	88	14.88	6
1945	1,646.98	1,441	1,729	165	15.00	11
1946	1,346.93	1,173	1,408	141	15.12	9
1947	142.66	124	149	15	15.24	1
1949	1,016.24	873	1,048	121	15.46	8
1950	3,015.87	2,580	3,096	372	15.57	24
1951	19,031.85	16,203	19,446	2,441	15.68	156
1952	772.12	654	785	103	15.78	7
1953	26,017.44	21,937	26,327	3,593	15.88	226
1954	34,359.71	28,821	34,589	4,925	15.98	308
1955	4,085.47	3,410	4,092	606	16.07	38
1956	24,380.31	20,235	24,285	3,752	16.17	232
1957	14,751.73	12,177	14,614	2,350	16.26	145
1958	15,042.84	12,348	14,819	2,480	16.34	152
1959	12,550.68	10,242	12,292	2,141	16.43	130
1960	11,555.64	9,374	11,250	2,039	16.51	124
1961	6,916.52	5,577	6,693	1,261	16.59	76
1962	16,502.16	13,220	15,866	3,111	16.67	187
1963	10,833.08	8,620	10,345	2,113	16.75	126
1964	16,879.28	13,339	16,009	3,402	16.82	202
1965	15,057.17	11,816	14,181	3,135	16.89	186
1966	5,115.25	3,985	4,782	1,101	16.96	65
1967	828.87	641	769	184	17.03	11
1968	3,908.24	2,998	3,598	896	17.09	52
1969	50.18	38	46	12	17.15	1
1970	8,051.96	6,073	7,288	1,972	17.21	115
1972	206.93	153	184	54	17.33	3
	287,300.46	237,650	285,212	45,183		2,782

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 376 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BARE STEEL						
INTERIM SURVIVOR CURVE.. IOWA 68-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2027						
NET SALVAGE PERCENT.. -15						
1901	1,537.97	1,563	1,769			
1905	9,217.93	9,241	10,601			
1906	3,254.90	3,252	3,743			
1908	78.13	78	90			
1910	22.93	23	26			
1913	2,744.71	2,678	3,156			
1914	206.46	201	237			
1915	8,264.88	8,013	9,505			
1916	53.77	52	62			
1918	128.18	123	147			
1920	1,975.29	1,885	2,262	10	11.46	1
1921	132.84	126	151	2	11.62	
1922	414.16	393	472	4	11.78	
1923	1,168.10	1,105	1,326	17	11.93	1
1924	2,661.59	2,509	3,011	50	12.09	4
1925	9,031.73	8,488	10,187	199	12.24	16
1926	12,716.05	11,912	14,297	326	12.39	26
1927	10,073.50	9,405	11,288	297	12.55	24
1928	208,035.93	193,642	232,409	6,832	12.69	538
1929	86,102.59	79,878	95,869	3,149	12.84	245
1930	21,377.87	19,766	23,723	862	12.99	66
1931	16,077.46	14,819	17,786	703	13.13	54
1932	10,760.80	9,884	11,863	512	13.28	39
1933	483,035.82	442,171	530,693	24,798	13.42	1,848
1934	2,090.55	1,907	2,289	115	13.56	8
1935	31,698.82	28,817	34,586	1,868	13.70	136
1936	10,108.57	9,156	10,989	636	13.84	46
1937	32,169.25	29,030	34,842	2,153	13.98	154
1938	14,327.70	12,883	15,462	1,015	14.11	72
1939	22,159.90	19,849	23,823	1,661	14.25	117
1940	209,080.83	186,560	223,909	16,534	14.38	1,150
1941	55,473.58	49,307	59,178	4,617	14.51	318
1942	13,645.52	12,083	14,502	1,190	14.63	81
1943	4,479.16	3,950	4,741	410	14.76	28
1944	2,582.49	2,268	2,722	248	14.88	17
1945	13,919.91	12,176	14,614	1,394	15.00	93

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 376 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
BARE STEEL						
INTERIM SURVIVOR CURVE.. IOWA 68-R1.5						
PROBABLE RETIREMENT YEAR.. 12-2027						
NET SALVAGE PERCENT.. -15						
1946	37,024.50	32,244	38,699	3,879	15.12	257
1947	36,776.09	31,889	38,273	4,020	15.24	264
1948	74,414.55	64,242	77,103	8,474	15.35	552
1949	98,924.33	85,015	102,035	11,728	15.46	759
1950	287,043.22	245,561	294,722	35,378	15.57	2,272
1951	434,421.97	369,843	443,885	55,700	15.68	3,552
1952	238,618.05	202,186	242,663	31,748	15.78	2,012
1953	381,652.44	321,802	386,226	52,674	15.88	3,317
1954	349,600.54	293,248	351,956	50,085	15.98	3,134
1955	455,948.59	380,514	456,692	67,649	16.07	4,210
1956	641,550.75	532,458	639,055	98,728	16.17	6,106
1957	1,159,312.83	956,978	1,148,564	184,646	16.26	11,356
1958	1,037,262.92	851,458	1,021,919	170,933	16.34	10,461
1959	827,982.03	675,666	810,933	141,246	16.43	8,597
1960	782,978.88	635,160	762,318	138,108	16.51	8,365
1961	795,870.70	641,683	770,147	145,104	16.59	8,746
1962	664,274.26	532,143	638,677	125,238	16.67	7,513
1963	855,437.95	680,659	816,926	166,828	16.75	9,960
1964	992,300.67	784,195	941,190	199,956	16.82	11,888
1965	866,134.81	679,708	815,785	180,270	16.89	10,673
1966	1,330,610.73	1,036,559	1,244,077	286,125	16.96	16,871
1967	573,722.85	443,505	532,294	127,487	17.03	7,486
1968	828,405.46	635,428	762,640	190,026	17.09	11,119
1969	1,039,147.30	790,505	948,763	246,256	17.15	14,359
1970	497,222.70	375,048	450,132	121,674	17.21	7,070
1971	581,955.31	435,079	522,181	147,068	17.27	8,516
1972	570,733.80	422,685	507,306	149,038	17.33	8,600
1973	187,928.13	137,840	165,436	50,681	17.38	2,916
1974	94,001.02	68,255	81,920	26,181	17.43	1,502
1975	223.33	160	192	65	17.48	4
1976	615.79	438	526	182	17.53	10
1977	1,014.20	712	855	311	17.58	18
1978	202,204.41	140,265	168,345	64,190	17.62	3,643
1979	110.84	76	91	36	17.67	2
	18,226,235.82	14,672,400	17,608,856	3,351,314		201,192

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 376 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
COATED STEEL						
SURVIVOR CURVE.. IOWA 68-R1.5						
NET SALVAGE PERCENT.. -15						
1950	2.92	2	2	1	26.67	
1951	4,910.38	3,388	4,066	1,581	27.21	58
1952	741.23	504	605	247	27.77	9
1953	1,187.59	797	957	409	28.33	14
1954	1,254.55	830	996	447	28.90	15
1955	6,226.14	4,057	4,869	2,291	29.47	78
1956	5,409.93	3,472	4,167	2,054	30.05	68
1957	7,138.39	4,510	5,413	2,796	30.64	91
1958	10,140.10	6,304	7,566	4,095	31.24	131
1959	35,932.78	21,975	26,373	14,950	31.84	470
1960	28,130.71	16,913	20,298	12,052	32.45	371
1961	30,008.50	17,728	21,276	13,234	33.07	400
1962	17,963.03	10,424	12,510	8,147	33.69	242
1963	5,601.06	3,190	3,828	2,613	34.32	76
1964	23,100.68	12,911	15,495	11,071	34.95	317
1965	43,039.90	23,590	28,311	21,185	35.59	595
1966	42,770.67	22,975	27,573	21,613	36.24	596
1967	30,808.46	16,206	19,449	15,981	36.90	433
1968	32,037.45	16,491	19,791	17,052	37.56	454
1969	49,719.85	25,038	30,049	27,129	38.22	710
1970	161,446.46	79,483	95,390	90,273	38.89	2,321
1971	197,010.46	94,726	113,684	112,878	39.57	2,853
1972	464,979.03	218,222	261,896	272,830	40.25	6,778
1973	298,090.72	136,402	163,701	179,103	40.94	4,375
1974	354,779.33	158,221	189,887	218,109	41.63	5,239
1975	301,938.04	131,079	157,312	189,917	42.33	4,487
1976	479,611.55	202,530	243,063	308,490	43.03	7,169
1977	395,586.74	162,317	194,802	260,123	43.74	5,947
1978	361,397.33	143,925	172,729	242,878	44.45	5,464
1979	639,000.02	246,689	296,060	438,790	45.17	9,714
1980	568,028.84	212,366	254,868	398,365	45.89	8,681
1981	1,263,143.69	456,993	548,453	904,162	46.61	19,398
1982	748,454.89	261,488	313,821	546,902	47.34	11,553
1983	875,776.03	295,193	354,271	652,871	48.07	13,582
1984	1,417,846.17	460,134	552,223	1,078,300	48.81	22,092
1985	382,126.39	119,222	143,082	296,363	49.55	5,981
1986	1,283,074.08	384,082	460,950	1,014,585	50.30	20,171

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 376 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
COATED STEEL						
SURVIVOR CURVE.. IOWA 68-R1.5						
NET SALVAGE PERCENT.. -15						
1987	6,560,001.35	1,880,720	2,257,118	5,286,884	51.05	103,563
1988	759,546.51	208,063	249,704	623,774	51.80	12,042
1989	610,118.76	159,342	191,232	510,405	52.56	9,711
1990	646,545.07	160,527	192,654	550,873	53.32	10,331
1991	647,712.41	152,475	182,991	561,878	54.08	10,390
1992	991,022.12	220,413	264,525	875,150	54.85	15,955
1993	827,188.20	173,226	207,895	743,371	55.62	13,365
1994	857,834.68	168,397	202,099	784,411	56.39	13,910
1995	307,062.02	56,252	67,510	285,611	57.17	4,996
1996	748,977.08	127,304	152,782	708,542	57.95	12,227
1997	995,880.39	156,099	187,340	957,922	58.73	16,311
1998	759,467.07	108,911	130,708	742,679	59.52	12,478
1999	3,669,820.89	477,315	572,842	3,647,452	60.31	60,478
2000	550,123.40	64,087	76,913	555,729	61.11	9,094
2001	328,010.49	33,798	40,562	336,650	61.91	5,438
2002	2,390,480.29	213,876	256,680	2,492,372	62.71	39,744
2003	386,011.43	29,298	35,162	408,751	63.51	6,436
2004	137,081.84	8,529	10,236	147,408	64.32	2,292
2005	329,657.71	15,998	19,200	359,906	65.13	5,526
2006	4,409,226.27	152,625	183,170	4,887,440	65.95	74,108
2007	1,226,388.67	25,527	30,636	1,379,711	66.77	20,664
2008	55,361.72	382	458	63,208	67.59	935
	38,761,932.46	8,567,541	10,282,203	34,294,014		620,927

PLASTIC

SURVIVOR CURVE.. IOWA 68-R1.5

NET SALVAGE PERCENT.. -15

1967	47,215.00	24,836	29,807	24,490	36.90	664
1968	185,737.83	95,607	114,741	98,858	37.56	2,632
1969	547,105.05	275,514	330,654	298,517	38.22	7,810
1970	314,643.34	154,904	185,906	175,934	38.89	4,524
1971	528,712.62	254,213	305,090	302,930	39.57	7,656
1972	429,486.76	201,565	241,905	252,005	40.25	6,261
1973	181,418.64	83,014	99,628	109,003	40.94	2,663
1974	179,333.82	79,978	95,984	110,250	41.63	2,648

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 376 MAINS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
PLASTIC						
SURVIVOR CURVE.. IOWA 68-R1.5						
NET SALVAGE PERCENT.. -15						
1975	160,144.42	69,523	83,437	100,729	42.33	2,380
1976	265,299.79	112,031	134,452	170,643	43.03	3,966
1977	380,631.50	156,181	187,438	250,288	43.74	5,722
1978	783,383.03	311,978	374,416	526,474	44.45	11,844
1979	1,131,268.11	436,732	524,137	776,821	45.17	17,198
1980	1,452,765.14	543,138	651,839	1,018,841	45.89	22,202
1981	1,087,460.22	393,432	472,171	778,408	46.61	16,700
1982	1,739,058.84	607,575	729,172	1,270,746	47.34	26,843
1983	942,006.18	317,517	381,063	702,244	48.07	14,609
1984	1,660,023.84	538,728	646,546	1,262,481	48.81	25,865
1985	1,314,528.43	410,126	492,206	1,019,502	49.55	20,575
1986	2,298,183.43	687,950	825,633	1,817,278	50.30	36,129
1987	4,423,855.84	1,268,297	1,522,127	3,565,307	51.05	69,840
1988	3,545,123.19	971,116	1,165,470	2,911,422	51.80	56,205
1989	2,792,699.19	729,355	875,324	2,336,280	52.56	44,450
1990	2,502,351.10	621,296	745,639	2,132,065	53.32	39,986
1991	1,703,720.49	401,064	481,331	1,477,948	54.08	27,329
1992	1,860,717.85	413,842	496,666	1,643,160	54.85	29,957
1993	1,708,873.93	357,864	429,485	1,535,720	55.62	27,611
1994	2,001,070.42	392,820	471,437	1,829,794	56.39	32,449
1995	2,351,257.34	430,739	516,945	2,187,001	57.17	38,254
1996	1,858,911.36	315,959	379,193	1,758,555	57.95	30,346
1997	3,848,157.56	603,179	723,896	3,701,485	58.73	63,025
1998	3,495,010.77	501,202	601,510	3,417,752	59.52	57,422
1999	2,674,064.59	347,802	417,410	2,657,764	60.31	44,068
2000	3,556,356.25	414,298	497,214	3,592,596	61.11	58,789
2001	3,142,498.90	323,803	388,607	3,225,267	61.91	52,096
2002	3,304,600.96	295,663	354,836	3,445,455	62.71	54,943
2003	2,054,027.13	155,901	187,102	2,175,029	63.51	34,247
2004	1,966,569.60	122,350	146,837	2,114,718	64.32	32,878
2005	1,773,750.64	86,080	103,307	1,936,506	65.13	29,733
2006	2,808,555.87	97,218	116,675	3,113,164	65.95	47,205
2007	3,271,543.27	68,097	81,726	3,680,549	66.77	55,123
2008	7,042,036.39	48,590	58,314	8,040,028	67.59	118,953
	79,314,158.63	14,721,077	17,667,276	73,544,007		1,283,800
	136,589,627.37	38,198,668	45,843,547	111,234,518		2,108,701

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 52.8 1.54

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 38-S0						
NET SALVAGE PERCENT.. -10						
1923	309.61	341	341			
1928	767.52	844	844			
1929	362.87	399	399			
1933	612.49	670	674			
1937	37.55	40	41			
1938	200.20	209	220			
1939	209.66	216	231			
1940	479.64	489	528			
1941	1,260.20	1,272	1,386			
1944	28.44	28	31			
1946	416.51	397	458			
1947	35.00	33	39			
1948	36.11	34	40			
1949	926.82	853	1,020			
1950	3,976.36	3,616	4,374			
1951	2,152.14	1,932	2,367			
1952	2,413.28	2,140	2,655			
1953	2,304.45	2,017	2,535			
1954	6,333.81	5,471	6,967			
1955	11,667.71	9,943	12,834			
1956	8,525.10	7,164	9,378			
1957	4,302.67	3,566	4,733			
1958	2,854.00	2,331	3,139			
1959	6,065.64	4,883	6,672			
1960	6,995.38	5,549	7,695			
1961	8,279.54	6,466	9,107			
1962	8,022.73	6,170	8,825			
1963	5,533.26	4,189	6,087			
1964	9,556.55	7,115	10,512			
1965	8,617.12	6,311	9,358	121	12.70	10
1966	7,493.33	5,395	8,000	243	13.13	19
1967	5,884.34	4,161	6,170	303	13.57	22
1968	13,904.97	9,661	14,325	970	14.00	69
1969	14,190.09	9,678	14,350	1,259	14.44	87
1970	12,303.53	8,231	12,205	1,329	14.89	89
1971	65,236.54	42,812	63,480	8,280	15.33	540
1972	182,797.48	117,570	174,329	26,748	15.78	1,695
1973	47,297.91	29,791	44,173	7,855	16.24	484

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 378 MEASURING AND REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 38-S0						
NET SALVAGE PERCENT.. -10						
1974	15,909.76	9,809	14,544	2,957	16.70	177
1975	14,339.24	8,650	12,826	2,947	17.16	172
1976	2,878.50	1,697	2,516	650	17.63	37
1977	2,981.35	1,717	2,546	733	18.10	40
1978	7,413.49	4,168	6,180	1,975	18.58	106
1979	16,904.79	9,264	13,736	4,859	19.07	255
1980	19,195.54	10,247	15,194	5,921	19.56	303
1981	68,227.15	35,454	52,570	22,480	20.05	1,121
1982	84,553.39	42,710	63,329	29,680	20.55	1,444
1983	55,538.28	27,235	40,383	20,709	21.06	983
1984	102,541.36	48,773	72,319	40,476	21.57	1,876
1985	168,449.55	77,583	115,038	70,257	22.09	3,180
1986	148,336.91	66,035	97,915	65,256	22.62	2,885
1987	475,220.85	204,131	302,679	220,064	23.16	9,502
1988	287,717.35	119,095	176,590	139,899	23.70	5,903
1989	232,362.41	92,476	137,120	118,479	24.25	4,886
1990	102,313.26	39,030	57,872	54,673	24.82	2,203
1991	108,512.27	39,605	58,725	60,638	25.39	2,388
1992	140,594.62	48,963	72,601	82,053	25.97	3,160
1993	286,154.68	94,777	140,532	174,238	26.56	6,560
1994	196,697.22	61,729	91,530	124,837	27.16	4,596
1995	285,666.92	84,497	125,289	188,945	27.78	6,801
1996	182,446.74	50,655	75,110	125,581	28.41	4,420
1997	175,211.87	45,389	67,301	125,432	29.05	4,318
1998	86,724.19	20,816	30,865	64,532	29.71	2,172
1999	71,328.05	15,731	23,325	55,136	30.38	1,815
2000	62,189.41	12,457	18,471	49,937	31.08	1,607
2001	271,187.69	48,743	72,275	226,031	31.79	7,110
2002	269,436.24	42,738	63,371	233,009	32.52	7,165
2004	62,187.43	7,094	10,519	57,887	34.06	1,700
2005	89,369.54	8,100	12,010	86,296	34.87	2,475
2006	112,157.46	7,439	11,030	112,343	35.71	3,146
2007	74,482.88	3,040	4,508	77,423	36.59	2,116
2008	106,679.31	1,514	2,245	115,102	37.51	3,069
	4,838,300.25	1,703,348	2,513,586	2,808,543		102,706

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 27.3 2.12

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 379.1 MEASURING AND REGULATING EQUIPMENT - CITY GATE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 27-S1						
NET SALVAGE PERCENT.. -10						
1929	20.64	23	23			
1935	168.99	186	186			
1936	95.41	105	105			
1965	522.68	513	575			
1982	6,291.95	4,645	6,921			
1983	1,594.90	1,149	1,754			
1987	246,581.04	159,217	250,029	21,210	11.15	1,902
1992	2,633.13	1,414	2,220	676	13.82	49
	257,908.74	167,252	261,813	21,886		1,951
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					11.2	0.76

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-R1.5						
NET SALVAGE PERCENT.. -60						
1945	75.84	108	121			
1946	113.87	161	182			
1948	2,826.71	3,945	4,523			
1949	13,544.59	18,748	21,671			
1953	3,144.92	4,206	5,032			
1954	36,659.97	48,579	58,656			
1955	48,571.85	63,750	77,715			
1956	51,455.07	66,875	82,328			
1957	61,591.08	79,211	98,546			
1958	62,086.77	79,034	99,339			
1959	97,277.01	122,476	155,643			
1960	90,691.44	112,878	145,106			
1961	102,615.61	126,209	164,185			
1962	106,254.80	129,121	170,008			
1963	109,711.50	131,601	175,538			
1964	149,892.10	177,352	239,827			
1965	176,301.15	205,694	282,082			
1966	119,592.11	137,483	191,347			
1967	173,205.18	196,041	277,128			
1968	303,917.06	338,539	486,267			
1969	189,232.21	207,277	302,772			
1970	188,291.98	202,632	301,267			
1971	232,852.00	245,892	372,563			
1972	356,673.42	369,457	570,677			
1973	134,517.15	136,540	213,448	1,779	14.26	125
1974	129,411.06	128,541	200,943	6,115	14.79	413
1975	95,867.29	93,137	145,597	7,791	15.32	509
1976	176,051.81	167,066	261,168	20,515	15.87	1,293
1977	358,658.86	332,089	519,142	54,712	16.43	3,330
1978	468,060.97	422,228	660,052	88,846	17.01	5,223
1979	752,125.79	660,306	1,032,230	171,171	17.60	9,726
1980	698,566.52	596,408	932,341	185,365	18.19	10,190
1981	801,284.33	663,720	1,037,567	244,488	18.81	12,998
1982	804,146.37	645,633	1,009,293	277,341	19.43	14,274
1983	682,725.05	530,450	829,232	263,128	20.06	13,117
1984	888,659.52	667,134	1,042,904	378,951	20.70	18,307
1985	1,170,566.56	847,116	1,324,263	548,643	21.36	25,686
1986	1,186,200.08	826,354	1,291,807	606,113	22.02	27,526

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-R1.5						
NET SALVAGE PERCENT.. -60						
1987	1,445,211.80	966,326	1,510,619	801,720	22.70	35,318
1988	1,456,297.05	933,195	1,458,827	871,248	23.38	37,265
1989	2,642,679.03	1,617,742	2,528,953	1,699,333	24.08	70,570
1990	2,630,545.42	1,534,555	2,398,910	1,809,963	24.78	73,041
1991	2,624,689.71	1,454,708	2,274,088	1,925,416	25.49	75,536
1992	3,044,183.39	1,597,100	2,496,684	2,374,009	26.21	90,576
1993	3,469,563.26	1,718,128	2,685,882	2,865,419	26.93	106,402
1994	3,909,575.04	1,819,047	2,843,645	3,411,675	27.66	123,343
1995	3,962,805.44	1,723,345	2,694,037	3,646,452	28.40	128,396
1996	4,010,942.12	1,621,062	2,534,142	3,883,365	29.15	133,220
1997	4,025,020.45	1,502,460	2,348,737	4,091,296	29.90	136,833
1998	3,831,524.52	1,310,688	2,048,947	4,081,492	30.66	133,121
1999	3,368,971.57	1,046,268	1,635,590	3,754,765	31.43	119,464
2000	3,733,235.88	1,041,722	1,628,483	4,344,694	32.20	134,928
2001	3,089,732.14	763,287	1,193,216	3,750,355	32.98	113,716
2002	3,021,371.84	649,716	1,015,675	3,818,520	33.76	113,108
2003	3,210,988.18	586,198	916,380	4,221,201	34.55	122,177
2004	3,475,918.60	520,554	813,762	4,747,708	35.35	134,306
2005	2,769,827.63	323,959	506,432	3,925,292	36.15	108,583
2006	2,831,582.62	236,947	370,410	4,160,122	36.96	112,557
2007	3,090,248.59	155,749	243,476	4,700,922	37.77	124,462
2008	3,695,486.10	62,084	97,054	5,815,724	38.59	150,705
	80,363,819.98	32,968,831	51,026,459	77,555,649		2,520,344

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 30.8 3.14

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-R1.5						
NET SALVAGE PERCENT.. 0						
1930	21.50	22	22			
1939	164.50	157	160	5	1.62	3
1940	13.34	13	13			
1941	1,058.66	994	1,010	49	2.26	22
1942	263.60	246	250	14	2.53	6
1943	69.29	64	65	4	2.78	1
1944	34.55	32	33	2	3.00	1
1945	404.48	369	375	29	3.23	9
1946	737.08	668	679	58	3.45	17
1947	4,280.44	3,854	3,916	364	3.69	99
1948	4,561.15	4,077	4,143	418	3.93	106
1949	3,388.22	3,005	3,053	335	4.18	80
1950	8,400.89	7,393	7,512	889	4.44	200
1951	5,632.46	4,917	4,996	636	4.70	135
1952	3,517.84	3,045	3,094	424	4.97	85
1953	4,841.74	4,155	4,222	620	5.25	118
1954	15,729.07	13,374	13,589	2,140	5.54	386
1955	4,680.54	3,943	4,006	675	5.83	116
1956	14,126.07	11,790	11,980	2,146	6.12	351
1957	20,101.98	16,614	16,881	3,221	6.42	502
1958	42,418.27	34,702	35,260	7,158	6.73	1,064
1959	104,414.94	84,524	85,884	18,531	7.05	2,629
1960	61,008.37	48,856	49,642	11,366	7.37	1,542
1961	28,516.79	22,582	22,945	5,572	7.70	724
1962	40,554.16	31,742	32,253	8,301	8.04	1,032
1963	52,783.31	40,801	41,458	11,325	8.40	1,348
1964	78,412.64	59,845	60,808	17,605	8.76	2,010
1965	125,491.28	94,495	96,016	29,475	9.14	3,225
1966	91,770.64	68,158	69,255	22,516	9.52	2,365
1967	116,579.89	85,325	86,698	29,882	9.92	3,012
1968	87,870.80	63,311	64,330	23,541	10.34	2,277
1969	66,887.48	47,437	48,200	18,687	10.76	1,737
1970	216,448.25	150,864	153,292	63,156	11.21	5,634
1971	143,999.84	98,625	100,212	43,788	11.66	3,755
1972	141,096.06	94,845	96,371	44,725	12.13	3,687
1973	53,839.56	35,491	36,062	17,778	12.61	1,410
1974	39,248.58	25,343	25,751	13,498	13.11	1,030
1975	42,844.22	27,073	27,509	15,335	13.62	1,126

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-R1.5						
NET SALVAGE PERCENT.. 0						
1976	12,660.48	7,819	7,945	4,715	14.15	333
1977	24,833.61	14,975	15,216	9,618	14.69	655
1978	56,369.55	33,151	33,685	22,685	15.24	1,489
1979	226,981.35	129,992	132,084	94,897	15.81	6,002
1980	308,715.76	171,955	174,722	133,994	16.39	8,175
1981	250,211.91	135,390	137,569	112,643	16.98	6,634
1982	279,621.79	146,690	149,051	130,571	17.59	7,423
1983	160,439.94	81,471	82,782	77,658	18.21	4,265
1984	162,160.79	79,589	80,870	81,291	18.84	4,315
1985	312,163.53	147,809	150,188	161,976	19.48	8,315
1986	337,418.53	153,829	156,305	181,114	20.13	8,997
1987	278,109.96	121,840	123,801	154,309	20.79	7,422
1988	361,647.92	151,784	154,227	207,421	21.47	9,661
1989	344,320.19	138,210	140,434	203,886	22.15	9,205
1990	376,878.97	144,232	146,553	230,326	22.84	10,084
1991	365,624.35	133,014	135,154	230,470	23.54	9,791
1992	277,907.51	95,767	97,308	180,600	24.25	7,447
1993	265,138.29	86,196	87,583	177,555	24.97	7,111
1994	475,662.46	145,267	147,605	328,057	25.70	12,765
1995	38,785.82	11,081	11,259	27,527	26.43	1,042
1996	607,938.66	161,347	163,944	443,995	27.18	16,335
1997	30,598.48	7,500	7,621	22,977	27.93	823
1998	653,043.84	146,870	149,233	503,811	28.68	17,567
1999	303,173.34	61,938	62,935	240,238	29.44	8,160
2000	30,029.59	5,510	5,599	24,431	30.21	809
2001	249,982.79	40,597	41,250	208,733	30.99	6,735
2002	172,058.84	24,329	24,720	147,339	31.77	4,638
2003	448,169.90	53,780	54,645	393,525	32.56	12,086
2004	834,777.22	82,309	83,634	751,143	33.35	22,523
2005	666,818.99	51,345	52,171	614,648	34.15	17,998
2006	373,365.90	20,572	20,903	352,463	34.96	10,082
2007	503,282.05	16,709	16,978	486,304	35.77	13,595
2008	367,789.30	4,082	4,148	363,641	36.59	9,938
	11,782,894.09	3,999,700	4,064,067	7,718,829		314,264

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 24.6 2.67

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-S2						
NET SALVAGE PERCENT.. -10						
1952	6.13	6	6	1	3.51	
1955	10.84	11	12			
1956	1.28	1	1			
1957	61.65	59	62	6	4.74	1
1959	4,818.24	4,545	4,781	519	5.27	98
1960	12,671.95	11,848	12,463	1,476	5.55	266
1961	9,950.10	9,220	9,699	1,246	5.83	214
1962	11,012.78	10,107	10,632	1,482	6.13	242
1963	12,796.57	11,630	12,234	1,842	6.43	286
1964	21,619.57	19,449	20,459	3,323	6.74	493
1965	30,332.41	27,009	28,412	4,954	7.05	703
1966	25,908.14	22,813	23,998	4,501	7.38	610
1967	30,453.82	26,511	27,888	5,611	7.72	727
1968	54,130.66	46,557	48,975	10,569	8.07	1,310
1969	64,677.71	54,939	57,792	13,353	8.43	1,584
1970	60,368.00	50,614	53,243	13,162	8.80	1,496
1971	69,080.85	57,136	60,103	15,886	9.18	1,731
1972	99,225.96	80,890	85,091	24,058	9.58	2,511
1973	42,139.56	33,838	35,595	10,759	9.99	1,077
1974	4,823.38	3,813	4,011	1,295	10.41	124
1975	9,639.90	7,495	7,884	2,720	10.85	251
1976	14,525.51	11,094	11,670	4,308	11.31	381
1977	20,650.65	15,483	16,287	6,429	11.78	546
1978	22,642.48	16,648	17,513	7,394	12.27	603
1979	35,670.10	25,685	27,019	12,218	12.78	956
1980	48,422.79	34,116	35,888	17,377	13.30	1,307
1981	82,865.80	57,034	59,996	31,156	13.85	2,250
1982	84,581.76	56,782	59,731	33,309	14.42	2,310
1983	66,085.44	43,202	45,446	27,248	15.01	1,815
1984	105,504.48	67,057	70,540	45,515	15.62	2,914
1985	158,354.77	97,686	102,759	71,431	16.25	4,396
1986	189,910.52	113,434	119,325	89,577	16.91	5,297
1987	252,025.45	145,434	152,987	124,241	17.59	7,063
1988	249,660.30	138,796	146,004	128,622	18.30	7,029
1989	324,886.72	173,577	182,592	174,783	19.03	9,185
1990	354,135.39	181,296	190,711	198,838	19.78	10,052
1991	328,273.36	160,437	168,769	192,332	20.56	9,355
1992	372,311.40	172,991	181,975	227,568	21.37	10,649

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 37-S2						
NET SALVAGE PERCENT.. -10						
1993	357,075.96	157,113	165,273	227,511	22.20	10,248
1994	399,558.91	165,697	174,302	265,213	23.05	11,506
1995	384,127.80	149,368	157,125	265,416	23.92	11,096
1996	452,422.98	163,831	172,340	325,325	24.82	13,107
1997	230,920.58	77,372	81,390	172,623	25.73	6,709
1998	377,499.09	116,062	122,090	293,159	26.66	10,996
1999	262,549.01	73,298	77,105	211,699	27.61	7,667
2000	315,629.14	79,090	83,197	263,995	28.57	9,240
2001	234,199.36	51,936	54,633	202,986	29.54	6,872
2002	229,479.92	44,200	46,496	205,932	30.52	6,747
2003	270,062.84	44,085	46,374	250,695	31.51	7,956
2004	250,025.01	33,443	35,180	239,848	32.50	7,380
2005	126,960.84	13,212	13,898	125,759	33.50	3,754
2006	273,290.00	20,322	21,377	279,242	34.50	8,094
2007	232,032.47	10,337	10,874	244,362	35.50	6,883
2008	148,594.77	2,207	2,322	161,132	36.50	4,415
	7,818,665.10	3,190,816	3,356,529	5,244,006		222,502
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					23.6	2.85

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 383 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-S2						
NET SALVAGE PERCENT.. -5						
1950	235.47	232	247			
1955	115.70	110	121			
1960	65.64	60	69			
1961	136.98	124	144			
1962	288.72	259	303			
1963	276.35	246	290			
1964	298.06	262	313			
1965	589.91	514	619			
1966	1,146.05	988	1,203			
1967	9,156.28	7,812	9,614			
1968	17,103.84	14,428	17,824	135	6.88	20
1969	22,601.41	18,836	23,269	462	7.22	64
1970	23,580.25	19,411	23,980	779	7.56	103
1971	23,320.38	18,945	23,404	1,082	7.92	137
1972	31,273.26	25,058	30,956	1,881	8.29	227
1973	7,754.24	6,125	7,567	575	8.67	66
1974	3,012.80	2,344	2,896	267	9.07	29
1975	1,385.14	1,060	1,309	145	9.48	15
1976	7,730.22	5,819	7,189	928	9.91	94
1977	7,106.57	5,255	6,492	970	10.35	94
1978	9,736.21	7,065	8,728	1,495	10.81	138
1979	14,750.94	10,492	12,962	2,526	11.29	224
1980	12,208.02	8,504	10,506	2,312	11.78	196
1981	22,681.57	15,447	19,083	4,733	12.30	385
1982	40,414.55	26,879	33,206	9,229	12.83	719
1983	36,254.18	23,502	29,034	9,033	13.39	675
1984	38,438.52	24,253	29,961	10,399	13.97	744
1985	60,023.22	36,787	45,446	17,578	14.57	1,206
1986	59,219.38	35,175	43,454	18,726	15.20	1,232
1987	60,108.06	34,529	42,656	20,457	15.85	1,291
1988	46,052.52	25,517	31,523	16,832	16.53	1,018
1989	53,433.55	28,485	35,190	20,915	17.23	1,214
1990	52,110.41	26,641	32,911	21,805	17.96	1,214
1991	47,002.21	22,969	28,375	20,977	18.71	1,121
1992	60,601.84	28,195	34,831	28,801	19.49	1,478
1993	56,757.34	25,030	30,921	28,674	20.30	1,413
1994	44,952.42	18,705	23,108	24,092	21.13	1,140
1995	38,120.29	14,878	18,380	21,646	21.99	984

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 383 HOUSE REGULATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUT. BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 35-S2						
NET SALVAGE PERCENT.. -5						
1996	73,518.97	26,756	33,054	44,141	22.87	1,930
1997	15,577.74	5,249	6,484	9,873	23.77	415
1998	7,306.78	2,260	2,792	4,880	24.69	198
1999	20,842.78	5,859	7,238	14,647	25.63	571
2000	14,561.20	3,679	4,545	10,744	26.58	404
2001	16,926.69	3,784	4,675	13,098	27.55	475
2002	37,688.68	7,317	9,039	30,534	28.53	1,070
2003	322,453.79	53,123	65,627	272,949	29.51	9,249
2004	702,316.91	94,613	116,882	620,551	30.51	20,339
2005	363,882.60	38,208	47,201	334,876	31.50	10,631
2006	400,167.13	30,001	37,062	383,113	32.50	11,788
2007	327,510.66	14,753	18,226	325,660	33.50	9,721
2008	362,515.89	5,443	6,724	373,918	34.50	10,838
	3,575,312.32	831,986	1,027,633	2,726,438		94,870
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					28.7	2.65

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR	ORIGINAL COST	CALCULATED ACCRUED	ALLOC. BOOK RESERVE	FUT. BOOK ACCRUALS	REM. LIFE	ANNUAL ACCRUAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)
SURVIVOR CURVE.. IOWA 32-R4						
NET SALVAGE PERCENT.. 0						
1963	2,133.59	2,088	2,134			
1964	23.63	23	24			
1966	853.94	817	854			
1967	11,372.54	10,794	11,373			
1968	25,835.28	24,308	25,835			
1969	29,185.50	27,224	29,186			
1970	30,862.83	28,520	30,863			
1971	26,563.75	24,314	26,564			
1972	31,295.74	28,360	31,296			
1973	16,730.61	14,994	16,731			
1974	2,093.19	1,854	2,093			
1975	4,921.56	4,300	4,922			
1976	23,214.38	19,978	23,214			
1977	38,969.06	32,976	38,969			
1978	38,006.95	31,546	38,007			
1979	45,568.93	37,011	45,569			
1980	42,616.53	33,799	42,617			
1981	91,352.78	70,597	91,353			
1982	96,095.60	72,254	96,096			
1983	65,948.67	48,143	64,972	977	8.64	113
1984	67,038.24	47,430	64,009	3,029	9.36	324
1985	94,314.04	64,549	87,112	7,202	10.10	713
1986	69,838.87	46,115	62,235	7,604	10.87	700
1987	79,231.51	50,360	67,963	11,269	11.66	966
1988	68,237.33	41,645	56,202	12,035	12.47	965
1989	62,849.90	36,729	49,568	13,282	13.30	999
1990	63,907.44	35,628	48,082	15,825	14.16	1,118
1991	61,188.08	32,430	43,766	17,422	15.04	1,158
1992	85,839.85	43,109	58,178	27,662	15.93	1,736
1993	80,059.74	37,924	51,180	28,880	16.84	1,715
1994	122,269.98	54,373	73,379	48,891	17.77	2,751
1995	95,771.93	39,774	53,677	42,095	18.71	2,250
1996	145,654.87	56,165	75,798	69,857	19.66	3,553
1997	122,097.88	43,418	58,595	63,503	20.62	3,080
1998	129,614.44	42,164	56,903	72,711	21.59	3,368
1999	109,553.26	32,285	43,570	65,983	22.57	2,923
2000	40,904.07	10,803	14,579	26,325	23.55	1,118
2001	20,583.15	4,804	6,483	14,100	24.53	575

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 32-R4						
NET SALVAGE PERCENT.. 0						
2002	92,769.19	18,786	25,353	67,416	25.52	2,642
2003	92,619.49	15,856	21,399	71,220	26.52	2,686
	2,327,988.32	1,268,247	1,640,703	687,288		35,453
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					19.4	1.52

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 385 INDUST MEAS & REG STA EQUIP - OTHER THAN METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 32-01						
NET SALVAGE PERCENT.. -5						
1949	325.52	318	342			
1950	238.80	229	251			
1951	41.15	39	43			
1952	115.82	107	122			
1955	582.41	511	612			
1956	229.03	197	240			
1957	3,024.38	2,555	3,176			
1958	131.90	109	138			
1959	4,925.15	4,000	5,171			
1960	1,344.77	1,070	1,412			
1961	3,778.03	2,944	3,967			
1962	5,059.44	3,860	5,312			
1963	4,608.22	3,440	4,839			
1964	8,296.31	6,057	8,711			
1965	7,222.07	5,154	7,583			
1966	11,572.00	8,069	12,151			
1967	12,214.70	8,316	12,825			
1968	15,978.16	10,617	16,486	291	11.75	25
1969	20,809.39	13,486	20,941	909	12.25	74
1970	42,320.50	26,733	41,511	2,926	12.75	229
1971	66,066.13	40,644	63,112	6,257	13.25	472
1972	9,318.22	5,580	8,665	1,119	13.75	81
1973	20,579.97	11,986	18,612	2,997	14.25	210
1974	8,566.87	4,849	7,530	1,465	14.75	99
1975	5,719.09	3,143	4,880	1,125	15.25	74
1976	1,606.56	857	1,331	356	15.75	23
1977	6,894.21	3,563	5,533	1,706	16.25	105
1978	6,837.30	3,422	5,314	1,865	16.75	111
1980	20,397.51	9,537	14,809	6,608	17.75	372
1981	59,506.82	26,849	41,691	20,791	18.25	1,139
1982	18,028.75	7,839	12,172	6,758	18.75	360
1983	26,385.49	11,038	17,140	10,565	19.25	549
1984	78,771.75	31,662	49,165	33,545	19.75	1,698
1985	20,145.97	7,767	12,061	9,092	20.25	449
1986	32,714.06	12,077	18,753	15,597	20.75	752
1987	222,876.34	78,607	122,062	111,958	21.25	5,269
1988	8,762.56	2,947	4,576	4,625	21.75	213
1989	56,394.33	18,043	28,017	31,197	22.25	1,402

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 385 INDUST MEAS & REG STA EQUIP - OTHER THAN METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 32-01						
NET SALVAGE PERCENT.. -5						
1990	28,849.30	8,757	13,598	16,694	22.75	734
1991	34,755.47	9,977	15,492	21,001	23.25	903
1992	42,206.69	11,425	17,741	26,576	23.75	1,119
1993	40,119.83	10,203	15,843	26,283	24.25	1,084
1994	85,697.87	20,390	31,662	58,321	24.75	2,356
1995	50,966.08	11,286	17,525	35,989	25.25	1,425
1996	162,572.44	33,338	51,768	118,933	25.75	4,619
1997	106,436.90	20,083	31,185	80,574	26.25	3,069
1998	18,922.21	3,260	5,062	14,806	26.75	553
1999	50,685.20	7,898	12,264	40,955	27.25	1,503
2000	84,510.06	11,784	18,298	70,438	27.75	2,538
2001	70,442.38	8,669	13,461	60,503	28.25	2,142
2002	122,888.15	13,110	20,357	108,676	28.75	3,780
2003	54,027.67	4,873	7,567	49,162	29.25	1,681
2004	130,494.34	9,632	14,957	122,062	29.75	4,103
2005	683,582.86	39,262	60,967	656,795	30.25	21,712
2006	13,731.52	564	876	13,542	30.75	440
2007	62,815.48	1,543	2,396	63,560	31.25	2,034
2008	61,102.43	500	776	63,382	31.75	1,996
	2,717,196.56	604,775	933,051	1,920,004		71,497
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					26.9	2.63

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 387 OTHER EQUIPMENT - ODORIZATION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-R2.5						
NET SALVAGE PERCENT.. -5						
1968	823.13	810	1,067-	1,931	1.57	1,230
1969	5,441.34	5,302	6,984-	12,697	1.80	7,054
1970	9,724.53	9,386	12,365-	22,576	2.02	11,176
1971	1,906.94	1,823	2,401-	4,403	2.24	1,966
1987	10,999.06	7,950	10,473-	22,022	7.79	2,827
	28,895.00	25,271	33,290-	63,629		24,253
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					2.6	83.93

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 387.4 OTHER EQUIPMENT - CUSTOMER INFO SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2						
NET SALVAGE PERCENT.. -5						
1952	2,546.98	2,674	2,674			
1953	180.96	189	190			
1954	2,379.47	2,473	2,498			
1955	229.11	236	241			
1956	1,576.78	1,610	1,656			
1958	2,603.11	2,608	2,733			
1959	69.00	68	72			
1960	2,366.02	2,324	2,484			
1961	6,857.83	6,666	7,201			
1962	5,834.48	5,612	6,126			
1963	788.57	750	828			
1965	3,941.50	3,671	4,139			
1967	5,185.43	4,722	5,445			
1968	1,930.26	1,737	2,027			
1969	17,844.31	15,864	18,737			
1970	5,667.91	4,975	5,951			
1971	7,880.69	6,824	8,275			
1972	2,479.14	2,116	2,603			
1973	18,955.35	15,942	19,627	276	5.97	46
1974	10,221.05	8,457	10,412	320	6.36	50
1975	3,592.54	2,923	3,599	173	6.75	26
1976	4,877.14	3,897	4,798	323	7.17	45
1977	2,275.08	1,783	2,195	194	7.61	25
1978	10,546.65	8,098	9,970	1,104	8.06	137
1979	6,429.09	4,829	5,945	806	8.54	94
1980	21,305.14	15,637	19,252	3,118	9.03	345
1981	25,113.08	17,976	22,132	4,237	9.55	444
1982	13,331.68	9,291	11,439	2,559	10.09	254
1983	8,015.93	5,431	6,687	1,730	10.64	163
1984	4,716.43	3,102	3,819	1,133	11.21	101
1985	58,185.04	37,041	45,604	15,490	11.81	1,312
1986	40,325.42	24,812	30,548	11,794	12.42	950
1987	46,822.78	27,778	34,200	14,964	13.05	1,147
1988	100,099.14	57,145	70,355	34,749	13.69	2,538
1989	103,392.04	56,593	69,676	38,886	14.36	2,708
1990	86,849.38	45,477	55,990	35,202	15.04	2,341
1991	52,805.10	26,375	32,472	22,973	15.73	1,460
1992	129,101.06	61,271	75,435	60,121	16.44	3,657

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 387.4 OTHER EQUIPMENT - CUSTOMER INFO SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R2						
NET SALVAGE PERCENT.. -5						
1993	69,120.15	31,041	38,217	34,359	17.17	2,001
1994	278,640.28	117,907	145,164	147,408	17.91	8,230
1995	25,291.14	10,038	12,359	14,197	18.66	761
1996	100,925.98	37,334	45,965	60,007	19.43	3,088
1998	146,116.94	46,027	56,667	96,756	21.00	4,607
1999	302,152.73	86,612	106,635	210,625	21.81	9,657
2000	93,514.64	24,125	29,702	68,488	22.63	3,026
2001	2,937.84	672	827	2,258	23.46	96
2002	602,076.98	120,114	147,881	484,300	24.30	19,930
2003	347,055.45	58,925	72,547	291,861	25.15	11,605
2004	319,462.01	44,613	54,927	280,508	26.01	10,785
2005	41,815.86	4,566	5,621	38,286	26.88	1,424
2006	48,113.24	3,774	4,647	45,872	27.76	1,652
2007	30,228.82	1,428	1,758	29,982	28.65	1,046
	3,224,772.73	1,086,153	1,330,952	2,055,059		95,751
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.5	2.97

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1989	21,896.13	21,349	21,292	604	0.50	604
1990	23,043.47	21,315	21,258	1,785	1.50	1,190
1991	16,870.54	14,762	14,723	2,148	2.50	859
1992	27,716.75	22,866	22,805	4,912	3.50	1,403
1993	34,703.71	26,895	26,824	7,880	4.50	1,751
1994	899,302.74	651,994	650,265	249,038	5.50	45,280
1996	107,768.25	67,355	67,176	40,592	7.50	5,412
1997	4,658.70	2,679	2,672	1,987	8.50	234
1998	23,170.37	12,164	12,132	11,038	9.50	1,162
1999	19,222.76	9,131	9,107	10,116	10.50	963
2000	11,837.49	5,031	5,018	6,819	11.50	593
2001	1,551.84	582	580	972	12.50	78
2002	21,787.36	7,081	7,062	14,725	13.50	1,091
	1,213,530.11	863,204	860,914	352,616		60,620
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					5.8	5.00

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 391 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE NET SALVAGE PERCENT.. 0						
1994	241.04	233	229	12	0.50	12
2005	13,574.97	3,167	3,116	10,459	11.50	909
	13,816.01	3,400	3,345	10,471		921
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					11.4	6.67

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 391 OFFICE FURNITURE AND EQUIP. - INFO. SYSTEMS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FULLY AMORTIZED						
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
1995	1,590.00	1,590	1,590			
1999	15,668.23	15,668	15,668			
	17,258.23	17,258	17,258			
AMORTIZED						
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2004	120,495.22	108,446	99,758	20,737	0.50	20,737
2005	84,840.81	59,389	54,632	30,209	1.50	20,139
2006	6,847.62	3,424	3,150	3,698	2.50	1,479
2008	40,271.94	4,027	3,704	36,568	4.50	8,126
	252,455.59	175,286	161,244	91,212		50,481
	269,713.82	192,544	178,502	91,212		50,481
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					1.8	18.72

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 392 TRANSPORTATION EQUIPMENT - TRAILERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-S3						
NET SALVAGE PERCENT.. 0						
1989	498.75	348	365	134	7.56	18
1990	1,450.00	976	1,023	427	8.17	52
1991	1,450.00	938	983	467	8.82	53
1994	16,271.69	9,073	9,508	6,764	11.06	612
1995	8,336.24	4,372	4,582	3,754	11.89	316
1996	20,764.09	10,166	10,653	10,111	12.76	792
1998	11,096.60	4,616	4,837	6,260	14.60	429
2002	11,392.00	2,962	3,104	8,288	18.50	448
2004	45,359.00	8,165	8,557	36,802	20.50	1,795
	116,618.37	41,616	43,612	73,007		4,515
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					16.2	3.87

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1984	54,229.23	53,145	52,864	1,365	0.50	1,365
1985	26,754.76	25,149	25,016	1,739	1.50	1,159
1986	85,834.76	77,251	76,842	8,993	2.50	3,597
1987	32,470.00	27,924	27,776	4,694	3.50	1,341
1988	60,621.62	49,710	49,447	11,175	4.50	2,483
1989	76,216.72	59,449	59,135	17,082	5.50	3,106
1990	57,878.76	42,830	42,603	15,276	6.50	2,350
1991	36,672.60	25,671	25,535	11,138	7.50	1,485
1992	52,486.66	34,641	34,458	18,029	8.50	2,121
1993	148,848.49	92,286	91,798	57,050	9.50	6,005
1994	208,710.04	121,052	120,412	88,298	10.50	8,409
1995	36,384.84	19,648	19,544	16,841	11.50	1,464
1996	187,442.53	93,721	93,225	94,218	12.50	7,537
1997	74,023.87	34,051	33,871	40,153	13.50	2,974
1998	142,623.01	59,902	59,585	83,038	14.50	5,727
1999	26,525.45	10,080	10,027	16,498	15.50	1,064
2000	55,442.14	18,850	18,750	36,692	16.50	2,224
2001	57,333.67	17,200	17,109	40,225	17.50	2,299
2002	213,892.58	55,612	55,317	158,576	18.50	8,572
2003	19,351.62	4,257	4,235	15,117	19.50	775
2004	87,815.91	15,807	15,723	72,093	20.50	3,517
2006	21,390.02	2,139	2,128	19,262	22.50	856
2007	16,405.23	984	979	15,426	23.50	656
2008	195,331.69	3,907	3,886	191,446	24.50	7,814
	1,974,686.20	945,266	940,265	1,034,424		78,900

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 13.1 4.00

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 394 TOOLS, SHOP AND GARAGE EQUIP - CNG FACILITIES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 12-S3						
NET SALVAGE PERCENT.. 0						
1993	10,054.56	8,941	6,754	3,301	1.33	2,482
1995	198,792.44	167,980	126,882	71,910	1.86	38,661
1997	121,461.07	95,444	72,093	49,368	2.57	19,209
2000	5,000.00	3,263	2,465	2,535	4.17	608
	335,308.07	275,628	208,194	127,114		60,960
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					2.1	18.18

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 395 LABORATORY EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1990	526.18	487	487	39	1.50	26
1993	524.03	406	406	118	4.50	26
1997	5,095.72	2,930	2,931	2,165	8.50	255
2004	4,162.05	936	936	3,226	15.50	208
	10,307.98	4,759	4,760	5,548		515
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					10.8	5.00

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 396 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-S1.5						
NET SALVAGE PERCENT.. +25						
1978	50,219.82	37,665	66,229	28,564-		
1979	6,225.00	4,628	8,138	3,469-		
1980	4,259.37	3,109	5,467	2,272-		
1981	8,278.27	5,940	10,445	4,236-		
1982	1,307.70	921	1,619	638-		
1983	25,842.03	17,883	31,445	12,063-		
1984	21,132.71	14,360	25,250	9,400-		
1985	23,235.94	15,487	27,232	9,805-		
1988	19,352.82	12,124	21,319	6,804-		
1989	4,619.03	2,824	4,966	1,502-		
1990	22,105.78	13,186	23,186	6,607-		
1991	14,584.95	8,459	14,874	3,935-		
1994	65,067.37	34,126	60,006	11,205-		
1995	3,073.01	1,546	2,718	413-		
1996	198,963.57	95,503	167,931	18,708-		
2002	83,056.36	24,543	43,156	19,136		
2004	102,490.64	21,930	38,561	38,307		
	653,814.37	314,234	552,542	62,178-		
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					0.0	0.00

1/29/09

COLUMBIA GAS OF KENTUCKY, INC.

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2008

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FULLY AMORTIZED						
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1993	3,290.19	3,290	3,290			
AMORTIZED						
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1994	9,984.76	9,652	9,495	490	0.50	490
1996	16,655.95	13,879	13,653	3,003	2.50	1,201
1997	5,543.77	4,250	4,181	1,363	3.50	389
1999	17,422.15	11,033	10,854	6,568	5.50	1,194
2000	18,730.48	10,615	10,442	8,288	6.50	1,275
2001	5,796.64	2,898	2,851	2,946	7.50	393
2005	1,508.23	352	346	1,162	11.50	101
	75,641.98	52,679	51,822	23,820		5,043
	78,932.17	55,969	55,112	23,820		5,043
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.7	6.39

COLUMBIA GAS OF KENTUCKY, INC.

ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2008

Depreciable Group (1)	Survivor Curve (2)	Net Salvage (3)	Original Cost at December 31, 2008 (4)	Book Reserve (5)	Future Book Accruals (6)	Calculated Annual Accrual		Composite Remaining Life (9)=(6)/(7)
						Amount (7)	Rate (8)=(7)/(4)	
DEPRECIABLE PLANT								
DISTRIBUTION PLANT								
	Land and Land Rights							
374.4	Land Rights	70-R2.5	0	555,084.60	124,496	430,593	7,892	1.42
374.5	Rights-of-Way	75-S4	0	2,668,348.92	673,713	1,994,633	32,647	1.22
	Total Account 374			3,223,433.52	798,209	2,425,226	40,539	1.26
	Structures and Improvements							
375.34	Measuring and Regulating	47-S0.5	(10)	732,654.88	371,756	434,163	13,708	1.87
375.7	Other Distribution System	Square *	0	7,000,103.15	2,055,492	4,944,610	140,379	2.01
	Other Buildings	34-S1.5	0	179,280.37	65,815	113,467	5,157	2.88
	Distribution System Structures			7,179,383.52	2,121,307	5,058,077	145,536	2.03
	Total Account 375.70			7,179,383.52	2,121,307	5,058,077	145,536	2.03
375.8	Communication Structures	30-R3	0	33,260.58	25,786	7,475	690	2.07
	Total Account 375			7,945,298.98	2,518,849	5,499,715	159,934	2.01
376	Mains							
	Cast Iron	68-R1.5 *	(15)	287,300.46	285,212	45,183	2,782	0.97
	Bare Steel	68-R1.5 *	(15)	18,226,235.82	17,608,856	3,351,314	201,192	1.10
	Coated Steel	68-R1.5	(15)	38,761,932.46	10,282,203	34,294,014	620,927	1.60
	Plastic	68-R1.5	(15)	79,314,158.63	17,667,276	73,544,007	1,283,800	1.62
	Total Account 376			136,589,627.37	45,843,547	111,234,518	2,108,701	1.54
378	Meas and Reg Sta. Equip. - General	38-S0	(10)	4,838,300.25	2,513,586	2,808,543	102,706	2.12
379.1	Meas and Reg Sta. Equip. - City Gate	27-S1	(10)	257,908.74	261,813	21,886	1,951	0.76
380	Services	39-R1.5	(60)	80,363,819.98	51,026,459	77,555,649	2,520,344	3.14
381	Meters	37-R1.5	0	11,782,894.09	4,064,067	7,718,829	314,264	2.67
382	Meter Installations	37-S2	(10)	7,818,665.10	3,356,529	5,244,006	222,502	2.85
383	House Regulators	35-S2	(5)	3,575,312.32	1,027,633	2,726,438	94,870	2.65
384	House Regulator Installations	32-R4	0	2,327,988.32	1,640,703	687,288	35,453	1.52
385	Industrial Meas and Reg Equipment	32-O1	(5)	2,717,196.56	933,051	1,920,004	71,497	2.63
	Other Equipment							
387.2	Odorization	25-R2.5	(5)	28,895.00	(33,290)	63,629	24,253	83.93
387.4	Customer Information Services	30-R2	(5)	3,224,772.73	1,330,952	2,055,059	95,751	2.97
	Total Account 387			3,253,667.73	1,297,662	2,118,688	120,004	3.69
TOTAL DISTRIBUTION PLANT				264,694,112.96	115,282,108	219,960,790	5,792,765	2.19

COLUMBIA GAS OF KENTUCKY, INC.

ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2008

Depreciable Group (1)	Survivor Curve (2)	Net Salvage (3)	Original Cost at December 31, 2008 (4)	Book Reserve (5)	Future Book Accruals (6)	Calculated Annual Accrual		Composite Remaining Life (9)=(6)/(7)	
						Amount (7)	Rate (8)=(7)/(4)		
GENERAL PLANT									
Office Furniture and Equipment									
391.1	Furniture	20-SQ	0	1,213,530.11	860,914	352,616	60,620	5.00	5.8
391.11	Equipment	15-SQ	0	13,816.01	3,345	10,471	921	6.67	11.4
Information Systems									
391.12	Fully Amortized	5-SQ	0	17,258.23	17,258	0	0	-	-
	Amortized	5-SQ	0	252,455.59	161,244	91,212	50,481	20.00	1.8
				269,713.82	178,502	91,212	50,481	18.72	
	<i>Total Account 391</i>			1,497,059.94	1,042,761	454,299	112,022	7.48	
392.2	Transportation Equipment - Trailers	25-S3	0	116,618.37	43,612	73,007	4,515	3.87	16.2
Tools, Shop and Garage Equipment									
394	Equipment	25-SQ	0	1,974,686.20	940,265	1,034,424	78,900	4.00	13.1
394.11	CNG Facilities	12-S3	0	335,308.07	208,194	127,114	60,960	18.18	2.1
	<i>Total Account 394</i>			2,309,994.27	1,148,459	1,161,538	139,860	6.05	
395	Laboratory Equipment	20-SQ	0	10,307.98	4,760	5,548	515	5.00	10.8
396	Power Operated Equipment	15-S1.5	25	653,814.37	552,542	(62,178)	0	-	-
398	Miscellaneous Equipment								
	Fully Amortized	15-SQ	0	3,290.19	3,290	0	0	-	-
	Amortized	15-SQ	0	75,641.98	51,822	23,820	5,043	6.67	4.7
				78,932.17	55,112	23,820	5,043	6.39	
TOTAL GENERAL PLANT				4,587,794.93	2,847,246	1,632,214	256,912	5.60	
TOTAL DEPRECIABLE PLANT				269,281,907.89	118,129,354	221,593,004	6,049,677	2.25	
UNRECOVERED RESERVE TO BE AMORTIZED									
391.1	Furniture				(273,190)		54,638	**	
391.11	Equipment				(27,738)		5,548	**	
391.12	Information Systems				82,488		(16,498)	**	
394	Equipment				46,701		(9,340)	**	
395	Laboratory Equipment				(65)		13	**	
398	Miscellaneous Equipment				(15,977)		3,195	**	
TOTAL UNRECOVERED RESERVE TO BE AMORTIZED					(187,781)		37,556		

COLUMBIA GAS OF KENTUCKY, INC.

ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2008

Depreciable Group (1)	Survivor Curve (2)	Net Salvage (3)	Original Cost at December 31, 2008 (4)	Book Reserve (5)	Future Book Accruals (6)	Calculated Annual Accrual		Composite Remaining Life (9)=(6)/(7)
						Amount (7)	Rate (8)=(7)/(4)	
AMORTIZABLE PLANT								
303	Misc. Intangible Plant		1,449,998.49	866,483				
TOTAL AMORTIZABLE PLANT			1,449,998.49	866,483				
NONDEPRECIABLE PLANT								
301	Organization		521.20					
304	Land		7,678.39					
374.1	Land		206.00					
374.2	Land		873,471.06					
TOTAL NONDEPRECIABLE PLANT			881,876.65					
OTHER PLANT								
393	Stores Equipment			833				
TOTAL OTHER PLANT				833				
TOTAL GAS PLANT			271,613,783.03	118,808,889	221,593,004	6,087,233		

- * Indicates the use of an interim survivor curve. Each asset class has a probable retirement date.
- ** 5-Year amortization of unrecovered reserve related to implementation of amortization accounting.

PSC Case No. 2009-00141
AG DR Set 1-118
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 118:

If applicable, please calculate all depreciation rates using the same weighting procedure used in the current depreciation rates, i.e., the same procedure used the last time depreciation rates were calculated.

Response:

The spreadsheet in response to AG DR Set 1-117 sets forth the same weighting procedure used in the current depreciation rates with the proposed life and salvage estimates.

PSC Case No. 2009-00141
AG DR Set 1-119
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 119:

Please provide the proposed depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.

Response:

The attached spreadsheet, labeled Attachment A AG-119-CGK 08e1g-RateBrkDown, sets forth the proposed depreciation rates split into the three components.

COLUMBIA GAS OF KENTUCKY, INC.

ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RATES BY COMPONENT RELATED TO GAS PLANT AS OF DECEMBER 31, 2008

Depreciable Group (1)	Survivor Curve (2)	Net Salvage (3)	Original Cost at December 31, 2008 (4)	Book Reserve (5)	Future Book Accruals (6)	Calculated Annual Accrual		Capital Recovery Annual Accrual Rate (9)	Cost of Removal Annual Accrual Rate (10)	Gross Salvage Annual Accrual Rate (11)
						Amount (7)	Rate (8)=(7)/(4)			
DEPRECIABLE PLANT										
DISTRIBUTION PLANT										
374.4	Land and Land Rights	70-R2.5	555,084.60	124,496	430,593	9,457	1.70	1.70	0.00	0.00
	Land Rights									
374.5	Rights-of-Way	75-S4	2,668,348.92	673,713	1,994,633	34,116	1.28	1.28	0.00	0.00
	<i>Total Account 374</i>		3,223,433.52	798,209	2,425,226	43,573	1.35			
375.34	Structures and Improvements	47-S0.5	732,654.88	371,756	434,163	17,783	2.43	2.07	0.36	0.00
	Measuring and Regulating									
375.7	Other Distribution System	Square	7,000,103.15	2,047,444	4,952,658	140,609	2.01	2.01	0.00	0.00
	Other Buildings									
	Distribution System Structures	34-S1.5	179,280.37	73,863	105,419	5,312	2.96	2.96	0.00	0.00
	<i>Total Account 375.70</i>		7,179,383.52	2,121,307	5,058,077	145,921	2.03			
375.8	Communication Structures	30-R3	33,260.58	25,786	7,475	800	2.41	2.41	0.00	0.00
	<i>Total Account 375</i>		7,945,298.98	2,518,849	5,499,715	164,504	2.07			
376	Mains	68-R1.5	287,300.46	227,689	102,706	4,940	1.72	1.49	0.31	(0.08)
	Cast Iron									
	Bare Steel	68-R1.5	18,226,235.82	13,889,593	7,070,577	327,623	1.80	1.54	0.34	(0.08)
	Coated Steel	68-R1.5	38,761,932.46	11,540,092	33,036,125	792,889	2.05	1.78	0.37	(0.10)
	Plastic	68-R1.5	79,314,158.63	20,186,173	71,025,110	1,709,265	2.16	1.89	0.38	(0.11)
	<i>Total Account 376</i>		136,589,627.37	45,843,547	111,234,518	2,834,717	2.08			
378	Meas and Reg Sta. Equip. - General	38-S0	4,838,300.25	2,513,586	2,808,543	138,181	2.86	2.63	0.30	(0.07)
379.1	Meas and Reg Sta. Equip. - City Gate	27-S1	257,908.74	261,813	21,886	2,258	0.88	0.76	0.15	(0.03)
380	Services	39-R1.5	80,363,819.98	51,026,459	77,555,649	3,361,836	4.18	3.01	1.17	0.00
381	Meters	37-R1.5	11,782,894.09	4,064,067	7,718,829	407,451	3.46	3.46	0.00	0.00
382	Meter Installations	37-S2	7,818,665.10	3,356,529	5,244,006	260,523	3.33	2.96	0.37	(0.03)
383	House Regulators	35-S2	3,575,312.32	1,027,633	2,726,438	109,967	3.08	2.83	0.28	0.00
384	House Regulator Installations	32-R4	2,327,988.32	1,640,703	687,288	38,499	1.65	1.65	0.00	0.00
385	Industrial Meas and Reg Equipment	32-O1	2,717,196.56	933,051	1,920,004	112,933	4.16	3.90	0.30	(0.04)
387.2	Other Equipment	25-R2.5	28,895.00	(33,290)	63,629	25,369	87.80	85.87	2.04	(0.11)
	Odorization									
387.4	Customer Information Services	30-R2	3,224,772.73	1,330,952	2,055,059	118,794	3.68	3.45	0.23	0.00
	<i>Total Account 387</i>		3,253,667.73	1,297,662	2,118,688	144,163	4.43			
TOTAL DISTRIBUTION PLANT			264,694,112.96	115,282,108	219,960,790	7,618,605	2.88			
GENERAL PLANT										
391.1	Office Furniture and Equipment	20-SQ	1,213,530.11	860,914	352,616	60,620	5.00	5.00	0.00	0.00
391.11	Furniture									
	Equipment	15-SQ	13,816.01	3,345	10,471	921	6.67	6.67	0.00	0.00
391.12	Information Systems									
	Fully Amortized		17,258.23	17,258	0	0	-	-	-	-
	Amortized	5-SQ	252,455.59	161,244	91,212	50,481	20.00	20.00	0.00	0.00
	<i>Total Account 391</i>		269,713.82	178,502	91,212	50,481	18.72			
392.2	Transportation Equipment - Trailers	25-S3	116,618.37	43,612	73,007	5,004	4.29	4.29	0.00	0.00
394	Tools, Shop and Garage Equipment	25-SQ	1,974,686.20	940,265	1,034,424	78,900	4.00	4.00	0.00	0.00
394.11	Equipment									
	CNG Facilities	12-S3	335,308.07	208,194	127,114	67,017	19.99	19.99	0.00	0.00
	<i>Total Account 394</i>		2,309,994.27	1,148,459	1,161,538	145,917	6.32			
395	Laboratory Equipment	20-SQ	10,307.98	4,760	5,548	515	5.00	5.00	0.00	0.00

COLUMBIA GAS OF KENTUCKY, INC.

ESTIMATED SURVIVOR CURVES, NET SALVAGE, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RATES BY COMPONENT RELATED TO GAS PLANT AS OF DECEMBER 31, 2008

Depreciable Group (1)	Survivor Curve (2)	Net Salvage (3)	Original Cost at December 31, 2008 (4)	Book Reserve (5)	Future Book Accruals (6)	Calculated Annual Accrual		Capital Recovery Annual Accrual Rate (9)	Cost of Removal Annual Accrual Rate (10)	Gross Salvage Annual Accrual Rate (11)
						Amount (7)	Rate (8)=(7)/(4)			
396	Power Operated Equipment	15-S1.5	25	653,814.37	552,542	(62,178)	0	-	-	-
398	Miscellaneous Equipment Fully Amortized Amortized Total Account 398	15-SQ	0	3,290.19 <u>75,641.98</u> 78,932.17	3,290 <u>51,822</u> 55,112	0 <u>23,820</u> 23,820	0 <u>5,043</u> 5,043	- 6.67 6.39	- 6.67 0.00	- 0.00 0.00
TOTAL GENERAL PLANT				4,666,727.10	2,847,246	1,656,034	268,501	5.75		
TOTAL DEPRECIABLE PLANT				269,360,840.06	118,129,354	221,616,824	7,887,106	2.93		
UNRECOVERED RESERVE TO BE AMORTIZED										
391.1	Furniture			(273,190)			54,638	**		
391.11	Equipment			(27,738)			5,548	**		
391.12	Information Systems			82,488			(16,498)	**		
394	Equipment			46,701			(9,340)	**		
395	Laboratory Equipment			(65)			13	**		
398	Miscellaneous Equipment			<u>(15,977)</u>			<u>3,195</u>	**		
TOTAL UNRECOVERED RESERVE TO BE AMORTIZED					(187,781)		37,556			
AMORTIZABLE PLANT										
303	Misc. Intangible Plant			<u>1,449,998.49</u>	<u>866,483</u>					
TOTAL AMORTIZABLE PLANT					1,449,998.49	866,483				
NONDEPRECIABLE PLANT										
301	Organization			521.20						
304	Land			7,678.39						
374.1	Land			206.00						
374.2	Land			<u>873,471.06</u>						
TOTAL NONDEPRECIABLE PLANT					881,876.65					
OTHER PLANT										
393	Stores Equipment				<u>833</u>					
TOTAL OTHER PLANT					833					
TOTAL GAS PLANT					<u>271,692,715.20</u>	<u>118,808,889</u>	<u>221,616,824</u>	<u>7,924,662</u>		

* Indicates the use of an interim survivor curve. Each asset class has a probable retirement date.
** 5-Year amortization of unrecovered reserve related to implementation of amortization accounting.

PSC Case No. 2009-00141
AG DR Set 1-120
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 120:

If not provided elsewhere, please provide all remaining life calculations resulting from the depreciation study both in hard copy and in electronic format with all formulae intact.

Response:

The remaining life calculations resulting from the Depreciation Study are set forth on pages III-133 through III-175. The electronic format is available in .txt format as part of the response to AG-1-105.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 121:

Were the Columbia related amounts of the regulatory liability for cost of removal reported in NiSource's December 31, 2008 Form 10-K included in the depreciation reserves used by Mr. Spanos to calculate depreciation rates in this case? In other words, do the reserve amounts shown on pages III-4 through III-6 of the depreciation study include the monies collected from ratepayers for future cost of removal? If not, explain why not and provide the total reserve amounts by account.

Response:

The regulatory liability for cost of removal reported in NiSource's December 31, 2008 Form 10-K were reported for financial reporting purposes only and does not apply to the depreciation calculation or regulatory reporting. The depreciation reserves utilized by Mr. Spanos did not reflect any reclassification for cost of removal from the accumulated reserve to a regulatory liability.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 122:

Please provide electronic copies (Excel) of Schedules B-3, B-3.2 and D-2.6 and all supporting workpapers, with all formulae intact. For each Schedule, show how the amounts were calculated, including the depreciation rate applied and the applicable plant balances. Provide a source for all depreciation rates used in the calculations.

Response:

Please see the attached files on compact disk for electronic Schedules of B-3, B-3.2 and D-2.6. The calculated annual depreciation accrual rates and annual depreciation expense amounts come from Company witness Mr. Spanos' depreciation study (see AG Set 1-122 Attachment A). Total plant investment amounts and reserve balances are per the Company's plant accounting records.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 123:

If not provided elsewhere, please provide on diskette or CD all workpapers supporting terminal net salvage (decommissioning) estimates for each account for which terminal net salvage is a factor. Please include all calculations in electronic format (Excel), with all formulae intact.

Response:

There is no terminal net salvage estimate incorporated in the Depreciation Study performed by Mr. Spanos for Columbia Gas of Kentucky, Inc.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 124:

Refer to each net salvage study in the depreciation study. For each of the five years ending 2008 explain whether gross salvage and cost of removal were normal or abnormal and why. This question pertains to Columbia's perception as to the normalcy of the amounts in question.

Response:

For each plant account, the net salvage analyses over the most recent 5 years ending 2008 in the Depreciation Study, sets forth entries viewed to be normal. However, the level of cost of removal or gross salvage as a percentage of retirement over the past five years may not be exactly the same in the future.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 125:

Please explain, and provide examples of the Company's retirement unit cost procedures for each account. Identify all changes to retirement unit costs which have occurred over the years.

Response:

Depending on the type of property to be retired, the Company prices retirements at either an average unit cost based on the historical vintage year, specific identification of individual units of property, or retires entire years of plant based on the amortization of property.

Retirement average unit costs are developed based on charges to construction job orders such as labor, accounts payable, material, construction contracts, overheads, etc. As individual job orders are placed in service and transferred (unitized) from Construction Work in Progress (GL 107) to Gas Plant in Service (GL 101), a mechanical allocation of project costs occurs which allows for the development of units costs.

For example:

Construction Project A

200' 2" plastic pipe	\$200
Internal labor	\$700
Contract	\$3,500
Accounts payable	\$500
Overheads	<u>\$400</u>
Total	\$5,300

Unitized to Plant in Service

Material	\$200
Other costs	<u>\$5100</u>
Total	\$5,300

Retirement unit cost (200’/\$5300)

\$26 per foot installed

The file listed below details retirement costing by individual gas plant accounts:

GPA Account	Retirement Procedure
30100 Organization Costs	Amortized
30300 Intangible Plant	Amortized
30400 Land	Specific Identification
37400 Land	Specific Identification
37500 Structures	Specific Identification
37500 Structures, Leased	Amortized
37600 Mains	Average Unit Cost
37800 Measurement & Regulation	Specific Identification
37900 Measurement & Regulation	Specific Identification
38000 Services	Average Unit Cost
38100 Meters	Average Unit Cost
38200 Meter Installations	Average Unit Cost
38300 House Regulators	Average Unit Cost
38400 House Regulator Installation	Average Unit Cost
38500 Industrial Measuring	Specific Identification
38700 Communications	Specific Identification
39100 Office Equipment	Amortized
39200 Trailers	Specific Identification
39300 Stores Equipment	Amortized
39400 Tools	Amortized
39500 Laboratory Equipment	Amortized
39600 Power Operated Equipment	Specific Identification
39800 Miscellaneous Equipment	Amortized

Columbia objects to the request to “Identify all changes to retirement unit costs which have occurred over the years” because the question is vague and overbroad. Without waiving its objection, Columbia states that in 1997, it adopted the policy of amortizing General Plant equipment (i.e., office equipment, hand tools, etc.), rather than specifically identifying these individual units of property for retirement purposes.

PSC Case No. 2009-00141
AG DR Set 1-126
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 126:

Were any retirements, classified as sales or reimbursements, excluded from the life studies? If yes, were the retirements and related gross salvage and cost of removal also excluded from the net salvage studies?

Response:

There were no retirements classified as sales or reimbursements included from the depreciation study.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 127:

Please explain the Company's procedures for gross salvage and cost of removal for each plant account. Also, please explain how cost of removal relating to replacements is allocated between cost of removal and new additions. Provide copies of actual source documents showing this allocation.

Response:

Salvage and/or cost of removal amounts are recorded to individual retirement job orders issued for a specific retirement activity. Each job order is coded by an activity number that relates to the type of plant being removed (i.e., mains, services, regulation, structures, etc.). In addition, each job order, based on the activity number, is assigned to a 300 series plant account. This ensures cost of removal and salvage are properly recorded to the appropriate plant account. For instance:

<u>Activity No.</u>	<u>Retirement Project</u>	<u>Plant Account</u>
00558	Mains Replacement	376.00
00566	Service Replacement	380.00
00584	Regulation Replacement	378.00
00588	Measurement Replacement	385.00

Other than for less than three inch service line replacements, there is no cost allocation between cost of removal and new additions. For each replacement project, the Company issues a construction and corresponding retirement job order which allows costs to be assigned directly to the appropriate construction/retirement activity.

For less than three inch service lines, which are recorded on a series of repetitive blanket job orders, on a monthly basis, Columbia transfers one hour of labor from the construction blanket job order, to the retirement blanket job order, for each service line of this type being replaced.

Please see the attachment labeled AG DR Set 1- 127 Attachment A, for source documents detailing cost assignments.

Construction

Work Order Number:
00557.WP1840.2621

Jurce
Columbia Distribution Companies
Project - 8519: Work In Progress Ledger
As of: 6/9/2009

Gen	Activity	Facility	Loc	Gpa	Tax Dist	Map No	
107	00557	WP1840	2621	37600		6716204D	
	WO	WO			WO	Reimbursable	Approved Amount
	Initiation Date	In Service Date	Cmpl Rpt Dt	Close Date	None		\$209,040.00
	10/16/2006	8/24/2007	2007/10/10	3/5/2008			
				Notes			

Description
Insert 273' 3"PI : Kirkleving : Lex

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
			0001			0		(\$4,997.68)
200709	A/A-03-003	Closing To Property, Plant, Eqpt	0001			0		(\$8,202.16)
200710	A/A-03-003	Closing To Property, Plant, Eqpt	0001			0		(\$1,461.04)
200712	A/A-03-003	Closing To Property, Plant, Eqpt	0001			0		(\$532.47)
200802	A/A-02-003	Closing To Property, Plant, Eqpt	0001			0		(\$15,193.35)
Total for cost element 0001 Closing To Property, Plant, Eqpt								
			0090			0		\$487.62
200708	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$124.99
200709	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$1,007.28
200710	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$26.84
200712	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$1,242.20
200712	A/A-02-010	Construction Overheads (S&E) {Plus	0090			0		\$74.43
200802	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$74.43
Total for cost element 0090 Construction Overheads (S&E) {Plus								\$2,963.36
			0091			0		\$9.31
200708	A/A-02-001	Allowance For Funds Used During Co	0091			0		\$0.30
200712	A/A-02-001	Allowance For Funds Used During Co	0091			0		\$0.30
Total for cost element 0091 Allowance For Funds Used During Co								\$9.61
			1010	2621	20013	61.08	34.58	\$2,112.17
200708	LAB-01-001	Stanley Sorrell WM06026184000	1010	2621	20013	1.67	34.92	\$58.32
200709	LAB-01-001	Stanley Sorrell WM06026184000	1010	2621	20013	1.67	34.92	\$58.32
200710	LAB-01-001	Ricky Johnson WM07704531600	1010	1816	20102	0.48	31.77	\$15.25
Total for cost element 1010 Labor								\$2,185.74
			1020	2621	20013	0		\$717.22
200708	LAB-01-001	Stanley Sorrell WM06026184000	1020	2621	20013	0		\$717.22
200709	LAB-01-001	Stanley Sorrell WM06026184000	1020	2621	20013	0		\$19.81

...Source
Columbia Distribution Companies
Project - 8519: Work In Progress Ledger
As of: 6/9/2009

Work Order Number:
 00557.WP1840.2621

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
			1020	1816	20102	0		\$5.17
200710	LAB-01-001	Ricky Johnson WM07704531600						\$742.20
Total for cost element 1020 Labor Overhead								
			2020			1	556.07	\$556.07
200709	M&S-01-001	4225110 4 Tee Shortstop 3w 2 07702253400	2020			1	33.71	\$33.71
200709	M&S-01-001	1715169 4 Ell 90 Lr 188w Wpb 07702253400	2020			-1	42.44	(\$42.44)
200709	M&S-01-001	4231217 17# Anode Hi-Potenta 07702253400	2020			1	33.71	\$33.71
200709	M&S-01-001	1715169 4 Ell 90 Lr 188w Wpb 07702253400	2020			-1	52.56	(\$52.56)
200709	M&S-01-001	43202353 3ipsx2ips Ef Tap Tee 07702253400	2020			1	52.56	\$52.56
200709	M&S-01-001	43202353 3ipsx2ips Ef Tap Tee 07702253400	2020			-1	39.36	(\$39.36)
200709	M&S-01-001	4328081 4trnfit S-P We Stdxd 07702253400	2020			1	39.36	\$39.36
200709	M&S-01-001	4328081 4trnfit S-P We Stdxd 07702253400	2020			-1	556.07	(\$556.07)
200709	M&S-01-001	4225110 4 Tee Shortstop 3w 2 07702253400	2020			1	556.07	\$556.07
200709	M&S-01-001	4225110 4 Tee Shortstop 3w 2 07702253400	2020			-1	33.71	(\$33.71)
200709	M&S-01-001	1715169 4 Ell 90 Lr 188w Wpb 07702253400	2020			1	34.40	\$34.40
200709	M&S-01-001	7447505 #14 Wire Hmwpe20 Gm 07702253400	2020			1	52.56	\$52.56
200709	M&S-01-001	43202353 3ipsx2ips Ef Tap Tee 07702253400	2020			1	42.44	\$42.44
200709	M&S-01-001	4231217 17# Anode HI-Potenta 07702253400	2020			1	9.28	\$9.28
200709	M&S-01-001	1705163 4 Cap Weld Std Blk C 07702253400	2020			1	5.26	\$5.26
200709	M&S-01-001	43042303 2 Ips Cplg E/F W/4. 07702253400	2020			1	34.40	\$34.40
200709	M&S-01-001	7447505 #14 Wire Hmwpe20 Gm 07702253400	2020			-1	5.26	(\$5.26)
200709	M&S-01-001	43042303 2 Ips Cplg E/F W/4. 07702253400	2020			-1	8.38	(\$8.38)
200709	M&S-01-001	4253303 3 Tape Buried Gas Li 07702253400	2020			1	8.38	\$8.38
200709	M&S-01-001	4253303 3 Tape Buried Gas Li 07702253400	2020			1	8.38	\$8.38
200709	M&S-01-001	4253303 3 Tape Buried Gas Li 07702253400	2020			1	8.38	\$8.38
200709	M&S-01-001	4253303 3 Tape Buried Gas Li 07702253400	2020			1	5.26	\$5.26
200709	M&S-01-001	43042303 2 Ips Cplg E/F W/4. 07702253400	2020			1	42.44	\$42.44
200709	M&S-01-001	4231217 17# Anode HI-Potenta 07702253400	2020			-1	9.28	(\$9.28)
200709	M&S-01-001	1705163 4 Cap Weld Std Blk C 07702253400	2020			0		\$0.00
200709	M&S-01-001	0945324 4 X 40' Pp Ips .391w 07702253400	2020			0		\$0.00
200709	M&S-01-001	0945295 3 X 40' Pp Ips .304w 07702253400	2020			1	9.28	\$9.28
200709	M&S-01-001	1705163 4 Cap Weld Std Blk C 07702253400	2020					

Jurce
Columbia Distribution Companies
Project - 8519: Work In Progress Ledger
As of: 6/9/2009

Work Order Number:
00557.WP1840.2621

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
200709	M&S-01-001	7447505 #14 Wire Hmwpe20 Grn 07702253400	2020			-1	34.40	(\$34.40)
200709	M&S-01-001	4328081 4tmfit S-P We Stdxd 07702253400	2020			1	39.36	\$39.36
200710	M&S-01-001	0945324 4 X 40' Pp Ips .391w 06026184000	2020			60	2.45	\$146.79
200710	M&S-01-001	0945079 2 X 250' Pp Coil .21 06026184000	2020			3	0.73	\$2.19
200710	M&S-01-001	07261151 2pipe 154w X42 Xtru 06026184000	2020			2	4.19	\$8.38
200710	M&S-01-001	0945295 3 X 40' Pp Ips .304w 06026184000	2020			457	1.48	\$675.21
200710	M&S-01-001	0945295 3 X 40' Pp Ips .304w 06026184000	2020			-60	1.48	(\$88.65)
200712	A/P-01-001	T D Willi WM06026184000	2020			0		\$191.70
200802	A/P-01-001	Mcjunki WM07702253400	2020			0		\$458.04
Total for cost element 2020 Material & Supplies - General								\$2,175.12
200710	A/P-01-001	Stanley P WM06026184000	3B01			0		\$6,236.90
Total for cost element 3B01 Main Line Installation								\$6,236.90
200710	A/P-01-001	Saf TI Co WM06026184000	4090			0		\$188.26
Total for cost element 4090 Rents								\$188.26
200709	A/P-01-001	Sorrell D WM06026184000	5026			0		\$16.00
Total for cost element 5026 Overtime Meals								\$16.00
200708	LAB-02-001	Stanley Sorrell WM06026184000	9542	2621	20013	61.08	10.70	\$653.58
200709	LAB-02-001	Stanley Sorrell WM06026184000	9542	2621	20013	1.67	10.30	\$17.20
200710	LAB-02-001	Ricky Johnson WM07704531600	9542	1816	20102	0.48	11.21	\$5.38
Total for cost element 9542 Truck Costs Cleared								\$676.16

Work Order Total: (\$0.00)

Work Order Total less closing: \$15,193.35

RETIREMENT

Work Order Number:
00558.WP1841.2621

Source
Columbia Distribution Companies
Project - 8519: Work In Progress Ledger
As of: 6/9/2009

Gen	Activity	Facility	Loc	Gpa	Tax Dist	Map No
108	00558	WP1841	2621	37600		6716204D
WO		WO		WO		Approved Amount
Initiation Date		In Service Date		Close Date		\$0,322.00
10/16/2006		8/24/2007		5/1/2008		
				Cmpl Rpt Dt	Reimbursable	
				2007/10/10	None	

Description
Ret 273'4"PI-Retain As Casing : Kirkleving : Lex

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
200804	A/A-02-003	Closing To Property, Plant, Eqpt	0001			0		(\$1,529.35)
Total for cost element 0001 Closing To Property, Plant, Eqpt								(\$1,529.35)
200708	LAB-01-001	Stanley Sorrell WM06026184100	1010	2621	20013	7.45	34.58	\$257.62
Total for cost element 1010 Labor								\$257.62
200708	LAB-01-001	Stanley Sorrell WM06026184100	1020	2621	20013	0		\$87.47
Total for cost element 1020 Labor Overhead								\$87.47
200708	M&S-01-001	0945295 3 X 40' Pp Ips .304w 07698083600	2020			240	1.40	\$336.67
200708	M&S-01-001	0945295 3 X 40' Pp Ips .304w 07698083600	2020			0		\$0.00
200708	M&S-01-001	43100413 4x3 Reducer B/F Sdr1 07698083600	2020			1	7.65	\$7.65
200708	M&S-01-001	43152513 4ipsx1cts Ef Tap Tee 07698083600	2020			4	11.82	\$47.28
200708	M&S-01-001	43042353 3 Ips Cplg E/F W/4. 07698083600	2020			2	11.87	\$23.74
Total for cost element 2020 Material & Supplies - General								\$415.34
200803	A/P-01-001	Stanley P WM08718212800	3B41			0		\$673.20
Total for cost element 3B41 Paving Restoration								\$673.20
200709	A/P-01-001	Sorrell D WM06026184100	5026			0		\$16.00
Total for cost element 5026 Overtime Meals								\$16.00

Source
Columbia Distribution Companies
Project - 8519: Work In Progress Ledger
 As of: 6/9/2009

Work Order Number:
 00558.WP1841.2621

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
200708	LAB-02-001	Stanley Sorrell WM06026184100	9542	2621	20013	7.45	10.70	\$79.72
Total for cost element 9542 Truck Costs Cleared								\$79.72

Work Order Total: \$0.00
 Work Order Total less closing: \$1,529.35

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 128:

Does Columbia agree that, in the case of a replacement, Columbia has control over how much of the cost of the replacement is assigned to the retirement as cost of removal, and how much is capitalized to plant-in-service? Please explain the answer fully.

Response:

Yes. By issuing both a Construction Work in Progress job order and a corresponding Retirement Work in Progress job order for each replacement project being performed, Columbia is able to assign cost of removal to the retirement job order, and replacement costs to the construction job order.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 129:

Please provide all manuals, guidelines, memoranda or other documentation that deals with the Company's policies on the assignment of capital costs and net salvage with regard to the replacement of retired plant. Also, please provide a sample workorder for a replacement project, showing these cost assignments.

Response:

Columbia Gas of Kentucky follows Generally Accepted Accounting Principles, Federal Energy Regulatory Guidelines, and Kentucky Public Services Commission approved accounting methods for the assignment of capital costs and net salvage with regard to the replacement of retired plant. In addition, for each replacement project, the Company issues a construction and corresponding retirement job order which allows costs to be assigned directly to the appropriate construction/retirement activity.

Please see the attached internal documents developed in conjunction with these accounting practices, and for sample work orders showing cost assignments.

AG DR Set 1-129 - Attachment A - Plant Instructions

AG DR Set 1- 29 - Attachment B- Project Management

AG DR Set 1- 29 - Attachment C - Work Order Instructions

AG DR Set 1- 29 - Attachment D - Sample Work Order

AG DR SET 2-129- Attachment A
Plant Instructions

19 Pages

Gas Plant Instructions

1. Classification of utilities (Major natural gas companies).

A. The gas plant accounts provided herein are generally the same as those contained in the prior system of accounts. The balances in the various plant accounts, as determined under the prior system of accounts, should be carried forward. Any remaining balance of plant which has not yet been classified pursuant to the requirements of the prior system, shall be classified in accordance with the following instructions.

B. The cost to the utility of its unclassified plant shall be ascertained by analysis of the utility's records. Adjustments shall not be made to record in utility plant accounts amounts previously charged to operating expenses or to income deductions in accordance with the uniform system of accounts in effect at the time or in accordance with the discretion of management as exercised under a uniform system of accounts, or under accounting practices previously followed.

C. The detailed gas plant accounts (301 to 399, inclusive) shall be stated on the basis of cost to the utility of plant constructed by it and the original cost, estimated if not known, of plant acquired as an operating unit or system. The difference between the original cost as above, and the cost to the utility of gas plant after giving effect to any accumulated provision for depreciation, depletion, or amortization shall be recorded in account 114, Gas Plant Acquisition Adjustments. The original cost of gas plant shall be determined by analysis of the utility's records or those of the predecessor or vendor companies with respect to gas plant previously acquired as operating units or systems and the differences between the original cost so determined, less accumulated provisions for depreciation, depletion and amortization, and the cost to the utility, with necessary adjustments for retirements from the date of acquisition, shall be entered in account 114, Gas Plant Acquisition Adjustments. Any difference between the cost of gas plant and its book cost, when not properly includible in other accounts, shall be recorded in account 116, Other Gas Plant Adjustments.

D. Plant acquired by lease which qualifies as capital lease property under General Instruction 19. Criteria for Classifying Leases, shall be recorded in Account 101.1, Property under Capital Leases.

2. Gas plant to be recorded at cost.

A. All amounts included in the accounts for gas plant acquired as an operating unit or system, except as otherwise provided in the texts of the intangible plant accounts, shall be stated at the cost incurred by the person who first devoted the property to utility service. All other gas plant shall be included in the accounts at the cost incurred by the utility, except for property acquired by lease which qualifies as capital lease property under General Instruction 19. Criteria for Classifying Leases, and is recorded in Account 101.1, Property under Capital Leases. Where the term "cost" is used in the detailed plant accounts, it shall have the meaning stated in this paragraph.

B. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis. (See, however, definition 8.) In the entry recording such transaction, the actual consideration shall be described with sufficient particularity to identify it. The utility shall be prepared to furnish the Commission the particulars of its determination of the cash value of the consideration if other than cash.

C. When property is purchased under a plan involving deferred payments, no charge shall be made to the gas plant accounts for interest, insurance, or other expenditures occasioned solely by such form of payment.

D. The gas plant accounts shall not include the cost or other value of gas plant contributed to the company. Contributions in the form of money or its equivalent toward the construction of gas plant shall be credited to the accounts charged with the cost of such construction. Plant constructed from contributions of cash or its equivalent shall be shown as a reduction to gross plant constructed when assembling cost data in work orders for posting to plant ledger of accounts. The accumulated gross costs of plant accumulated in the work order shall be recorded as a debit in the plant ledger of accounts along with the related amount of contributions concurrently being recorded as a credit.

E. The cost or other value of plant contributed to the utility and contributions in the form of money or its equivalent toward the construction of gas plant recorded in accordance with the prior system of accounts under the account caption, Contributions in Aid of Construction, requires reclassification. The Contribution in Aid of Construction account has been deleted from this system of accounts. Reclassification of Contributions in Aid of Construction must be made in accordance with order 05-US-103.

3. Components of construction cost.

A. For major natural gas companies, the cost of construction properly includible in the gas plant accounts shall include, where applicable, the direct and overhead costs as listed and defined hereunder:

(1) "Contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, costs incident to the award of such contracts, and the inspection of such work.

(2) "Labor" includes the pay and expenses of employees of the utility engaged in construction work, and related workmen's compensation insurance, payroll taxes and similar items of expense. It does not include the pay and expenses of employees which are distributed to construction through clearing accounts nor the pay and expenses included in other items hereunder.

(3) "Materials and supplies" includes the purchase price at the point of free delivery plus customs duties, excise taxes, the cost of inspection, loading and transportation, the related stores expenses, and the cost of fabricated materials from the utility's shop. In determining the cost of materials and supplies used for construction, proper allowance shall be made for unused materials and supplies, for materials recovered from temporary structures used in performing the work involved, and for discounts allowed and realized in the purchase of materials and supplies.

NOTE: The cost of individual items of equipment of small value (for example, \$500 or less) or of short life, including small portable tools and implements, shall not be charged to utility plant accounts unless the correctness of the accounting therefor is verified by current inventories. The cost shall be charged to the appropriate operating expense or clearing accounts, according to the use of such items, or, if such items are consumed directly in construction work, the cost shall be included as part of the cost of the construction.

(4) "Transportation" includes the cost of transporting employees, materials and supplies, tools, purchased equipment, and other work equipment (when not under own power) to and from points of construction. It includes amounts paid to others as well as the cost of operating the utility's own transportation equipment. (See item 5 following.)

(5) "Special machine service" includes the cost of labor (optional), materials and supplies, depreciation, and other expenses incurred in the maintenance, operation and use of special machines, such as steam shovels, pile drivers, derricks, ditchers, scrapers, material unloaders, and other labor saving machines; also expenditures for rental maintenance and operation of machines of others. It does not include the cost of small tools and other individual items of small value or short life which are included in the cost of materials and supplies. (See item 3, above.) When a particular construction job requires the use for an extended period of time of special machines, transportation or other equipment, the net book cost thereof, less the appraised or salvage value at time of release from the job, shall be included in the cost of construction.

(6) "Shop service" includes the proportion of the expense of the utility's shop department assignable to construction work except that the cost of fabricated materials from the utility's shop shall be included in "materials and supplies."

(7) "Protection" includes the cost of protecting the utility's property from fire or other casualties and the cost of preventing damages to others, or to the property of others, including payments for discovery or extinguishment of fires, cost of apprehending and prosecuting incendiaries, witness fees in relation thereto, amounts paid to municipalities and others for fire protection, and other analogous items of expenditures in connection with construction work.

(8) "Injuries and damages" includes expenditures or losses in connection with the construction work on account of injuries to persons and damages to the property of others; also the cost of investigation of and defense against actions for such injuries and damages. Insurance recovered or recoverable on account of compensation paid for injuries to persons incident to construction shall be credited to the account or accounts to which such compensation is charged. Insurance recovered or recoverable on account of property damages incident to construction shall be credited to the account or accounts charged with the cost of the damages.

(9) "Privileges and permits" includes payments for and expenses incurred in securing temporary privileges, permits or rights in connection with construction work, such as for the use of private or public property, streets, or highways, but it does not include rents, or amounts chargeable as franchises and consents for which see account 302, Franchises and Consents.

(10) "Rents" includes amounts paid for the use of construction quarters and office space occupied by construction forces and amounts properly includible in construction costs for such facilities jointly used.

(11) "Engineering and supervision" includes the portion of the pay and expenses of engineers, surveyors, draftsmen, inspectors, superintendents and their assistants applicable to construction work.

(12) "General administration capitalized" includes the portion of the pay and expenses of the general officers and administrative and general expenses applicable to construction work.

(13) "Engineering services" includes amounts paid to other companies, firms, or individuals engaged by the utility to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work.

(14) "Insurance" includes premiums paid or amounts provided or reserved as self-insurance for the protection against loss and damages in connection with construction, by fire or other casualty, injury to or death of persons other than employees, damages to property of others, defalcation of employees and agents, and the nonperformance of contractual obligations of others. It does not include workmen's compensation or similar insurance on employees included as "labor" in item 2, above.

(15) "Law expenditures" includes the general law expenditures incurred in connection with construction and the court and legal costs directly related thereto, other than law expenses included in protection, item 7, and in injuries and damages, item 8.

(16) "Taxes" includes taxes on physical property (including land) during the period of construction and other taxes properly includible in construction costs before the facilities become available for service.

(17) "Allowance for funds used during construction" includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds when so used, computed as directed by the Commission. No allowance for funds used during construction shall be included in these accounts upon expenditures for construction projects which have been abandoned.

NOTE: When a part only of a plant or project is placed in operation or is completed and ready for service but the construction work as a whole is incomplete, that part of the cost of the property placed in operation, or ready for service, shall be treated as "Utility Plant in Service" and allowance for funds used during construction thereon as a charge to construction shall cease. Allowance for funds used during construction on that part of the cost of the plant which is incomplete may be continued as a charge to construction until such time as it is placed in operation or is ready for service, except as limited in Item 17 above.

(18) "Earnings and expenses during construction" includes (a) all revenues derived during the construction period from property which is included in the cost of a project under construction and (b) all expenses which are attributable to the revenues received.

(19) "Training costs" (Major and non-major natural gas companies). When it is necessary that employees be trained to operate or maintain plant facilities that are being constructed and such facilities are not conventional in nature or are new to the company's operations, these costs may be capitalized as a component of construction cost. Once plant is placed in service, the capitalization of training costs shall cease, and subsequent training costs shall be expensed. (See Operating Expense Instruction 4.)

(20) "Line pack gas." Line pack includes the first cost of that quantity of gas introduced into the utility's system necessary to bring the system up to its designed operating capacity or increases therein and which must be maintained in the system in order to sustain such design operating capacity.

(21) LNG "heel" is the first cost of that minimum quantity of liquefied natural gas necessary to be retained in holding tanks and other facilities for purposes of temperature and/or pressure maintenance.

(22) "Studies" includes the costs of studies such as operational, safety or environmental studies relative to plant under construction. Studies mandated by regulatory bodies relative to facilities in service, shall be charged to Account 183.2, Other Preliminary Survey and Investigation Charges.

B. For Nonmajor natural gas companies, the cost of construction of property chargeable to the gas plant accounts shall include, where applicable, fees for construction certificate applications paid after grant of certificate, the cost of labor, materials and supplies, transportation, work done by others for the company, injuries and damages incurred in construction, privileges and permits, special machine service, allowance for funds used during construction, computed as directed by the Commission; training costs and such portion of general engineering, administrative salaries and expenses, insurance, taxes, and other analogous items as may be properly includible in construction costs. (See Operating Expense Instruction 4.)

4. Overhead construction costs.

A. All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the accounting utility, law expenses, insurance, injuries and damages, relief and pensions, taxes and interest, shall be charged to particular jobs or units on the basis of the amounts of such overheads reasonably applicable thereto, to the end that each job or unit shall bear its equitable proportion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the property is retired.

B. As far as practicable, the determination of payroll charges includible in construction overheads shall be based on time card distributions thereof. Where this procedure is impractical, special studies shall be made periodically of the time of supervisory employees devoted to construction activities to the end that only such overhead costs as have a definite relation to construction shall be capitalized. The addition to direct construction costs of arbitrary percentages or amounts to cover assumed overhead costs is not permitted.

C. For major natural gas companies, the record supporting the entries for overhead construction costs shall be so kept as to show the total amount of each overhead for each year, the nature and amount of each overhead expenditure charged to each construction work order and to each utility plant account, and the basis of distribution of such costs.

5. Gas plant purchased or sold.

A. When gas plant constituting an operating unit or system is acquired by purchase, merger, consolidation, liquidation, or otherwise, after the effective date of this system of accounts, the costs of acquisition, including expenses incidental thereto properly includible in gas plant, shall be charged to account 102, Gas Plant Purchased or Sold.

B. The accounting for the acquisition shall then be completed as follows:

(1) The original cost of plant, estimated if not known, shall be credited to account 102, Gas Plant Purchased or Sold, and concurrently charged to the appropriate gas plant in service accounts and to account 104, Gas Plant Leased to Others, account 105, Gas Plant Held for Future Use, account 105.1, Production Properties Held for Future Use, and account 107, Construction Work in Progress--Gas, as appropriate.

(2) The depreciation, depletion, and amortization applicable to the original cost of the properties purchased, shall be charged to account 102, Gas Plant Purchased or Sold, and concurrently credited to the appropriate account for accumulated provision for depreciation, depletion or amortization.

(3) The cost to the utility of any property includible in account 121, Nonutility Property, shall be transferred thereto.

(4) The amount remaining in account 102, Gas Plant Purchased or Sold, shall then be closed to account 114, Gas Plant Acquisition Adjustments.

C. If property acquired in the purchase of an operating unit or system is in such physical condition when acquired that it is necessary substantially to rehabilitate it in order to bring the property up to the standards of the utility, the cost of such work, except replacements, shall be accounted for as a part of the purchase price of the property.

D. When any property acquired as an operating unit or system includes duplicate or other plant which will be retired by the accounting utility in the reconstruction of the acquired property or its consolidation with previously owned property, the proposed accounting for such property shall be presented to the Commission.

E. In connection with the acquisition of gas plant constituting an operating unit or system, the utility shall procure, if possible, all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records in conformity with regulations or practices governing the preservation of records of its own construction.

F. When gas plant constituting an operating unit or system is sold, conveyed, or transferred to another by sale, merger, consolidation, or otherwise, the book cost of the property sold or transferred to another shall be credited to the appropriate utility plant accounts, including amounts carried in account 114, Gas Plant Acquisition Adjustments. The amounts (estimated if not known) carried with respect thereto in the accounts for accumulated provision for depreciation, depletion, and amortization and in account 252, Customer Advances for Construction, shall be charged to such accounts and the contra entries made to account 102, Gas Plant Purchased or Sold. Unless otherwise ordered by the Commission, the difference, if any, between (a) the net amount of debits and credits and (b) the consideration received for the property (less commissions and other expenses of making the sale) shall be included in account 421.1, Gain on Disposition of Property, or account 421.2, Loss on Disposition of Property. (See account 102, Gas Plant Purchased or Sold.)

NOTE: In cases where existing utilities merge or consolidate because of financial or operating reasons or statutory requirements rather than as a means of transferring title of purchased properties to a new owner, the accounts of the constituent utilities, with the approval

of the Commission, may be combined. In the event original cost has not been determined, the resulting utility shall proceed to determine such cost as outlined herein.

6. Expenditures on leased property.

A. The cost of substantial initial improvements (including repairs, rearrangements, additions, and betterments) made in the course of preparing for utility service property leased for a period of more than one year, and the cost of subsequent substantial additions, replacements, or betterments to such property, shall be charged to the gas plant account appropriate for the class of property leased. If the service life of the improvements is terminable by action of the lease, the cost, less net salvage, of the improvements shall be spread over the life of the lease by charges to account 404.3, Amortization of Other Limited-Term Gas Plant (for non-major companies Account 404, Amortization of Limited-Term Gas Plant). However, if the service life is not terminated by action of the lease but by depreciation proper, the cost of the improvements, less net salvage, shall be accounted for as depreciable plant. The provisions of this paragraph are applicable to property leased under either capital leases or operating leases.

B. If improvements made to property leased for a period of more than one year are of relatively minor cost, or if the lease is for a period of not more than one year, the cost of the improvements shall be charged to the account in which the rent is included, either directly or by amortization thereof.

7. Land and land rights.

A. The accounts for land and land rights shall include the cost of land owned in fee by the utility and rights, interests, and privileges held by the utility in land owned by others, such as leaseholds, easements, rights-of-way, natural gas rights, and other like interests in land. Do not include in the accounts for land and land rights and rights-of-way costs incurred in connection with first clearing and grading of land and rights-of-way and the damage costs associated with the construction and installation of plant. Such costs shall be included in the appropriate plant accounts directly benefited.

B. Where special assessments for public improvements provide for deferred payments, the full amount of the assessments shall be charged to the appropriate land account and the unpaid balance shall be carried in an appropriate liability account. Interest on unpaid balances shall be charged to the appropriate interest account. If any part of the cost of public improvement is included in the general tax levy, the amount thereof shall be charged to the appropriate tax account.

C. The net profit from the sale of timber, cord wood, sand, gravel, other resources or other property acquired with the rights-of-way or other lands shall be credited to the appropriate plant account to which related. Where land is held for a considerable period of time and timber and other natural resources on the land at the time of purchase increases in value, the net profit (after giving effect to the cost of the natural resources) from the sales of timber or its products or other natural resources shall be credited to the appropriate utility operating income account or to account 421, Miscellaneous Nonoperating Income, as appropriate.

D. Separate entries shall be made for the acquisition, transfer, or retirement of each parcel of land, and each land right, or gas right (except rights-of-way for distribution mains), having a life of more than one year. A record shall be maintained showing the nature of ownership, full legal description, area, map reference, purpose for which used, city, county, and tax district in which situated, from whom purchased or to whom sold, payment given or received, other costs, contract date and number, date of recording of deed, and book and page of record. Entries transferring or retiring land or land rights shall refer to the original entry recording its acquisition. In the case of major companies, a parcel of land acquired and carried on the books as a unit is not required to be subdivided with transfers to other land accounts merely because of the erection thereon of an incidental structure to be used in gas operations but for a purpose differing from that for which the land is chiefly employed; for example, a small storehouse on production plant land.

E. Any difference between the amount received from the sale of land or land rights, less agents' commissions and other costs incident to the sale, and the book cost of such land or rights shall be included in Account 421.1, Gain on Disposition of Property or 421.2, Loss on Disposition of Property, as appropriate, unless otherwise directed by the Commission, or unless a reserve therefore has been authorized and provided. Appropriate adjustments of the accounts shall be made with respect to any structures or improvements located on land sold.

F. The cost of buildings and other improvements (other than public improvements) shall not be included in the land accounts. If at the time of acquisition of an interest in land such interest extends to buildings or other improvements (other than public improvements), which are then devoted to utility operations, the land and improvements shall be separately appraised and the cost allocated to land and buildings or improvements on the basis of the appraisals. If the improvements are removed or wrecked without being used in operations, the cost of removing or wrecking shall be charged and the salvage credited to the account in which the cost of the land is recorded.

G. When the purchase of land for gas operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in utility operations. The portion of the cost measured by the fair market value of the land not to be used shall be included in account 105, Gas Plant Held for Future Use or, in the case of major companies, account 121, Nonutility Property, as appropriate. Regarding land and land rights held for the production of natural gas, account 101, Gas Plant in Service, shall include (1) the cost of lands owned in fee upon which producing natural gas wells are located on lands owned in fee which are being drained through the operation by the utility of wells on the other land, and (2) the first cost of lands held under lease upon which the utility pays royalties for the natural gas obtained therefrom. The cost of all other land and land rights held for the production of natural gas under a definite plan for such use shall be included in account 105, Gas Plant Held for Future Use, or 105.1, Production Properties Held for Future Use, as appropriate.

NOTE: In addition to the accounting records prescribed herein, supplemental records of land and land rights held for future use shall be kept in such manner as to permit the segregation

within a reasonable time of the land and land rights constituting (1) productive but nonproducing fields, (2) unproven or undeveloped fields, and (3) storage fields, and to show the following data with respect to each natural gas lease, regardless of the accounting treatment accorded the lease costs; (a) name of lessor, (b) location of leasehold and number or other identification assigned thereto, (c) date and period of lease agreement, (d) first cost of lease including details of the elements of such cost, (e) annual rental provisions, (f) date and cost of drilling, (g) date gas determined to exist, (h) date of completion of first well drilled by the utility in each pool of gas, (i) royalty provisions, (j) amortization and depletion provisions, and (k) date of abandonment of lease.

H. Provision shall be made for amortizing amounts carried in the accounts for limited-term interests in land, so as to apportion equitably the cost of each interest over the life thereof. For the purposes of amortization of natural gas rights, separate interests in land which comprise an interest in a production area may be grouped to form a depletion unit. (For major companies, see account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant, account 404.1, Amortization and Depletion of Producing Natural Gas Land and Land Rights, account 404.3, Amortization of Other Limited-Term Gas Plant. For non-major companies, see account 403.1, Depreciation and Depletion Expense, Account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Utility Plant. See also Account 797, Abandoned Leases, for the accounting for abandonments of natural gas leases which have never been productive.)

- I. The items of cost to be included in the accounts for land and land rights are as follows:
1. Bulkheads, buried, not requiring maintenance or replacement.
 2. Cost, first, of acquisition including mortgages and other liens assumed (but not subsequent interest thereon).
 3. [Reserved]
 4. Condemnation proceedings, including court and counsel costs.
 5. Consents and abutting damages, payment for.
 6. Conveyancers' and notaries' fees.
 7. Fees, commissions, and salaries to brokers, agents, and others in connection with the acquisition of the land or land rights.
 8. [Reserved]
 9. Leases, cost of voiding upon purchase to secure possession of land.
 10. Removing, relocating, or reconstructing, property of others, such as buildings, highways, railroads, bridges, cemeteries, churches, telephone and power lines, etc., in order to acquire quiet possession.
 11. Retaining walls unless identified with structures.
 12. Special assessments levied by public authorities for public improvements on the basis of benefits for new roads, new bridges, new sewers, new curbing, new pavements, and other public improvements, but not taxes levied to provide for the maintenance of such improvements.
 13. Surveys in connection with the acquisition, but not amounts paid for topographical surveys and maps where such costs are attributable to structures or plant equipment erected or to be erected or installed on such land.

14. Taxes assumed, accrued to date of transfer of title.
15. Title, examining, clearing, insuring, and registering in connection with the acquisition and defending against claims relating to the period prior to the acquisition.
16. Appraisals prior to closing title.
17. Cost of dealing with distributees or legatees residing outside of the state or county, such as recording power of attorney, recording will or exemplification of will, recording satisfaction of state tax.
18. Filing satisfaction of mortgage.
19. Documentary stamps.
20. Photographs of property at acquisition.
21. Fees and expenses incurred in the acquisition of water rights, and grants.
22. Cost of fill to extend bulkhead-line over land under water, where riparian rights are held, which is not occasioned by the erection of a structure.
23. Sidewalks and curbs constructed by the utility on public property.
24. Labor and expenses in connection with securing rights of way, where performed by company employees and company agents.

8. Structures and improvements.

A. The accounts for structures and improvements shall include the cost of all buildings and facilities to house, support, or safeguard property or persons, including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, and improvements of a permanent character on or to land. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way, and the damage costs associated with construction and installation of plant.

B. The cost of specially provided foundations not intended to outlast the machinery or apparatus for which provided, and the cost of angle irons, castings, etc., installed at the base of an item of equipment, shall be charged to the same account as the cost of the machinery, apparatus, or equipment.

C. Minor buildings and structures may be considered a part of the facility in connection with which constructed or operated and the cost thereof accounted for accordingly when the nature of the structure and facility indicates the correctness of such accounting.

D. Where furnaces and boilers are used primarily for furnishing steam for some particular department and only incidentally for furnishing steam for heating a building and operating the equipment therein, the entire cost of such furnaces and boilers shall be charged to the appropriate plant account, and no part to the building account.

E. The cost of disposing of materials excavated in connection with construction of structures shall be considered as a part of the cost of such work, except as follows: (a) When such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used; (b) when such material is sold, the net amount

realized from such sales shall be credited to the work in connection with which the removal occurs. If the amount realized from the sale of excavated materials exceeds the removal costs and the costs in connection with the sale, the excess shall be credited to the land account in which the site is carried.

F. Lighting or other fixtures temporarily attached to buildings for purposes of display or demonstration shall not be included in the cost of the building but in the appropriate equipment account.

G. The items of cost to be included in the accounts for structures and improvements are as follows:

1. Architects' plans and specifications including supervision.
2. Ash pits (when located within the building) (Major natural gas companies).
3. Athletic field structures and improvements.
4. Boilers, furnaces, piping, wiring, fixtures, and machinery for heating, lighting, signaling, ventilating, and air conditioning systems, plumbing, vacuum cleaning systems, incinerator and smoke pipe, flues, etc.
5. Bullheads, including dredging, riprap fill, piling, decking, concrete, fenders, etc., when exposed and subject to maintenance and replacement.
6. Chimneys (Major natural gas companies).
7. Coal bins and bunkers.
8. Commissions and fees to brokers, agents, architects and others.
9. Conduit (not to be removed) with its contents.
10. Damages to abutting property during construction.
11. Docks (Major natural gas companies).
12. Door checks and door stops (Major natural gas companies).
13. Drainage and sewerage systems.
14. Elevators, cranes, hoists, etc., and the machinery for operating them.
15. Excavation, including shoring, bracing, bridging, refill, and disposal of excess excavated material, cofferdams around foundation, pumping water from cofferdam during construction, and test borings.
16. Fences and fence curbs (not including protective fences insulating items of equipment, which shall be charged to the appropriate equipment account).
17. Fire protection systems when forming a part of a structure.
18. Flagpole (Major natural gas companies).
19. Floor covering (permanently attached) (Major natural gas companies).
20. Foundations and piers for machinery, constructed as a permanent part of a building or other items listed herein.
21. Grading and clearing when directly occasioned by the building of a structure.
22. Holders--Relief (Major natural gas companies).
23. Intrasite communication system, poles, pole fixtures, wires and cables.
24. Landscaping, lawns, shrubbery, etc.
25. Leases, voiding upon purchase to secure possession of structures.
26. Leased property, expenditures on.
27. Lighting fixtures and outside lighting system.
28. Mailchutes when part of a building (Major natural gas companies).

29. Marquee, permanently attached to building (Major natural gas companies).
30. Painting, first coat.
31. Permanent paving, concrete, brick, flagstone, asphalt, etc. within the property lines.
32. Partitions, including movable (Major natural gas companies).
33. Permits and privileges.
34. Platforms, railings and gratings when constructed as a part of a structure.
35. Power boards for services to a building (Major natural gas companies).
36. Refrigerating systems for general use (Major natural gas companies).
37. Retaining walls except when identified with land.
38. Roadways, railroads, bridges, and trestles, intrasite, except railroads provided for in equipment accounts.
39. Roofs (Major natural gas companies).
40. Scales, connected to and forming a part of a structure (Major natural gas companies).
41. Screens (Major natural gas companies).
42. Sewer systems, for general use (Major natural gas companies).
43. Sidewalks, culverts, curbs and streets constructed by the utility on its property.
44. Sprinkling systems (Major natural gas companies).
45. Sump pumps and pits (Major natural gas companies).
46. Stacks--brick, steel, or concrete, when set on foundation forming part of general foundation and steelwork of a building.
47. Steel inspection during construction (Major natural gas companies).
48. Storage facilities constituting a part of a building.
49. Storm doors and windows (Major natural gas companies).
50. Subways, areaways, and tunnels, directly connected to and forming part of a structure.
51. Tanks, constructed as part of a building or as a distinct structural unit.
52. Temporary heating during construction (net cost) (Major natural gas companies).
53. Temporary water connection during construction (net cost) (Major natural gas companies).
54. Temporary shanties and other facilities used during construction (net cost).
55. Topographical maps (Major natural gas companies).
56. Tunnels, intake and discharge, when constructed as part of a structure, including sluice gates, and those constructed to house mains.
57. Vaults constructed as part of a building.
58. Watchmen's sheds and clock systems (net cost when used during construction only) (Major natural gas companies).
59. Water basins or reservoirs.
60. Water front improvements (Major natural gas companies).
61. Water meters and supply system for a building or for general company purposes (Major natural gas companies).
62. Water supply piping, hydrants and wells (Major natural gas companies).
63. Wharves.
64. Window shades and ventilators (Major natural gas companies).
65. Yard drainage system (Major natural gas companies).
66. Yard lighting system (Major natural gas companies).

67. Yard surfacing, gravel, concrete, or oil (First cost only) (Major natural gas companies).

NOTE: Structures and Improvements accounts shall be credited with the cost of coal bunkers, stacks, foundations, subways, tunnels, etc., the use of which has terminated with the removal of the equipment with which they are associated even though they have not been physically removed.

9. Equipment.

A. The cost of equipment chargeable to the gas plant accounts, unless otherwise indicated in the text of an equipment account, includes the net purchase price thereof, sales taxes, investigation and inspection expenses necessary to such purchase, expenses of transportation when borne by the utility, labor employed, materials and supplies consumed, and expenses incurred by the utility in unloading and placing the equipment in readiness to operate. Also include those costs incurred in connection with the first clearing and grading of land and rights-of-way and the damage costs associated with construction and installation of plant.

B. Exclude from equipment accounts hand and other portable tools which are likely to be lost or stolen or which have relatively small value (for example, \$500 or less) or short life, unless the correctness of the accounting therefore as gas plant is verified by current inventories. Special tools acquired and included in the purchase price of equipment shall be included in the appropriate plant account. Portable drills and similar tool equipment when used in connection with the operation and maintenance of a particular plant or department, such as production, transmission, distribution, etc., or in "stores," shall be charged to the plant account appropriate for their use.

C. The equipment accounts shall include angle irons and similar items which are installed at the base of an item of equipment, but piers and foundations which are designed to be as permanent as the buildings which house the equipment, or which are constructed as a part of the building and which cannot be removed without cutting into the walls, ceilings or floors or without in some way impairing the building, shall be included in the building accounts.

D. The equipment accounts shall include the necessary costs of testing or running a plant or part thereof during an experimental or test period prior to becoming available for service. The utility shall furnish the Commission with full particulars of and justification for any test or experimental run extending beyond a period of thirty days.

E. The cost of efficiency or other tests made subsequent to the date equipment becomes available for service shall be charged to the appropriate expense accounts, except that tests to determine whether equipment meets the specifications and requirements as to efficiency, performance, etc., guaranteed by manufacturers, made after operations have commenced and within the period specified in the agreement or contract of purchase, may be charged to the appropriate gas plant account.

10. Additions and retirements of gas plant.

A. For the purpose of avoiding undue refinement in accounting for additions to and retirements and replacements of gas plant, all property shall be considered as consisting of (1) retirement units and (2) minor items of property. Each utility shall use such list of retirement units as is in use by it at the effective date hereof or as may be prescribed by the Commission, with the option, however, of using smaller units, provided the utility's practice in this respect is consistent.

B. The addition and retirement of retirement units shall be accounted for as follows:

(1) When a retirement unit is added to gas plant, the cost thereof shall be added to the appropriate gas plant account, except that when units are acquired in the acquisition of any gas plant constituting an operating system, they shall be accounted for as provided in gas plant instruction 5.

(2) When a retirement unit is retired from gas plant, with or without replacement, the book cost thereof shall be credited to the gas plant account in which it is included, determined in the manner set forth in paragraph D, below. If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to gas plant shall be charged to the accumulated provision for depreciation applicable to such property. The cost of removal and the salvage shall be charged or credited, as appropriate, to such depreciation account.

C. The addition and retirement of minor items of property shall be accounted for as follows:

(1) When a minor item of property which did not previously exist is added to plant, the cost thereof shall be accounted for in the same manner as for the addition of a retirement unit, as set forth in paragraph B(1), above, if a substantial addition results, otherwise the charge shall be to the appropriate maintenance expense account.

(2) When a minor item of property is retired and not replaced, the book cost thereof shall be credited to the gas plant account in which it is included; and, in the event the minor item is a part of depreciable plant, the account for accumulated provision for depreciation shall be charged with the book cost and cost of removal and credited with the salvage. If, however, the book cost of the minor item retired and not replaced has been or will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(3) When a minor item of depreciable property is replaced independently of the retirement unit of which it is a part, the cost of replacement shall be charged to the maintenance account appropriate for the item, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, more efficient, or of greater durability, or of greater capacity), the excess cost of the replacement over the estimated cost at current prices of replacing without betterment shall be charged to the appropriate gas plant account.

D. The book cost of gas plant retired shall be the amount at which such property is included in the gas plant accounts, including all components of construction costs. The book cost shall be determined from the utility's records and if this cannot be done, it shall be estimated. Utilities must furnish the particulars of such estimates to the Commission, if requested. When it is impracticable to determine the book cost of each unit, due to the relatively

large number or small cost thereof, an appropriate average book cost of the units, with due allowance for any differences in size and character, shall be used as the book cost of the units retired.

E. The book cost of land retired shall be credited to the appropriate land account. If the land is sold, the difference between the book cost (less any accumulated provision for depreciation, depletion or amortization therefore which has been authorized and provided) and the sale price of the land (less commissions and other expenses of making the sale) shall be recorded in account 421.1, Gain on Disposition of Property or 421.2, Loss on Disposition of Property, as appropriate unless otherwise directed by the Commission. If the land is not used in utility service but is retained by the utility, the book cost shall be charged to account 105, Gas Plant Held for Future Use, or account 121, Nonutility Property as appropriate.

F. The book cost less net salvage of depreciable gas plant retired shall be charged in its entirety to account 108, Accumulated Provision for Depreciation of Gas Plant in Service (Account 110, Accumulated Provision for Depreciation, Depletion and Amortization of Gas Utility Plant, in the case of Nonmajor companies). Any amounts which, by approval or order of the Commission, are charged to account 182, Extraordinary Property Losses, shall be credited to account 108 (account 110 for Nonmajor companies).

G. In the case of Major companies, the accounting for the retirement of amounts included in account 302, Franchises and Consents, and account 303, Miscellaneous Intangible Plant, and the item of limited-term interest in land included in the accounts for land and land rights, shall be as provided for in the text of account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant, account 404.3, Amortization of Other Limited-Term Gas Plant, and account 405, Amortization of Other Gas Plant.

11. Work order and property record system required.

A. Each utility shall record all construction and retirements of gas plant by means of work orders or job orders. Separate work orders may be opened for additions to and retirements of gas plant or the retirements may be included with the construction work order, provided, however, that all items relating to the retirements shall be kept separate from those relating to construction and provided, further, that any maintenance costs involved in the work shall likewise be segregated.

B. Each utility shall keep its work order system so as to show the nature of each addition to or retirement of gas plant, the total cost thereof, the source or sources of costs, and the gas plant account or accounts to which charged or credited. Work orders covering jobs of short duration may be cleared monthly.

C. In the case of Major Companies, each utility shall maintain records in which, for each plant account, the amounts of the annual additions and retirements, subsequent to the effective date of this system of accounts, are classified so as to show the number and cost of the various record units or retirement units.

12. Transfers of property.

When property is transferred from one gas plant account to another, from one utility department to another (such as from gas to electric), from one operating division or area to another, to or from account 101, Gas Plant in Service, 104, Gas Plant Leased to Others, 105, Gas Plant Held for Future Use, (105.1, Production Properties held for Future Use, in the case of Major Companies), and 121, Nonutility Property, the transfer shall be recorded by transferring the original cost thereof from the one account, department, or location to the other. Any related amounts carried in the accounts for accumulated provisions for depreciation, depletion, or amortization shall be transferred in accordance with the segregation of such accounts.

NOTE (Major Companies): Amounts included in account 111, Accumulated Provision for Amortization and Depletion of Gas Utility Plant, shall not be related to a particular natural gas lease, and therefore, shall not be transferred under the provisions of this instruction.

13. Common utility plant.

A. If the utility is engaged in more than one utility service such as gas, electric, and water, and any of its utility plant is used in common for several utility services or for other purposes to such an extent and in such manner that it is impracticable to segregate it by utility services currently in the accounts, such property, with the approval of the Commission, may be designated and classified as "common utility plant."

B. The book amount of utility plant designated as common plant shall be included in account 118, Other Utility Plant, and if applicable in part to gas department, shall be segregated and accounted for in subaccounts as gas plant is accounted for in accounts 101 to 107, inclusive, and gas plant adjustments in account 116; any amounts classifiable as common plant acquisition adjustments or common plant adjustments shall be subject to disposition as provided in paragraph C and B of accounts 114 and 116, respectively, for amounts classified in those accounts. The original cost of common utility plant in service shall be classified according to detailed utility plant accounts appropriate for the property.

C. The utility shall be prepared to show at any time and to report to the Commission annually, or more frequently, if required, and by utility plant accounts (301 to 399) the following: (1) The book cost of common utility plant, (2) the allocation of such cost to the respective departments using the common utility plant, and (3) the basis of the allocation.

D. The accumulated provision for depreciation and amortization of the utility shall be segregated so as to show the amount applicable to the property classified as common utility plant.

E. The expenses of operation maintenance, rents, depreciation and amortization of common utility plant shall be recorded in the accounts prescribed herein, but designated as common expenses, and the allocation of such expenses to the departments using the common utility plant shall be supported in such manner as to reflect readily the basis of allocation used.

14. Employee villages and living quarters (Major natural gas companies).

Where employee villages or living quarters are provided for operators and attendants of a functional installation such as a compressor station or gasoline plant, the structures and improvements shall be classified in the related functional structures and improvements account. The furnishings of such residential and recreational facilities shall be classified in the equipment account of the related function.

15. Fees for applications filed with the Commission.

A. Fees for applications involving construction of property shall be accounted for as follows:

(1) All fees paid prior to the final disposition of the certificate application shall be charged to account 186, Miscellaneous Deferred Debits (account 180, Other deferred Debits, in the case of Nonmajor companies).

(2) If the certificate is granted and accepted, the amounts recorded in account 186 shall be cleared to account 107, Construction Work in Progress--Gas, and subsequently cleared to the appropriate plant accounts (the amounts recorded in account 186 shall be cleared to the appropriate plant accounts, in the case of Nonmajor companies).

(3) If the certificate requested is not granted or is not accepted by the applicant, the fees recorded in account 186 (account 180 in the case of Nonmajor companies) shall be cleared to account 928, Regulatory Commission Expenses.

(4) All amounts paid after the Commission has granted the certificate shall be recorded in account 107, Construction Work in Progress--Gas, and subsequently cleared to the appropriate plant accounts.

B. All amounts paid related to certificate applications involving the acquisitions of facilities including those acquired by merger or pooling of interests shall be charged to account 928, Regulatory Commission Expenses.

C. All other fees for applications not involving construction or acquisition of facilities shall be charged to account 928, Regulatory Commission Expenses.

16. Transmission and distribution plant (Nonmajor natural gas companies). For the purposes of this system of accounts:

A. *Transmission system* means the land, structures, mains, valves, meters, boosters, regulators, tanks, compressors and their driving units and appurtenances, and other equipment used primarily for transmitting gas from a production plant, delivery point of purchased gas, gathering system storage area, or other wholesale source of gas, to one or more distribution areas. The transmission system begins at the outlet side of the valve at the connection to the last equipment in a manufactured gas plant, the connection to gathering lines or delivery point of purchased gas, and includes the equipment at such connection that it used to bring the gas to transmission pressure, and ends at the outlet side of the equipment which meters or regulates the entry of gas into the distribution system or into a storage area. It does not include storage, land, structures or equipment. Pipeline companies, including those companies which measure deliveries of gas to their own distribution systems, shall include city gate and main line industrial measuring and regulating stations in the transmission function.

B. *Distribution system* means the mains which are provided primarily for distributing gas within a distribution area, together with land, structures, valves, regulators, services and measuring devices, including the mains for transportation of gas from production plants or points of receipt located within such distribution area to other points therein. The distribution system owned by companies having no transmission facilities connected to such distribution system begins at the inlet side of the distribution system equipment which meters or regulates the entry of gas into the distribution system and ends with and includes property on the customer's premises. For companies which own both transmission and distribution facilities on a continuous line, the distribution system begins at the outlet side of the equipment which meters or regulates the entry of gas into the distribution system and ends with and includes property on the customer's premises. The distribution system does not include storage land, structures, or equipment.

C. *Distribution area* as used herein means a metropolitan area or other urban area comprising one or more adjacent or nearby cities, villages or unincorporated areas, including areas contiguous to main highways.

17. Amortizable Property

A. All references in these USOA to the maintenance of plant account records for the number of record or retirement units, the location or physical inventories thereof are suspended for amortizable equipment.

B. All references in these USOA to the accounting for retirements to reflect mortality experience and percentages of salvage or cost of removal are suspended for amortizable equipment.

C. All references in these USOA to the accounting for net salvage in Account 108, Accumulated Provision for Depreciation of Plant in Service, are suspended for amortizable equipment.

D. The annual amortization expense will be increased/decreased for removal costs and salvage in the year of occurrence.

E. The qualifying equipment will be amortized by a charge to Account 403, Depreciation Expense, and a credit to Account 108, Accumulated Provision for Depreciation, over the fixed amortization time period.

F. When net vintage investment equals zero (fully amortized), the vintage account balance will be retired, by charging the full cost of the vintage investment to the vintage account accumulated depreciation and crediting the full cost to the vintage investment account. Individual retirements will not be recorded.

AG DR Set 1-129- Attachment B
Project Management

Project Management (Continued)

• Construction Work Orders / CWIP (G/L 107)

- Requested, issued, forwarded for proper classification and validation, and approved by Field Operations.
- Once active, can begin accepting expenditures (labor, materials, overheads, AFUDC, etc.)
 - Allowance for Funds Used During Construction (AFUDC) -- a cost accounting procedure whereby the net composite interest costs of capital funds used to finance construction are transferred from interest expense (G/L 432) on the income statement to CWIP (G/L 107) on the balance sheet. This procedure is intended to remove the effect of the cost of financing construction activity and treat it in the same manner as construction labor and material costs instead.
- When placed in-service, AFUDC charges cease as of the in-service date.
 - However, in COH, Post-in-Service Carrying Charges (PISCC) are allowed which capitalizes these interest charges after the in-service date. Current regulations allow for PISCC capitalization from November 2004 through October 2008.
- Transferred from G/L 107 to G/L 106 non-utilized account on the general ledger, becomes an asset, and begins depreciating.
- Reviewed and approved in Asset Accounting and then closed to G/L 101. This officially capitalizes and unitizes the asset so that it can be identified by property unit and CPR (Continuing Property Record).

• Retirement Work Orders / RWIP (G/L 108)

- To be processed, a property unit to retire must be selected prior to placing the work order in service.
- Once active, it can begin accepting expenditures (cost of removal and salvage) that will be classified along with the retirement of the original cost of the asset.
- Reviewed and approved in Asset Accounting, and then closed to reverse G/L 108 accumulated depreciation or G/L 111 accumulated amortization and the plant cost in G/L 101.

4/7/2009

4

AG DR SET 1-129- Attachment C
 WORK ORDER INSTRUCTIONS



Energy Distribution Group

Columbia Gas Companies

COMPANY POLICY AND PROCEDURE MANUAL

SPONSOR NAME (DEPARTMENT) <u>Engineering - Facilities Planning</u>		POLICY/PROCEDURE REFERENCE NO. - <u>62371</u>
DATE ISSUED <u>May 19, 2008</u>		GENERAL SUBJECT: <u>Plant Operations</u>
EFFECTIVE DATE <u>May 19, 2008</u>	SUBSIDIARY SUBJECT: <u>Work Orders</u>	
STATUS (NEW, REVISED OR CANCELLED) <u>Revised</u>		
TITLE <u>Work Order Preparation</u>		
PURPOSE To provide instructions for the preparation of Form C 242-1, "Work Order."		
CROSS REFERENCE None		
<u>Table of Contents</u>		
		<u>Page</u>
<u>1. Form C 242-1, "Work Order" 1</u>		
<u>2. Work Orders Which Require No Cost Estimate 2</u>		
<u>3. Work Order Revisions 2</u>		
<u>3.1. Non-reimbursable Work Orders 2</u>		
<u> 3.1.1. Prior to or During Construction 2</u>		
<u> 3.1.2. After Construction is Completed 3</u>		
<u>3.2. Reimbursable Work Orders 3</u>		
<u>4. Related Forms 3</u>		
<u>4.1. Form C 242-1, "Main Evaluation Data" 3</u>		
<u>4.2. "Line Extension Agreement" 3</u>		
<u>4.3. Form C 1434, "Request for Service to Civil Engineering and/or Land Section" 3</u>		
<u>4.4. "Subdivision Plans" 3</u>		
<u>4.5. "Regulator(s)/Meter(s) Sizing Data" 3</u>		
<u>4.6. Form C 1910, "Commercial/Industrial Application and New Load Data" 3</u>		
1. <u>Form C 242-1, "Work Order"</u>		
<p>Work Orders shall be prepared on Form C 242-1, "Work Order," in accordance with instructions found in Exhibit A. Work Sheets used in estimating various costs for entry on the Work Order may be retained locally for back-up.</p>		
THIS PROCEDURE ISSUED PER CORPORATE POLICY STATEMENT 600 WITH APPROVALS ON FILE.		

2. Work Orders Which Require No Cost Estimate

The following is a list of Work Order types which do not require a cost estimate:

Sites for regulators, rectifiers or groundbeds (Budgets 575, 576) (Policy and Procedure Reference No. 540-7)

Preliminary Survey and Investigation (183-2000) (Policy and Procedure Reference No. 380-4)

Miscellaneous Maintenance and Jobbing (186-1)

Securing Right-of-Way (Specific Budgets)

Upgrading (Budget 186-1)

3. Work Order Revisions

When Management approves a Work Order, the expenditure is approved for the "Total Estimate" plus or minus 10% or \$5,000, whichever is greater. It is the obligation of the person in charge of the work to notify Management of a revision as soon as possible to provide Management the opportunity to re-evaluate the original approval under the new circumstance(s).

There are two methods of notifying Management of a revision, depending on when the need becomes apparent.

3.1 Non-reimbursable Work Orders

3.1.1 Prior To or During Construction

When it is recognized that the "Total Estimate" will be over/under the authorized amount, preferably prior to or during construction, a revised Work Order shall be prepared and the "Work Order Control System" updated.

A revised Work Order to show design changes, and/or new cost estimates is prepared in the same manner as the original Work Order, except that it will use the original Work Order number, to indicate that it is a revised Work Order, and include an explanation in sketch area or on an attached memorandum.

To update the "Work Order Control System" either of the following actions is required:

- a. Log on and make necessary corrections.
- b. Submit a new Form C-1527, "Work Order Control Card," marked "Revision" in top left corner.

In either case, refer to Policy and Procedure Reference No. 623-5, "Work Order Routing and Control."

3.1.2 After Construction is Completed

In those cases where the "Total Estimate" is not determined to be over/under the authorized amount until after construction is completed, the Work Order need not be revised. An explanation can be included with the completion report in accordance with Policy and Procedure Reference No. 623-7, "Work Order Completion Reports."

3.2 Reimbursable Work Orders

When Management previously approved a reimbursable Work Order, the approval was based on the amount of reimbursement and the Company's eligibility for reimbursement. Therefore, if either basis for approval changes, a Work Order revision shall be prepared and the "Work Order Control System" updated after approval.

4. Related Forms

Various forms and/or documents related to the Work Orders shall be handled as follows:

4.1 Form C-2404. "Main Evaluation Data"

Form C-2404, "Main Evaluation Data," (Exhibit F), is used to consolidate data on condition, history, and other information needed to make an evaluation and arrive at a repair/replace decision in accordance with Policy and Procedure Reference No. 651-10, "Repair and Replace Considerations."

Budget 557 Work Order requests having cost estimates greater than \$25,000 shall have Form C 2404 attached when submitted to Engineering - Facilities Planning for approval.

Instructions for completing Form C-2404 are found in Policy and Procedure Reference No. 651-10.

4.2 Line Extension Agreement

Budget 555 Work Order requests having cost estimates greater than \$25,000 shall have the applicable Line Extension Agreements attached when submitted to Engineering - Facilities Planning for approval.

Refer to Exhibit A, Keys 9 and 10 for additional information.

4.3 Form C-1434. "Request for Service to Civil Engineering and/or Land Section"

Form C-1434, Exhibit D, shall be submitted directly to Engineering - Civil Engineering when survey, land services or permit acquisition assistance is to be requested.

Refer to Policy and Procedure Reference Nos. 540-9, "Assignment of Facilities From or to Others," and 530-5, "Rail-road Occupancy Requirements," for additional information.

4.4 Subdivision Plats

Subdivision plat maps should be forwarded to Engineering - Graphics Section as soon as available to facilitate development of base maps.

4.5 Regulator(s)/Meter(s) Sizing Data

Budget 573 and 583 Work Order requests having cost estimates greater than \$25,000 or involving the purchase, or exchange of gas volumes shall have Form C-2485, "Regulator(s)/Meter(s) Sizing Data" or a Station Design Memorandum attached when submitted to Engineering - Facilities Planning for approval.

Refer to Exhibit A, Key 38 for additional information.

4.6 Form C 1910. "Commercial/Industrial Application and New Load Data"

Attached to Budget 555 Work Orders, when appropriate. For additional information refer to Policy and Procedure Reference No. 950-1, "Large Volume Application for New or Additional Industrial/Commercial Load."

Instructions for completion of Form C 242-1, "Work Order".

The following items are keyed to Form C 242-1, page 16 of this Exhibit, and each blank must be completed if appropriate. If inappropriate, space shall be left blank.

<u>Key</u>	<u>Item</u>	<u>Description</u>
1	Company	Check appropriate company block.
2	Work Order Action	Check appropriate block(s), if: REIMBURSABLE - prefix location number with a 7 for construction Work Orders and 8 for retirement Work Orders. VERBAL - Indicate when work was started prior to Work Order approval and reflect initials of person granting approval and date. Refer to Policy and Procedure Reference No. 623-5, "Work Order Routing and Control." REVISED - Indicate date revision was issued, for additional information refer to Section 3 of this procedure.
3	Date Issued	Enter date when Work Order was assigned a number.
4	District	Self-explanatory
5	Division	Leave blank.
6	Area	Enter name and/or number of local operating Area.
7	Job Location	Provide a brief description of exact location of proposed work, giving street or road name, etc.
8	Known As	Enter identification number of Company facility involved; i.e., "D" line number, regulator number, measuring station number, rectifier number, lease or deed number, building number, valve number, damage claim number, etc. If no numbered Company facility is involved, enter "NONE."
9	Classification Block	Complete as follows: Gen. Led. - indicate type Work Order; i.e., 107 (construction and installation), 108 (retirement or removal), 183 (Preliminary Survey and Investigation), 186 (Misc. Maint. & Jobbing Work).

<u>Key</u>	<u>Item</u>	<u>Description</u>								
9	Classification Block (Cont'd)	<p>Bud. No. - indicate budget number. Refer to Policy and Procedure Reference No. 320-3, "Policy Covering Construction and Retirement Budgets" which provides a description of budgets numbers.</p> <p>Loc. - enter location number of sponsoring area with the first digit (region number) eliminated.</p> <p>Note: Prefix location number:</p> <table border="0"><thead><tr><th><u>with a</u></th><th><u>to indicate</u></th></tr></thead><tbody><tr><td>6</td><td>Customer advances for construction, 252 Account (Line Extension Agreement Work Orders)</td></tr><tr><td>7</td><td>Construction reimbursable Work Order</td></tr><tr><td>8</td><td>Retirement reimbursable Work Order</td></tr></tbody></table> <p>W.O. No. - enter the Work Order number assigned by District office.</p>	<u>with a</u>	<u>to indicate</u>	6	Customer advances for construction, 252 Account (Line Extension Agreement Work Orders)	7	Construction reimbursable Work Order	8	Retirement reimbursable Work Order
<u>with a</u>	<u>to indicate</u>									
6	Customer advances for construction, 252 Account (Line Extension Agreement Work Orders)									
7	Construction reimbursable Work Order									
8	Retirement reimbursable Work Order									
10	Proposed Work	<p>Provide a brief description of work to be done. Start with an action word such as lay, construct, abandon, etc.</p> <p>Examples: Lay 200' of 4" L.P. main; Install District Regulator Station; Insert 160' of 2" plastic pipe through reclaimed 3" casing; Abandon 321' of 3" M.P. main; Construct 10' x 10' Conc. Blk. Reg. Bldg.; Acquire Regulator Site. Serve 4 residential applicants</p> <p>For reimbursable Work Orders indicate percent of "Total Estimate" (Key 25) to be billed. See Policy and Procedure Reference No. 623-5.</p>								

<u>Key</u>	<u>Item</u>	<u>Description</u>
10	Proposed Work (Cont'd)	Indicate amount received as a customer advance for construction, 252 Account (Line Extension Agreement Work Orders). For additional guidance, refer to Policy and Procedure Reference No. 380-9, "Allowance for Funds Used During Construction (AFUDC)."
11	Plant Acct. No.	To be completed by Finance - Asset Accounting, when applicable.
12	Purpose and Necessity	<p>Enter reason for work that corresponds to a Retirement Code number (See Key 13). Key words such as "inadequate size"; "deteriorated"; "to provide"; "required by"; "damaged by"; etc., should be used. If more than one reason, mention all reasons. For projects related to highway construction, include highway authority project code number.</p> <p>Examples: Line deteriorated beyond feasible repair. To protect District Regulator. In the way of shopping center construction. To replace 2" pipe which has inadequate capacity.</p> <p>For line extension projects involving commercial and industrial applicants indicate New Load Data Sheet Number. Example: To serve one new commercial customer (name), New Load Data Sheet No. ____.</p> <p>For line extensions projects indicate number of actual applicants to be initially served. Example: To serve seven residential applicants.</p>
13	Ret. Code	Enter Retirement Code number from Exhibit B that corresponds to Purpose and Necessity (Key 12).
14	L.E.A. Number	<p>Enter line extension agreement (L.E.A) number when one is required. When a L.E.A. is not required, enter an abbreviated statement to that effect, such as No Dep. Req.</p> <p>If a new load and no L.E.A. is required, enter new load data sheet number; see Policy and Procedure Reference No. 950-1, "Large Volume Application for New or Additional Industrial/Commercial Load."</p>

<u>Key</u>	<u>Item</u>	<u>Description</u>
15	Incorporated Place or County Subdivision	Enter name of incorporated City, Town, Village or name of Township or District. If proposed work covers two or more Communities, Townships or Districts, enter the one where the majority of proposed work is located.
16	Taxing District Number	Enter Taxing District number. The Taxing District number can be obtained from the on-line District table in DIS (65). If proposed work involves two or more taxing districts, enter the one where the majority of proposed work is located.
17	County	Self-explanatory
18	State	Self-explanatory
19	Related Work Order Numbers	<p>List all related Work Order numbers, including Preliminary Survey and Investigation Work Order.</p> <p>Example: Related Work Orders to replace regulator and setting may be as follows:</p> <p>183-2000-(Loc. No.) - (W.O. No.) 108-584-(Loc. No.) - (W.O. No.) 107-585-(Loc. No.) - (W.O. No.) 108-586-(Loc. No.) - (W.O. No.) 107-559-(Loc. No.) - (W.O. No.) 108-560-(Loc. No.) - (W.O. No.)</p> <p>If space is inadequate, write "See Below" and list related Work Order numbers in sketch area.</p>
20	Cost Estimate - Materials	<p>Complete as follows:</p> <p>a. <u>Property Units - Description</u></p> <p>- List property units such as pipe, valves, regulators, gauges, shortstops, shortstop tees, buildings, fences, heaters, etc. Give wall thickness and grade of pipe, figure number of valves, model number of regulators, etc. A list of the property units is included in Section II of the Columbia Gas System Property Unit Manual and in Policy and Procedure Reference No. 380-5, "Assignment, Attachment and Removal of Movable Property Unit Numbered Tags."</p>

<u>Key</u>	<u>Item</u>	<u>Description</u>
20	Cost Estimate - Materials (Cont'd)	<p>Note: On retirement Work Orders, specify what disposition will be made of the material or equipment being retired, such as "abandon in ground", "to junk", "reclaim as conduit", etc. No price is shown for material being retired.</p> <p>b. <u>Size</u> - List each type of property unit individually, starting with largest size first; such as 6-inch pipe, 4-inch pipe, 2-inch pipe, 6-inch valve, 4-inch valve, etc.</p> <p>c. <u>Quantity</u> - Self-explanatory</p> <p>d. <u>Unit Price</u> - Indicate cost per foot for pipe, cost per valve, etc. Prices may be secured from the "Material and Supplies Transaction Report" distributed monthly by the Purchasing Section.</p> <p>e. <u>Amount</u> - Enter total for each item rounded to nearest dollar.</p> <p>f. <u>Miscellaneous Fittings and Material</u> - Enter total amount of non-property units such as fittings, pipe coating, anodes, joint patching, welding material, test station heads, etc. Any significant cost item may be separately identified whether it is a property unit or not. Form C 1341-1, "Bill of Material," (Exhibit C), may be used to make a complete listing of fittings and miscellaneous material (in addition to property units) to arrive at a dollar amount and to advise the Area Warehouse personnel to obtain and accumulate the materials required. Policy and Procedure Reference No. 1086-6, "Accounting for Materials and Supplies Available or Purchased for Construction," provides additional information concerning the use of Form C 1341-1.</p> <p>g. <u>Total Material</u> - Enter total estimated cost of material. This figure is used as the basis for calculating Stores Expense and Freight Charges.</p>

Key Item
21 Other Costs

Description

Complete as follows:

- a. Stores Expense and Freight - Enter current percentage rate. (Refer to Policy and Procedure Reference No. 627-2, "Hourly Rates and Accrual and Overhead Percentages Used in Calculating Costs.") and apply to Key 20g and enter resultant figure.
- b. Special Backfill and Paving Materials (Purchased by Company) - Enter total estimated cost of stone chips, dust, asphalt, blacktop, concrete and other materials to be company purchased. Materials purchased by contractor as part of the contract are not included.
- c. Labor - Company - Calculate by multiplying the total estimated man-hours by the average rate per hour to obtain "raw labor." Multiply "raw labor" figure by the current percentage for "Vacation and Non-Productive Time Accrual." (Refer to Policy and Procedure Reference No. 627-2). Add the resultant amount to "raw labor" amount to arrive at "Labor-Company" estimate. Percentage figure used shall be shown.

Construction and Retirement Work Orders require a Labor-Company estimate except as noted in Section 2.
- d. Labor Overheads - Calculate by multiplying Key 21c estimate by the Labor Overhead percentage (Refer to Policy and Procedure Reference No. 627-2). Percentage figure used shall be shown.
- e. Outside Labor - Enter an estimate of charges to include expenses to be paid highway inspectors, and policemen to control traffic, etc.
- f. Contract - Enter amount to be paid to outside firms and individuals for services to be performed under contracts. Provide contractor name(s) and contract number(s) if known.

For a dig and backfill agreement enter the equivalent construction contribution. See Key 21k.

<u>Key</u>	<u>Item</u>	<u>Description</u>
21	Other Costs (Cont'd)	<p>g. <u>Right-of-Way Costs</u> - Enter "Consideration" and expenses other than Company labor incident to securing rights-of-way. Engineering - Land Section will supply estimates if significant costs are anticipated.</p> <p>h. <u>Damages (Right-of-Way)</u> - Enter estimate of damages to be paid to property owner as a result of construction. Engineering - Land Section will supply estimates if significant costs are anticipated.</p> <p>i. <u>Vehicles and General Tools</u> - Calculate by multiplying rate per hour of each type vehicle and general tool to be used by the estimated number of hours of use. Add the resultant amounts to arrive at total. (Refer to Policy and Procedure Reference No. 627-2 for rates.)</p> <p>j. <u>Supplies, Misc. and Other Costs</u> - Enter cost of small hand tools, various supplies and materials, travel expense, meals, etc.</p> <p>k. When a dig and backfill contribution is entered under Key 21f, a offsetting credit is made by the notation "Aid-in-construction - Dig and Backfill" and entering a negative offsetting figure.</p>
22	Total-Material and Other Costs	Enter total of Key 20g and Keys 21a thru j.
23	Allowance for Funds Used During Construction	<p>Enter current percentage rate (30 day or 15 day rate reflected in Policy and Procedure Reference No. 627-2) and apply to Key 22 and 24 to arrive at figure.</p> <p>Example: Assume Work Order to be open 6 months, then figure to be entered equals (Key 22+24) x 30 day rate x 6 months.</p> <p>Note: Not to be applied to retirement Work Orders.</p>
24	Supervision, Engineering, General and Administrative	<p>Enter current percentage rate (Refer to Policy and Procedure Reference No. 627-2) and apply to Key 22 to arrive at figure.</p> <p>Note: Not to be applied to retirement Work Orders.</p>

<u>Key</u>	<u>Item</u>	<u>Description</u>
25	Total Estimate	Enter total of Keys 22, 23 and 24.
26	Special Services	Check box for service required. If Engineering Department services are required Form C 1434, "Request for Service to Civil Engineering Graphic and/or Land Section," (Exhibit D), shall be submitted directly to the Engineering - Civil Engineering, Director with a copy of the Work Order.
27	Permits Required	Check boxes to indicate permits needed. If permit will be acquired through Engineering - Land Section, Form C 1434, "Request for Service to Civil Engineering Graphic and Land Section," shall be sent directly to the Director of Civil Engineering with a copy of the Work Order. If a permit is to be obtained locally, indicate this by placing an asterisk after type of permit checked.
28	Market No. Affected	Check appropriate box. If "No," no further action is required. If "Yes," list Market Numbers affected and submit the original Work Order to Engineering - Facilities Planning for approval. Work that may affect a change in Market Number might typically be when: a. Points of Delivery are added or deleted, b. Markets are combined or separated, c. Measurement is added or deleted from a Point of Delivery. Note: The first five digits of the Main Number (first two indicate Company next three indicate Market) taken collectively are referred to as the Market Number. Refer to CDC's Reference Guide-Glossary.
29	Systems Affected	Check appropriate box. If "No," no further action is required. If "Yes," list Systems affected and submit original Work Order to Engineering - Facilities Planning.

<u>Key</u>	<u>Item</u>	<u>Description</u>
29	Systems Affected (Cont'd)	<p>Work that may affect a change might typically when:</p> <ol style="list-style-type: none">an entire system (or portion) is uprated or downgraded from one pressure designation to another.a system is added.systems are combined.a portion of a system is separated from one system to form a new system or combined with another system. <p>Note: A system or systems comprise a Market. The sixth through eighth digits of the Main Number identify the system. Refer to CDC's Reference Guide-Glossary.</p>
30	Number of Potential Applicants on Proposed Extension	<p>Indicate number of potential applicants who could apply for service off extension. See Policy and Procedure Reference No. 870-9, "Application for Utility Service at New Locations."</p> <p>Note: Indicate classification (residential - R, commercial - C, and industrial - I) of potential customers. Example: 7R, 2C, 1I.</p>
31	Other Potential Customers	<p>Indicate number of potential customers who could be served from extension by classification (residential - R, commercial - C, and industrial - I) of potential customers. Example: 7R, 2C, 1I.</p> <p>Note: If larger size pipe is requested to meet sizing requirements of a master plan then an explanation shall be attached.</p>
32	Work Will Be Started	Indicate month and year start of work is anticipated.
33	Work Will Be Completed	Indicate in service date anticipated (or date placed in service).
34	Prepared By	Name of person who prepared Work Order.
35	Reviewed By	Name of first supervisor who reviews Work Order.

<u>Key</u>	<u>Item</u>	<u>Description</u>
36	Approvals	Signed at each level of approval in accordance with the Manual of Managerial Approval and Policy and Procedure Reference No. 623-5, "Work Order Routing and Control."
37	Method of Tie-in	Reflect method of tie-in as specified by the Operations Engineer.
38	Sketch	<p>The following applies to all Work Order type sketches, as appropriate:</p> <ol style="list-style-type: none">a. Indicate Operation (or TCO Inventory) map number which contains area in which work will occur.b. Draw sketch with north towards top of sheet, when possible, and add pointer to compass rose to indicate north.c. When sketch will not fit sketch area of Form C 242-1, Form C 1914, "Supplemental Request/Completion Sketch," Exhibit E, is recommended. If Form C 1914 is not used, an 8 1/2" x 14" sketch sheet can be used. It shall reflect the following information: district, division, area, north, map number, and Work Order number.d. Sketches need not be drawn to scale but should be drawn neatly and clearly.e. A distinct dark black line is required for reproduction. A pencil may be used.f. Indicate Taxing District boundary line(s), if applicable. <p>The following applies to specific Work Order types as follows:</p> <ol style="list-style-type: none">a. <u>Construction and retirement</u> Work Orders require:<ol style="list-style-type: none">1. that the sketch contain all tie-in or terminal points and relate platted streets, railroads, water crossings, etc. in work area.

<u>Key</u>	<u>Item</u>	<u>Description</u>
38	Sketch (Cont'd)	<ol style="list-style-type: none">2. that lines to be installed or retired appear as dashed lines, unaffected lines as solid lines.3. that all gas lines in work area be reflected.4. that size, kind, type, and pressure type (LP, IP, etc.) of all lines be reflected along with footage detail of affected line(s).5. that property units affected be reflected (Refer to Policy and Procedure Reference No. 623-3, "Initiating an Individual Work Order.")6. that water crossing be detailed to reflect construction considerations. When necessary use a separate sketch. Note: Major river crossings require a separate Work Order (Refer to Policy and Procedure Reference No. 530-3, "River and Stream Crossings").7. that cathodic protection measures be indicated, as applicable. <ol style="list-style-type: none">b. <u>New business extension</u> reflect footages for which no deposit was taken (except for allowances for approved applicants.)c. <u>Land procurement and building Work Orders</u> require only a location sketch. When the procurement of land is for a regulator site the Operations Engineer should insure that the sketch reflects a primary site location and alternative locations. Refer to Policy and Procedure Reference No. 530-11, "Design - Regulator Station Site Selection."d. <u>Regulator and measuring station Work Orders</u> shall have a location sketch, and a sketch reflecting inlet and outlet mains, and Form C 2485, "Regulator(s)/ Meter(s) Sizing Data," (see below) affixed or a copy of a "Station Design Memorandum," Exhibit G.

<u>Key</u>	<u>Item</u>	<u>Description</u>
38	Sketch (Cont'd)	

* Capacity shall reflect the peak hour from a Network Analysis study, Load Data sheet, or other appropriate load requirement.

- e. Preliminary Survey and Investigation (PS&I), and Miscellaneous Maintenance and Jobbing Work Orders normally do not require a sketch. However, in some cases, it may be beneficial to use a sketch to define the limits of the work area. The sponsor name of a PS&I Work Order shall appear in the sketch area. (Refer to Policy and Procedure Reference No. 380-4, "Preliminary Survey and Investigation Work Orders.")

<u>Key</u>	<u>Item</u>	<u>Description</u>
38	Sketch (Cont'd)	<p>f. <u>Reimbursable Work Order</u> shall reflect the name and address of person, amount to be billed and whether any advance payments were made. (Refer to Policy and Procedure Reference Nos. 623-3, "Initiating an Individual Work Order," and 525-3, "Damage to Company Pipeline Facilities.")</p> <p>g. <u>Uprate Work Order</u> shall reflect in addition to the sketch the following information:</p> <p style="margin-left: 40px;">MAOP System Number System Name MOP Accountability Code Location No.(s). Taxing District No(s).</p>
39	Pressures	<p>a. <u>Test</u> - Indicate pressure at which component being constructed will be tested. Normally this pressure will be 90 psig. Refer to Policy and Procedure Reference No. 640-5, "Pressure Testing."</p> <p>b. <u>MAOP</u> - Indicate Maximum Allowable Operating Pressure (MAOP) of system in which gas facilities are to be installed. Indicate proposed MAOP on Work Orders involving an uprating (Refer to Policy and Procedure Reference No. 654-7, "Maximum Allowable Operating Pressures (MAOP).")</p> <p>c. <u>Max. Oper.</u> - Indicate maximum operating pressure affected system actually experienced in recent past on all Work Orders involving installation of gas facilities.</p>
40	Installation Code	<p>Enter appropriate installation code:</p> <p><u>Code</u> <u>Explanation</u></p> <p>A. Pipeline Work - <u>Company</u> - All work associated with Work Order provided by Company personnel.</p>

<u>Key</u>	<u>Item</u>	<u>Description</u>
40	Installation Code (Cont'd)	<p>B. Pipeline Work - <u>Contract</u> - All work associated with Work Order provided by outside contract except Company inspection of facility.</p> <p>C. Pipeline Work - <u>Contract</u> - All work associated with Work Order provided by outside contract except Company inspection and tie-in of facility.</p> <p>D. Pipeline Work - <u>Company and Contract</u> - All work associated with Work Order provided by Company personnel except restoration of surface damage performed by contract (paving, sod, seed).</p> <p>E. Pipeline Work - <u>Other</u> - All other pipeline work not covered by codes A through D.</p> <p>F. All Other Than Pipeline Work</p> <p>G. Pipeline Work - <u>Dig and Backfill</u> - All work associated with Work Order provided by Company personnel except trenching and backfilling.</p>
41	Network Analysis No.(s) (Main Number)	Enter the first eight digits of the Main Number and, if available, load location type (1 digit) and load location identification (4 digits). If not a current study identified by a Main Number, list the network analysis number.
42	Certificate	Signature of responsible <u>engineering representative (engineer or engineering technician)</u> , on all installation, retirement, and regulator site Work Orders. Deleted: Operations Engineer

FORM G 243 5 (2) 1981

COLUMBIA GAS DISTRIBUTION COMPANIES
WORK ORDER

CRY CWD EPA (1) RESURABLE
 CDH CQC VERBAL (2) REVISED-DAIL

DATE REVD (3)	DISTRICT (4)	RITESH (5)	AREA (6)	BEN. LED.	SVO. NO.	LOC.	W.O. NO.
LOCATION (7)				INDWELL (8)		NO. (9)	
PROPOSED WORK (10)							
PURPOSE AND PROJECT (12)				RET. CODE (13)	L.L.A. NUMBER (14)		
INCORPORATED PLACES OR COUNTY SUBDIVISION (15)				TRADING DISTRICT NUMBER (16)	COUNTY (17)	STATE (18)	
RELATED WORK ORDER NUMBER (19)							

COST ESTIMATE - MATERIALS					DATA	
PROPERTY UNIT-DESCRIPTION	SIZE	QUANTITY	UNIT PRICE	AMOUNT	<input type="checkbox"/> SURVEY	<input type="checkbox"/> LAND (26)
(20-A)	(20-B)	(20-C)	(20-D)	(20-E)	<input type="checkbox"/> PERMITS REQUIRED (27)	
					<input type="checkbox"/> RAILROAD <input type="checkbox"/> HIGHWAY <input type="checkbox"/> TOWNSHIP <input type="checkbox"/> BRIDGE <input type="checkbox"/> STATE <input type="checkbox"/> CITY <input type="checkbox"/> WATERWAY <input type="checkbox"/> COUNTY <input type="checkbox"/> OTHER	
					*INDICATES PERMITS OBTAINED LOCALLY	
					MARKET NO. AFFECTED <input type="checkbox"/> YES <input type="checkbox"/> NO LIST NOS AFFECTED (28)	
					SYSTEMS AFFECTED <input type="checkbox"/> YES <input type="checkbox"/> NO LIST NOS AFFECTED (29)	
MISCELLANEOUS FITTINGS AND MATERIAL (20-F)				NUMBER OF POTENTIAL APPLICATIONS ON PROPOSED EXTENSION (30)	OTHER POTENTIAL CUSTOMERS (31)	
TOTAL MATERIAL (20-G)				WORK WILL BE STARTED (32)	WORK WILL BE COMPLETED (33)	
OTHER COSTS				PREPARED BY: (34)	APPROVALS	
STORES EXPENSE AND FREIGHT % (21-A)				REVIEWED BY: (35)		
SPECIAL BACKFILL AND PAVING MATERIAL (Purchased by Company) (21-B)						
LABOR COMPANY (including 8% ACERVAL Non-Paid Time) % (21-C)						
LABOR OVERHEADS % (21-D)						
OUTSIDE LABOR (including 8% ACERVAL, P.M.C.A.P.A., ETC.) (21-E)						
CONTRACT (21-F)						
RIGHT-OF-WAY COSTS (OTHER THAN LABOR) (21-G)						
DAMAGES (HIGHWAY) (21-H)						
VEHICLES AND GENERAL TOOLS (21-I)						
SUPPLIES, MISC. AND OTHER COSTS (21-J)						
*USE TEXT FOR DIG AND BACK FILL INSTRUCTIONS (21-K)						
TOTAL MATERIAL AND OTHER COSTS (22)				METHOD OF TIE (37)		
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION % (23)						
SUPERVISION, ENGINEERING, GENERAL & ADMINISTRATIVE % (24)						
TOTAL ESTIMATE (25)						

INDICATE NORTH SECTION MAP NO.

* (36)

PRESSURES		INSTALLATION CODE	NETWORK ANALYSIS (NOS)	CERTIFICATE: I CERTIFY THAT ALL COMPONENTS OF THIS PROJECT ARE DESIGNED IN ACCORDANCE WITH THE COLUMBIA GAS NET. COMPANIES POLICY/PROCEDURE MANUAL.
TEST	MID	MAX	OFFP	
(39)		(40)	(41)	ENGINEER (42)

Classification of Reasons for Retirements of Fixed Capital

1. EXHAUSTION OF OR A DECREASE IN LOCAL NATURAL GAS SUPPLIES - where the retirement is a removal of property no longer useful at its present location because of a decrease in or the exhaustion of local gas supplies (including both gas produced by the Company and gas purchased from other local producers). Such property includes gas wells, pipe lines, pumping equipment and meters to gather, transmit, and measure the gas.
2. INADEQUACY - where the retirement results from insufficiency in present facilities to provide for what is required or needed. Such inadequacy is more common in pipe and equipment transporting natural gas, but some or parts of building construction equipment, furniture, etc., may become inadequate. Volumes of natural gas required by customers may necessitate greater capacities to supply the immediate vicinity, areas beyond the immediate vicinity and future anticipated requirements.
3. DETERIORATION - where the retirement results from decline in usefulness and loss in value due to the action of the elements, wear and tear, decay and corrosion. A common occurrence of deterioration is the corrosion and pitting of underground pipe and fittings.
4. CHANGE IN PLAN OF OPERATION - where the retirement is occasioned by a necessity for a rearrangement of property to allow for the more efficient use of existing equipment. This includes removals necessary to provide space for a new facility or installation, such as valve settings, drips, branch line tie-ins, measuring stations and equipment which are physically in the way of such new facility or installation. Such removals should not be confused with those due to inadequacy, as the new installations made within the present limits of units such as pipe lines or compressor stations, are normal occurrences. This classification includes retirements caused by removals of temporary installations and retirements caused by decisions of management which are not properly includable under any of the other reasons.
5. OBSOLESCENCE - where the retirement results from the equipment having become antiquated or superseded by reason of modern equipment; is no longer capable of performing economically the work originally intended due to its design or principle; or when the equipment has become excessively difficult and expensive to maintain, and its replacement will result in greater efficiency and economy. Examples of obsolescence are where repair or replacement parts are no longer available; or even though repair parts are available, it may be considered inadvisable to incur the expense because more efficient equipment is now manufactured.

6. REQUIREMENTS OF PUBLIC AUTHORITY - where the retirement is occasioned by removals and relocation necessitated by public improvements such as dams, reservoirs, highways, streets, sewers, water mains, electric conduit and other underground structures. This reason should also include removals in anticipation of possible future interference with public improvements.
7. REQUIREMENT OF OTHERS - where the retirement is occasioned by action of private enterprises (other utilities, companies, partnerships, or individuals) necessitated by the nature and requirements of their business such as water, telephone or electric service, strip mining, private housing developments, industrial developments, etc.
8. DAMAGES AND DESTRUCTION - where the retirement results from landslides, storms, fire, explosions, etc., which necessitate a replacement or relocation of the retired property, wholly or in part. This classification is also to include items lost or stolen.
9. PRECAUTIONARY MEASURES - where the retirement results from removals which are necessary on account of hazards to Company operation, property or life. Examples of this classification are buildings or other improvements so close to the pipe lines that a removal and relocation is advisable to safeguard both property and life.
10. SALES OF PROPERTY - where the retirement is the result of sales of property the loss from which, if any, is chargeable to the depreciation reserve. Such retirements are to be classified as a sale or trade only if the property is to be continued in its same use following the transaction and would not be removed from the plant account at or near that time if the transaction had not taken place.
11. UNCODED - OTHER - where the retirements are accumulated under blanket work orders, the individual charges to which are not separately identifiable as to cause for removal. Also where retirements and retirement reversals are made to bring the books into agreement with maps or physical inventories and such adjustments cannot be traced to a fault in any previous entry for an addition, retirement or fixed capital adjustment.
19. REJECTS - where retirements are made from non-depreciable accounts such as land which are not analyzed for salvage study purposes. Also, for adjustments to write-offs (both book cost and salvage elements) made prior to the study period. The isolation of such entries, usually consisting of only one element of the write-off, either book cost or salvage, keeps such adjustments from distorting the ratio of salvage to book cost.

RETIREMENT

Work Order Number:
00558.WP1841.2621

Source
Columbia Distribution Companies
Project - 8519: Work In Progress Ledger
As of: 6/9/2009

AG DR SET 2-129
Attachment D
Sample Work Order
5 Total Pages

Gen	Activity	Facility	Loc	Gpa	Tax Dist	Map No	
108	00558	WP1841	2621	37600		6716204D	
	WO	WO			WO		
	Initiation Date	In Service Date	Cmpl Rpt Dt	Close Date	Reimbursable	Approved Amount	
	10/16/2006	8/24/2007	2007/10/10	5/1/2008	None	\$0,322.00	

Description: Ret 273'4"PI-Retain As Casing : Kirkleving : Lex
Notes:

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
200804	A/A-02-003	Closing To Property, Plant, Eqpt	0001			0		(\$1,529.35)
Total for cost element 0001 Closing To Property, Plant, Eqpt								(\$1,529.35)
200708	LAB-01-001	Stanley Sorrell WM06026184100	1010	2621	20013	7.45	34.58	\$257.62
Total for cost element 1010 Labor								\$257.62
200708	LAB-01-001	Stanley Sorrell WM06026184100	1020	2621	20013	0		\$87.47
Total for cost element 1020 Labor Overhead								\$87.47
200708	M&S-01-001	0945295 3 X 40' Pp Ips .304w 07698083600	2020			240	1.40	\$336.67
200708	M&S-01-001	0945295 3 X 40' Pp Ips .304w 07698083600	2020			0		\$0.00
200708	M&S-01-001	43100413 4x3 Reducer B/F Sdr1 07698083600	2020			1	7.65	\$7.65
200708	M&S-01-001	43152513 4ipsx1cts Ef Tap Tee 07698083600	2020			4	11.82	\$47.28
200708	M&S-01-001	43042353 3 Ips Cplg E/F W/4. 07698083600	2020			2	11.87	\$23.74
Total for cost element 2020 Material & Supplies - General								\$415.34
200803	A/P-01-001	Stanley P WM08718212800	3B41			0		\$673.20
Total for cost element 3B41 Paving Restoration								\$673.20
200709	A/P-01-001	Sorrell D WM06026184100	5026			0		\$16.00
Total for cost element 5026 Overtime Meals								\$16.00

Work Order Number:
00558.WP1841.2621

Source
Columbia Distribution Companies
Project - 8519: Work In Progress Ledger
As of: 6/9/2009

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
200708	LAB-02-001	Stanley Sorrell WM06026184100	9542	2621	20013	7.45	10.70	\$79.72
Total for cost element 9542 Truck Costs Cleared								\$79.72

Work Order Total: \$0.00
Work Order Total less closing: \$1,529.35

Construction

Work Order Number:
00557.WP1840.2621

Source
Columbia Distribution Companies
Project - 8519: Work In Progress Ledger
As of: 6/9/2009

Gen	Activity	Facility	Loc	Gpa	Tax Dist	Map No	
107	00557	WP1840	2621	37600		6716204D	
WO Initiation Date		WO In Service Date		Cmpl Rpt Dt	WO Close Date	Reimbursable	Approved Amount
10/16/2006		8/24/2007		2007/10/10	3/5/2008	None	\$209,040.00

Description
Insert 273' 3"PI : Kirkleving : Lex

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
200709	A/A-03-003	Closing To Property, Plant, Eqpt	0001			0		(\$4,997.68)
200710	A/A-03-003	Closing To Property, Plant, Eqpt	0001			0		(\$8,202.16)
200712	A/A-03-003	Closing To Property, Plant, Eqpt	0001			0		(\$1,461.04)
200802	A/A-02-003	Closing To Property, Plant, Eqpt	0001			0		(\$532.47)
Total for cost element 0001 Closing To Property, Plant, Eqpt								(\$15,193.35)
200708	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$487.62
200709	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$124.99
200710	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$1,007.28
200712	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$26.84
200712	A/A-02-010	Construction Overheads (S&E) {Plus	0090			0		\$1,242.20
200802	A/A-02-006	Construction Overheads (S&E) {Plus	0090			0		\$74.43
Total for cost element 0090 Construction Overheads (S&E) {Plus								\$2,963.36
200708	A/A-02-001	Allowance For Funds Used During Co	0091			0		\$9.31
200712	A/A-02-001	Allowance For Funds Used During Co	0091			0		\$0.30
Total for cost element 0091 Allowance For Funds Used During Co								\$9.61
200708	LAB-01-001	Stanley Sorrell WM06026184000	1010	2621	20013	61.08	34.58	\$2,112.17
200709	LAB-01-001	Stanley Sorrell WM06026184000	1010	2621	20013	1.67	34.92	\$58.32
200710	LAB-01-001	Ricky Johnson WM07704531600	1010	1816	20102	0.48	31.77	\$15.25
Total for cost element 1010 Labor								\$2,185.74
200708	LAB-01-001	Stanley Sorrell WM06026184000	1020	2621	20013	0		\$717.22
200709	LAB-01-001	Stanley Sorrell WM06026184000	1020	2621	20013	0		\$19.81

Source
Columbia Distribution Companies
 Project - 8519: Work In Progress Ledger
 As of: 6/9/2009

Work Order Number:
 00557.WP1840.2621

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
200710	LAB-01-001	Ricky Johnson WM07704531600	1020	1816	20102	0		\$5.17
							Total for cost element	\$742.20
200709	M&S-01-001	4225110 4 Tee Shortstop 3w 2 07702253400	2020			1	556.07	\$556.07
200709	M&S-01-001	1715169 4 Ell 90 Lr 188w Wpb 07702253400	2020			1	33.71	\$33.71
200709	M&S-01-001	4231217 17# Anode Hi-Potentia 07702253400	2020			-1	42.44	(\$42.44)
200709	M&S-01-001	1715169 4 Ell 90 Lr 188w Wpb 07702253400	2020			1	33.71	\$33.71
200709	M&S-01-001	43202353 3ipsx2ips Ef Tap Tee 07702253400	2020			-1	52.56	(\$52.56)
200709	M&S-01-001	43202353 3ipsx2ips Ef Tap Tee 07702253400	2020			1	52.56	\$52.56
200709	M&S-01-001	4328081 4trnfit S-P We Stdxd 07702253400	2020			-1	39.36	(\$39.36)
200709	M&S-01-001	4328081 4trnfit S-P We Stdxd 07702253400	2020			1	39.36	\$39.36
200709	M&S-01-001	4225110 4 Tee Shortstop 3w 2 07702253400	2020			-1	556.07	(\$556.07)
200709	M&S-01-001	4225110 4 Tee Shortstop 3w 2 07702253400	2020			1	556.07	\$556.07
200709	M&S-01-001	1715169 4 Ell 90 Lr 188w Wpb 07702253400	2020			-1	33.71	(\$33.71)
200709	M&S-01-001	7447505 #14 Wire Hmwpe20 Gm 07702253400	2020			1	34.40	\$34.40
200709	M&S-01-001	43202353 3ipsx2ips Ef Tap Tee 07702253400	2020			1	52.56	\$52.56
200709	M&S-01-001	4231217 17# Anode Hi-Potentia 07702253400	2020			1	42.44	\$42.44
200709	M&S-01-001	1705163 4 Cap Weld Std Blk C 07702253400	2020			1	9.28	\$9.28
200709	M&S-01-001	43042303 2 Ips Cplg E/F W/4. 07702253400	2020			1	5.26	\$5.26
200709	M&S-01-001	7447505 #14 Wire Hmwpe20 Gm 07702253400	2020			1	34.40	\$34.40
200709	M&S-01-001	43042303 2 Ips Cplg E/F W/4. 07702253400	2020			-1	5.26	(\$5.26)
200709	M&S-01-001	4253303 3 Tape Buried Gas Li 07702253400	2020			-1	8.38	(\$8.38)
200709	M&S-01-001	4253303 3 Tape Buried Gas Li 07702253400	2020			1	8.38	\$8.38
200709	M&S-01-001	4253303 3 Tape Buried Gas Li 07702253400	2020			1	8.38	\$8.38
200709	M&S-01-001	43042303 2 Ips Cplg E/F W/4. 07702253400	2020			1	5.26	\$5.26
200709	M&S-01-001	4231217 17# Anode Hi-Potentia 07702253400	2020			1	42.44	\$42.44
200709	M&S-01-001	1705163 4 Cap Weld Std Blk C 07702253400	2020			-1	9.28	(\$9.28)
200709	M&S-01-001	0945324 4 X 40' Pp Ips .391w 07702253400	2020			0		\$0.00
200709	M&S-01-001	0945295 3 X 40' Pp Ips .304w 07702253400	2020			0		\$0.00
200709	M&S-01-001	1705163 4 Cap Weld Std Blk C 07702253400	2020			1	9.28	\$9.28

Work Order Number:
00557.WP1840.2621

urce
Columbia Distribution Companies
Project - 8519: Work In Progress Ledger
As of: 6/9/2009

Yr/Mo	Voucher	Description	Ce	Pay Loc	Job Code	Qty	Unit Cost	Amount
200709	M&S-01-001	7447505 #14 Wire Hmwpe20 Grm 07702253400	2020			-1	34.40	(\$34.40)
200709	M&S-01-001	4328081 4trnfit S-P We Stdxd 07702253400	2020			1	39.36	\$39.36
200710	M&S-01-001	0945324 4 X 40' Pp Ips .391w 06026184000	2020			60	2.45	\$146.79
200710	M&S-01-001	0945079 2 X 250' Pp Coil .21 06026184000	2020			3	0.73	\$2.19
200710	M&S-01-001	07261151 2pipe 154w X42 Xtru 06026184000	2020			2	4.19	\$8.38
200710	M&S-01-001	0945295 3 X 40' Pp Ips .304w 06026184000	2020			457	1.48	\$675.21
200710	M&S-01-001	0945295 3 X 40' Pp Ips .304w 06026184000	2020			-60	1.48	(\$88.65)
200712	A/P-01-001	T D Willi WM06026184000	2020			0		\$191.70
200802	A/P-01-001	Mcjunkin WM07702253400	2020			0		\$458.04
			Total for cost element 2020		Material & Supplies - General			\$2,175.12
200710	A/P-01-001	Stanley P WM06026184000	3B01			0		\$6,236.90
			Total for cost element 3B01		Main Line Installation			\$6,236.90
200710	A/P-01-001	Saf Ti Co WM06026184000	4090			0		\$188.26
			Total for cost element 4090		Rents			\$188.26
200709	A/P-01-001	Sorrell D WM06026184000	5026			0		\$16.00
			Total for cost element 5026		Overtime Meals			\$16.00
200708	LAB-02-001	Stanley Sorrell WM06026184000	9542	2621	20013	61.08	10.70	\$653.58
200709	LAB-02-001	Stanley Sorrell WM06026184000	9542	2621	20013	1.67	10.30	\$17.20
200710	LAB-02-001	Ricky Johnson WM07704531600	9542	1816	20102	0.48	11.21	\$5.38
			Total for cost element 9542		Truck Costs Cleared			\$676.16

Work Order Total: (\$0.00)

Work Order Total less closing: \$15,193.35

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 130:

Please provide narrative explanations of the Company's aging and pricing procedures.

Response:

As property is identified for retirement purposes, through the Work Management System (WMS), field operations personnel issue individual retirement work orders to accumulate cost of removal charges, and to record the units of property to be removed from the books and records. The retirement units are then transferred mechanically from WMS to the plant accounting system (PowerPlant) for monthly retirement processing.

As PowerPlant is notified of pending retirement transactions, a mechanical search of the Continuing Property Records is performed to price out and prepare the property for final retirement processing. Pricing of retirements is based on the following:

- Mass Accounts (i.e., Main Lines, Service Lines, Meters, etc.) – Priced at an average unit cost per foot or average unit cost of property being retired. If known, the original installation date of the property is used for pricing purposes. If the original installation date is not known, the system automatically defaults to a first in, first out pricing mechanism.
- Above Ground Plant (i.e., Measurement, Regulation, Structures, etc) – Individual units of property are specifically identified by original installation year and related cost, and priced accordingly.
- General and Intangible Plant (i.e., Office Equipment, Software) – Amortized after useful life of property has expired.

Please see Columbia's response to AG Dr Set 1-125 for a complete listing of pricing by each gas plant account grouping.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 131:

Please identify and explain the Company's expectations with respect to future removal requirements and markets for retired equipment and materials. Please provide the basis for these expectations.

Response:

There are no changes to the Company's current expectations with respect to future removal requirements and markets for retired equipment. The typical practice is removed equipment from service through retirement is evaluated for possible reuse. If it is not reused, then it is scrapped. There is minimal scrap value for most assets.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 132:

Please explain how the Company accounts for third party reimbursements and how they are reflected in the depreciation study.

Response:

Third party reimbursements are recorded as credits to specific capital construction job orders. They are reflected in the books and records, and depreciation study at net plant investment. For instance:

Project A

Capital spend	\$25,000
Reimbursement	<u>-\$25,000</u>
Net plant investment	0

Project B

Capital spend	\$50,000
Reimbursement	<u>-\$45,000</u>
Net plant investment	\$5,000

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 133:

If third-party reimbursements were excluded from the net salvage studies, was the related retirement also excluded from the life studies?

Response:

No third party reimbursements were excluded from the net salvage studies.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 134:

For the test year ending December 31, 2008, please identify the amount and proportion of each account that was capitalized as overhead to construction and the proportion and amount that was treated as an annual expense.

Response:

Columbia needs this question clarified in order to respond. The question appears in the Net Salvage section of questions in which case net salvage is not included in overheads.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 135:

Do Mr. Spanos' net salvage estimates for mass property accounts incorporate inflation expected to be incurred in the future? If yes, provide the net present value, thus eliminating the inflation from the net salvage estimates.

Response:

The net salvage estimates for mass property accounts have been determined by Mr. Spanos in the same fashion as has been determined by all of his studies and the traditional methodology utilized by almost all utilities across the United States and Canada. The cost of removal and gross salvage are the last record of the service value of an asset when taken out of service.

Therefore, the net salvage estimates in this study are calculated using historical data of plant retired each year with the corresponding cost of removal and gross salvage incurred for the retired assets. Consequently, the annual retirements are based on the original cost installed and the cost of removal and gross salvage are recorded in the final year in service. These annual percentages are used in the determination of future net salvage accruals. Consequently, net salvage percents are traditionally calculated based on plant dollars installed earlier in time than the time period the cost of removal is booked. This is the only way to calculate net salvage in an equitable fashion for ratepayers today and in the future.

As a result, no inflation is added to the percentages for future recovery, just the comparable percentages of the historical data. No net present value ratios were calculated for the mass property accounts.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 136:

Is it correct that Mr. Spanos' mass property cost of removal estimates extrapolate past inflation into the future cost of removal estimate? If not, please explain why not.

Response:

Mr. Spanos's mass property estimates for net salvage incorporate the ratio of annual original cost of plant retired to the summation of annual scrap value of the asset minus the cost to remove the asset. Therefore, historical activity is utilized for estimating future estimates. The net salvage estimates are calculated from different time periods, however, that is the only way to insure full recovery so the changes in the costs are a basis for the estimate.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 137:

Please provide the Company's capital and construction budgets for the next five years. Please identify all retirements, replacements, new additions and cost of removal reflected in these budgets. Please provide by account where available and explain how the cost estimates are derived for these items. This includes any budgets developed for the AMRP program.

Response:

Please see Spreadsheet titled AG DR Set 1-137 for budget estimates. There are no costs for removals indicated in these budgets.

Growth program estimates are determined using prior year actual costs and current economic indicators including, but not limited to, current residential housing projections, known economic developments or large customer requests, industry association (e.g. AGA) market analyses, and inter-company customer addition projections.

Betterment program estimates are determined using the Company's hydraulic network analysis system (e.g. SynerGEE) which simulates gas pressure and pipeline flow under design cold weather conditions. This analysis is compared to actual monitored pressures during the preceding heating season to determine necessary system reinforcements.

Public Improvement program estimates are driven by state and local roadway improvement projects such as bridge replacements, highway reconstruction, paving restoration, sewer/water rehabilitation and other such projects to improve municipal infrastructure. Investments in this category are also driven by any Federal Stimulus projects.

Replacement program estimates are determined using actual costs experienced to install replacement mains and the anticipated annual rate necessary to retire 525 miles of priority pipe and associated service lines in a 30 year period. These annual program cost estimates include main, service line, meter relocation or replacements and customer relight activities. Other individual accounts are

estimated using actual costs from previous years with any unusual projects being added where necessary.

Support Services program estimates are determined using prior year actual costs and by assessing the Company's near-term need to replace general tools as well as any improvements to buildings and other facilities. Investments in information technology are also included.

Columbia Gas of Kentucky
Monday, February 16, 2009

Gross View

Class	2009	2010	2011	2012	2013
Growth	\$4,477	\$1,719	\$1,913	\$1,969	\$1,724
Betterment	\$178	\$204	\$381	\$326	\$475
Public Improvement	\$1,755	\$743	\$4,395	\$796	\$1,035
Replacement	\$7,100	\$7,100	\$7,100	\$6,610	\$10,419
Support Services	\$306	\$292	\$128	\$127	\$115
Support Services IT	\$448	\$582	\$192	\$522	\$637
Automated Meter Reading	\$31	\$121	\$100	\$107	\$107
Total Gross Operations Capital	\$14,295	\$10,761	\$14,208	\$10,457	\$14,513

	2009	2010	2011	2012	2013
Contributions	\$220	\$220	\$220	\$220	\$220
Reimbursements	\$1,220	\$350	\$350	\$350	\$350
Total Contributions & Reimbursements	\$1,440	\$570	\$570	\$570	\$570

Net View

Class	2009	2010	2011	2012	2013
Growth	\$4,257	\$1,499	\$1,693	\$1,749	\$1,504
Betterment	\$178	\$204	\$381	\$326	\$475
Public Improvement	\$535	\$393	\$4,045	\$446	\$685
Replacement	\$7,100	\$7,100	\$7,100	\$6,610	\$10,419
Support Services	\$306	\$292	\$128	\$127	\$115
Support Services IT	\$448	\$582	\$192	\$522	\$637
Automated Meter Reading	\$31	\$121	\$100	\$107	\$107
Total Net Operations Capital	\$12,855	\$10,191	\$13,638	\$9,887	\$13,943

Columbia Gas of Kentucky
Monday, February 16, 2009

Growth (New Business)

	2009	2010	2011	2012	2013
Total Gross Capital	\$4,477	\$1,719	\$1,913	\$1,969	\$1,724
Total Net Capital	\$4,257	\$1,499	\$1,693	\$1,749	\$1,504

Section 1: Contributions (\$000)

Description	2009	2010	2011	2012	2013
Contributions (Aid to Construction)	\$220	\$220	\$220	\$220	\$220

Section 2: Blanket and Project Budgets (\$000)

Description	2009	2010	2011	2012	2013
555 - Mains - New Business	\$3,356	\$600	\$668	\$688	\$600
563 - Service Lines - New	\$619	\$590	\$682	\$702	\$588
567 - Meters - (% Split w/Replacement)	\$170	\$167	\$188	\$193	\$170
569 - Meter Installations - New	\$60	\$60	\$67	\$69	\$60
571 - House Regulators - New	\$115	\$115	\$127	\$130	\$110
573 - Plant Regulators - New	\$20	\$25	\$25	\$25	\$27
575 - Regulator Sites	\$2	\$3	\$2	\$3	\$3
577 - Regulator Structures - New	\$7	\$8	\$8	\$8	\$9
583 - Plant Regulators - Replace (Growth Related)	\$8	\$10	\$10	\$10	\$11
587 - LV Excess Press Meas Sta (% Split w/Repl)	\$23	\$30	\$29	\$30	\$31
559 - Mains - Service Imp (Growth Related)	\$98	\$111	\$108	\$111	\$116
Total Growth Blanket	\$4,477	\$1,719	\$1,913	\$1,969	\$1,724

Columbia Gas of Kentucky
 Monday, February 16, 2009

Betterment (Non-Growth)

	2009	2010	2011	2012	2013
Total Gross Capital	\$178	\$204	\$381	\$326	\$475
Total Net Capital	\$178	\$204	\$381	\$326	\$475

Section 1: Contributions (\$000)

Description	2009	2010	2011	2012	2013
Reimbursement - Betterment	\$0	\$0	\$0	\$0	\$0

Section 2: Blanket and Project Budgets (\$000)

Description	2009	2010	2011	2012	2013
559 - Mains - Service Improvement (Capacity)	\$153	\$179	\$256	\$301	\$350
559 - Mains - Service Improvement (Compliance)	\$25	\$25	\$25	\$25	\$25
Winter Operations Issues 2008/2009	\$0	\$0	\$100	\$0	\$100
Total Betterment Blanket	\$178	\$204	\$381	\$326	\$475

Columbia Gas of Kentucky
 Monday, February 16, 2009

Public Improvement (Mandatory Relocation)

	2009	2010	2011	2012	2013
Total Gross Capital	\$1,755	\$743	\$4,395	\$796	\$1,035
Total Net Capital	\$535	\$393	\$4,045	\$446	\$685

Section 1: Contributions (\$000)

Description	2009	2010	2011	2012	2013
Reimbursement - Public Improvement	\$1,220	\$350	\$350	\$350	\$350

Section 2: Blanket and Project Budgets (\$000)

Description	2009	2010	2011	2012	2013
561 - Mains Street Improvement	\$1,755	\$743	\$4,395	\$796	\$1,035
Total Public Improvement Blanket	\$1,755	\$743	\$4,395	\$796	\$1,035

Columbia Gas of Kentucky
 Monday, February 16, 2009

Replacement (Age and Condition)

	2009	2010	2011	2012	2013
Total Gross Capital	\$7,100	\$7,100	\$7,100	\$6,610	\$10,419
Total Net Capital	\$7,100	\$7,100	\$7,100	\$6,610	\$10,419

Section 1: Contributions (\$000)

Description	2009	2010	2011	2012	2013
Reimbursements - Replacement	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Section 2: Blanket and Project Budgets (\$000)

Description	2009	2010	2011	2012	2013
109 - Measuring and Regulating St	\$0	\$0	\$0	\$0	\$0
115 - Propane Plants	\$0	\$0	\$0	\$0	\$0
557 - Mains Replacement (Age & Condition)	\$3,202	\$3,192	\$3,055	\$2,844	\$3,958
565 - Service Lines - Replaced	\$3,626	\$3,642	\$3,642	\$3,424	\$5,533
567 - Meters - (% Split w/New Bus)	\$99	\$105	\$159	\$135	\$366
579 - Meter Install - Replace	\$31	\$33	\$50	\$42	\$115
581 - House Regulators - Replace	\$68	\$72	\$110	\$93	\$253
583 - Plant Regulators - Replace	\$43	\$26	\$40	\$34	\$92
585 - Reg Structures - Replace	\$6	\$3	\$5	\$4	\$11
587 - LV Excess Press Meas Sta (% Split w/New Bus)	\$8	\$8	\$12	\$11	\$29
595 - Corrosion Mitigation Ins	\$17	\$18	\$27	\$23	\$63
Total Replacement Blanket	\$7,100	\$7,100	\$7,100	\$6,610	\$10,419

Columbia Gas of Kentucky
 Monday, February 16, 2009

Support Services

	2009	2010	2011	2012	2013
Total Gross Capital	\$306	\$292	\$128	\$127	\$115
Total Net Capital	\$306	\$292	\$128	\$127	\$115

Section 1: Contributions (\$000)

Description	2009	2010	2011	2012	2013
Reimbursements	\$0	\$0	\$0	\$0	\$0

Section 2: Blanket and Project Budgets (\$000)

Description	2009	2010	2011	2012	2013
901 - Office Furniture and Equipment	\$0	\$0	\$0	\$0	\$0
903 - General Structures	\$10	\$13	\$14	\$13	\$1
905 - Misc Building Equipment	\$0	\$0	\$0	\$0	\$0
907 - Misc Motorized Equipment	\$0	\$0	\$0	\$0	\$0
909 - Communications	\$226	\$179	\$14	\$14	\$14
915 - Miscellaneous	\$70	\$100	\$100	\$100	\$100
Total Support Services Blanket	\$306	\$292	\$128	\$127	\$115

Support Services IT

	2009	2010	2011	2012	2013
Corporate IT	\$448	\$582	\$192	\$522	\$837

Columbia Gas of Kentucky
 Monday, February 16, 2009

Automated Meter Reading

	2009	2010	2011	2012	2013
Total Gross Capital	\$31	\$121	\$100	\$107	\$107
Total Net Capital	\$31	\$121	\$100	\$107	\$107

Section 1: Contributions (\$000)

Description	2009	2010	2011	2012	2013
Reimbursements	\$0	\$0	\$0	\$0	\$0

Section 2: Blanket and Project Budgets (\$000)

Description	2009	2010	2011	2012	2013
Automated Meter Reading	\$0	\$0	\$100	\$100	\$100
Maintenance	\$31	\$121	\$0	\$7	\$7
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 138:

Please provide a comparison of the annual cost of removal and gross salvage amounts shown on the Company's federal tax returns with the corresponding book amounts, for the last 5 years. Provide the annual deferred tax expense associated with each of the differences. Also, provide the beginning and ending accumulated deferred tax balances and state whether they are rate base additions or rate base deductions.

Response:

Please see attached. For book purposes, I am comparing cost of removal and gross salvage amounts that were recorded as increases or decreases to the book reserve. For tax purposes, these amounts are typically recognized in the year incurred as increases or decreases to taxable income depending on the vintage year of the associated retired asset. Since there is no direct recognition of income or expense for book purposes and the amount of book depreciation expense impacted by the change to the reserve for cost of removal or salvage alone is not calculated, the annual deferred tax expense associated with the differences between book vs. tax treatment of cost of removal and salvage alone is not measurable as well as the accumulated deferred tax balances. The deferred tax expense and accumulated deferred tax balances are parts of several accumulated deferred tax accounts which are all included as part of rate base.

COLUMBIA GAS OF KENTUCKY, INC.
Case No. 2009-00141

AG DR Set 1-138 Attachment A

	2003	2004	2005	2006	2007
Per Books:					
COR-recorded to the reserve	96,271	(387,374)	1,928,100	566,692	470,459
Salvage-recorded to the reserve	4,792	114,319	495,657	0	33,458

Per Federal Tax Return:

COR-n1	407,178	(393,991)	1,926,127	566,692	470,459
Salvage-n2	6,418	114,319	497,570	10,443	58,161

n1-included on the federal return as either a deduction or a decrease to the tax reserve which results in additional tax depreciation in the current and future years depending on the vintage year of the associated retired asset.

n2-included on the federal return as either an increase to taxable income or an increase to the tax reserve which results in decreased tax depreciation in the current and future years or is not recognized until the asset is fully retired/disposed for book purposes depending on the vintage year of the associated retired asset.

Actual per return=718,823, Difference of 1,112,268

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 139:

Provide all alternative calculations of the net present value of future net salvage estimates that Mr. Spanos has considered, written about, or addressed in presentations over his career. Explain the pros and cons of each alternative approach.

Response:

Mr. Spanos has not contemplated, written about or addressed in presentations alternative calculations of the net present value of future net salvage in his career, other than his continual rebuttal of the methodology presented by Snavelly, O'Connor, King & Majoros.

The cons of each of the methodologies presented by Snavelly, O'Connor, King & Majoros are intergenerational inequities for ratepayers and under recovery of the full service value of the asset during the time the asset is in service.

PSC Case No. 2009-00141
AG DR Set 1-140
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 140:

If not provided in the workpapers, please provide the retirement rate analysis ranking of best-fit life/curve combinations for each account.

Response:

The retirement rate analysis and the respective curve fitting calculation workpapers are included as a hard copy attachment to the response to AG DR Set 1-091.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 141:

For any accounts where Mr. Spanos did not base his service life/curve selection on the results of his retirement rate analysis, explain why he did not. Also, explain in detail how those service live/curve combinations were selected.

Response:

Mr. Spanos has stated which accounts the historical results of the retirement rate analysis was a major component of the service life and survivor curve (pages II-24 and II-25). He also discusses within the Depreciation Study, on page II-19, the factors that were involved in determining all of the accounts.

Thus, the accounts where the historical data was not conclusive or representative of future life characteristics, Mr. Spanos combined the past estimate for this Company, the industry ranges and future plans of the Company for each account to develop his selection of the most appropriate life and survivor curve combination. There is informed and experienced judgment for each estimate selected, however, there is not any specific mathematical computation performed on the estimates of other utilities.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 142:

Identify and explain all Company programs, including the AMRP, which might affect plant lives.

- a. Specify when the program started.
- b. Specify each USoA account impacted by the program.
- c. Identify the annual maintenance expenses, plant additions and plant retirements (both units and dollars), by plant account resulting from the program for the last 20 years.
- d. Identify and describe the forecasted maintenance expense, plant additions and plant retirements (both units and dollars) resulting from each program for the next twenty years.
- e. Explain in detail how Mr. Spanos specifically adjusted his historical observed plant life indications to account for each program.

Response:

Columbia objects to and declines to respond to this discovery request because it is vague, ambiguous, or contains terms and/or phrases that are undefined and/or are subject to varying interpretations or meanings, and could, therefore, cause responses to be misleading and/or incorrect. Virtually all of the maintenance activities and many of the operations activities performed by Columbia affect plant lives, although most of these activities are not considered a "program". For this reason Columbia also objects to and declines to respond to this discovery request to the extent that it is overbroad and causes annoyance, embarrassment, oppression, or undue burden or expense. If the Attorney General's office can submit a more focused request Columbia will attempt to provide the data requested.

PSC Case No. 2009-00141
AG DR Set 1-143
Respondent(s): Dave Mueller

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 143:

Please provide all internal life extension studies prepared by the Company. Life extension refers to any program, maintenance or capital, designed to extend lives and/or increase capacity of existing plant. Identify the functions to which these studies relate.

Response:

Columbia has not performed any such study; however, Columbia abides by all generally accepted maintenance practices necessary to extend the usable life of pipe and ensure public safety as required by the minimum federal safety standards described in 49 CFR Part 192 and state pipeline safety standards described in KRS 807 5:022.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 144:

Provide the following information for all final retirements for the last 15 years. If requested data is not available for the last 15 years, provide the data for as many years as are available.

- a. Date of retirement,
- b. Amount of retirement,
- c. Account,
- d. Reason for retirement, and
- e. Whether or not retirement was excluded from historical interim retirement rate studies.

Response:

There were no retirements identified as final retirements for the last 15 years.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 145:

Please provide the asset retirement obligations (ARO)/asset retirement cost (ARC) calculations for each of Columbia's property accounts assuming that Columbia has legal AROs for all of its plant. For the purposes of this question, please use the definition of a "legal obligation" provided in FASB Statement No. 143: "an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel."

Response:

AROs are identified for financial reporting purposes only. They are not recorded on the general ledger or utilized for regulatory reporting.

Attachments labeled AG DR Set 1-145 Attachment A, AG DR Set 1-145 Attachment B and AG DR Set 1-145 Attachment C detail the calculations for Columbia Gas of Kentucky's legal AROs identified for financial reporting purposes.

47 - Description of quantified assets

Gas Distribution

Period Ended December 31, 2008

Issue	Current Obligation ARO created by	Quantity	Estimate Cost (total)	Estimated Total Life (years)	Record a liability (Y or N)	Utility Account	% COR in Account	Notes	Company	Record initial ARO and Asset		Record Accum. Accretion		ARO Liability (Current fair value)		Record Accum. Deprec.		Reclass Out of COR Reg. Liability		
										100-113-101	361-821-230	131-060-182	361-822-230	131-060-182	100-213-108	361-705-254	131-060-182	Dr. G/L from Change in Acc'tg.	(Cr.) ARO liability	Dr. G/L from Change in Acc'tg.
Disposal requirement																				
Gas Distribution																				
216 miles in CKY. Cost estimated to be \$4,000 per 1000 ft. of 6" pipe.																				
210143	Y	State reg 40 CFR 761	14 lines	\$ 4,335,830	50	Y	37600	15%	CKY	793,370	(793,370)	3,694,215	(3,694,215)	(4,487,585)	793,370	(793,370)	335,866	(335,866)		
										793,370	(793,370)	3,694,215	(3,694,215)	(4,487,585)	793,370	(793,370)	335,866	(335,866)		
Gas Distribution & Cap																				
estimate costs to cut & abandon in place																				
Y						Y	37600		CKY	1,193,639	(1,193,639)	916,772	(916,772)	(2,110,411)	328,360	(328,360)	1,245,132	(1,245,132)		
										1,193,639	(1,193,639)	916,772	(916,772)	(2,110,411)	328,360	(328,360)	1,245,132	(1,245,132)		
Grand Total										1,987,009	(1,987,009)	4,610,987	(4,610,987)	(6,597,996)	1,121,730	(1,121,730)	1,580,998	(1,580,998)		

Columbia Gas of Kentucky, Inc.
 Asset Retirement Obligations - Cut & Capped Pipe
 Calculation and Analysis of System activity for 2008
 Journal Entries and Balances

Account	Journal Entries	CKY
12/31/07 Ending balance after settlement and addition adjustment and revision of model estimate		
100113101	Plant in Service	1,313,439
100213108	Accumulated Depreciation	(287,315)
	Net 12/31/07 ARO Plant	1,026,124
	ARO Liability (Beg Bal and Adds)	(2,098,677)
361822230	ARO Liability Accretion	11,285
	Net 12/31/07 ARO Liability	(2,087,392)
361705254	Dr. Regulatory Cost of Removal	1,061,267
131060182	Dr. ARO regulatory asset	0
	Ner Reg Asset (Reduction of COR)	1,061,267
		(0)
2008 Accretion and depreciation		
<i>Record accumulative accretion</i>		
361705254	Dr. Regulatory Cost of Removal	142,819
131060182	Dr. ARO regulatory asset	
361822230	Cr. ARO Liability Additions	(142,819)
<i>Record accumulative depreciation</i>		
361705254	Dr. Regulatory Cost of Removal	41,045
131060182	Dr. ARO regulatory asset	
100213108	Cr. Accumulated Depreciation	(41,045)
12/31/08 Ending balance before 2008 settlements and addition of 2008 layer.		
100113101	Plant in Service	1,313,439
100213108	Accumulated Depreciation	(328,360)
	Net 12/31/08 ARO Plant	985,079
	ARO Liability (Beg Bal and Adds)	(2,087,392)
361822230	ARO Liability 2008 Accretion	(142,819)
	Net 12/31/08 ARO Liability	(2,230,211)
361705254	Dr. Regulatory Cost of Removal	1,245,131
131060182	Dr. ARO regulatory asset	0
	Ner Reg Asset (Reduction of COR)	1,245,131
		(0)
12/31/08 Entries to recognize 2008 layer additions and interim retirements of system pipe.		
<i>Recognize estimated interim retirements of system pipe during the 2008 year - assumes settlement costs charged to Plant in Service.</i>		
361823230	Dr. ARO Liability - Settlements	152,816
100113101	Cr. Plant in Service	(152,816)
<i>Record ARO 2008 layer for estimated system additions during 2008 and increase in expected cash flows associated with Cut and Cap.</i>		
100113101	Dr. Plant in Service	33,016
361821230	Cr. ARO Liability Additions	(33,016)
12/31/08 Ending balance after settlement and 2008 addition layer		
100113101	Plant in Service	1,193,638
100213108	Accumulated Depreciation	(328,360)
	Net 12/31/08 ARO Plant	865,279
	ARO Liability (Beg Bal and Adds)	(1,967,591)
361822230	ARO Liability Accretion	(142,819)
	Net 12/31/08 ARO Liability	(2,110,410)
361705254	Dr. Regulatory Cost of Removal	1,245,131
131060182	Dr. ARO regulatory asset	0
	Ner Reg Asset (Reduction of COR)	1,245,131
		(0)
	<i>Check balance</i>	(0)

Columbia Gas of Kentucky, Inc.
Asset Retirement Obligations - Cut & Capped Pipe
Calculation and Analysis of System activity for 2008
Additional 2008 Layer

Key Assumptions	2008	2008	2008
In Service/Obligation Date	2008	Est avg date of when states adopted DOT Reg.	
Average Estimated In-service Date	2008	Should represent the average age of the system pipe unless older than obligation date	
Today's Date	2008		
Cost of removal (2008 layer)	638,253	Per Work Order Analysis (change in total estimated gross costs plus the ARO addition from the Mileage analysis	
Years until settlement	29	Estimated average life of system pipe.	
Estimated Settlement Date	2037		
Discount rate	14.629%		
Inflation rate	3.500%		

Avg. System Age or Obligation Date	2008
Today's Date	2008
Estimate Settlement Date	2037

Years from inservice date	0
Years until removal/retirement	29
Total asset period	29

Cost of removal:	
- at current date	638,253
- at settlement date	1,730,864
- at inservice date (discounted) (ARC)	33,016
- at current date (discounted)	33,016

2008 impacts	
Net Asset retirement cost	33,016
Asset retirement obligation	33,016
Total cumulative effect	-
- depreciation impact	-
- accretion impact	-
Asset to record	33,016

2009 impacts	
Annual depreciation expense	1,138
Annual inflation expense	1,156
Annual accretion expense	4,830

Record Asset	
Dr. Plant in Service (100113101)	33,016
Cr. ARO Liability Additions (361821230)	(33,016)
Record Accumulative Accretion	
Dr. Regulatory Cost of Removal (361705254)	-
Cr. ARO Liability Additions (361822230)	-
Record Accumulative Depreciation	
Dr. Regulatory Cost of Removal (361705254)	-
Cr. Accumulated Depreciation (100213108)	-

Record Accumulative Accretion	
Dr. ARO regulatory asset (131060182)	
Cr. ARO Liability Additions (361822230)	
Record Accumulative Depreciation	
Dr. ARO regulatory asset (131060182)	
Cr. Accumulated Depreciation (100213108)	

Columbia Gas of Kentucky, Inc.
Asset Retirement Obligations - Cut & Capped Pipe
Calculation and Analysis of System activity for 2008
 Calculation of cost per mile to remove cut and capped pipe

<u>Distribution</u>	<u>Total Removal Costs 2006</u>	<u>Total Removal Costs 2007(1)</u>	<u>Total Removal Costs 2008(2)</u>	<u>Weighted Annual Average</u>	<u>Estimated % of legal Costs (cut and cap)</u>	<u>Remaining Useful Life (On average) (3)</u>	<u>Total Gross costs at 12/31/07</u>	<u>Total Avg. Gross costs at 12/31/08</u>	<u>12-31-08 Pipe Milage in System</u>	<u>2007 Estimated Cut and Cap Cost per Mile</u>	<u>2008 Estimated Cut and Cap Cost per Mile</u>	<u>2008 Actual Cost to retire a mile (inclusive of cut and cap)</u>
CKY	671,920	423,862	436,618	510,800	35%	29	4,620,036	5,184,622	2,604	1,787	1,991	22,980

- 1) Removal cost for 2007 are totals Jan1 through Nov. 30. December removals is not estimated to be significant due to weather and holidays.
- 2) Removal cost for 2008 are totals Jan1 through Nov. 30 and an estimate for December removals.
- 3) Remaining useful life of system was increased due to system additions and pipe replacement since adoption of FIN 47.

Columbia Gas of Kentucky, Inc.
Asset Retirement Obligations - Cut & Capped Pipe
Calculation and Analysis of System activity for 2008
Settlement or Reductions in 2008 Pipe System

<u>Distribution</u>	<u>Total Removal Costs 2005</u>	<u>Total Removal Costs 2006</u>	<u>Total Removal Costs 2007</u>	<u>Total Removal Costs 2008</u>	<u>Estimated % of legal Costs (cut and cap activity)</u>	<u>2006 Estimated Settlements (cut and cap)</u>	<u>2007 Estimated Settlements (cut and cap)</u>	<u>2008 Estimated Settlements (cut and cap)</u>
CKY	488,230	671,920	423,862	436,618	35%	235,172	148,352	152,816

Columbia Gas of Kentucky, Inc.
Asset Retirement Obligations - Cut & Capped Pipe
Calculation and Analysis of System activity for 2008
 Analysis of change in miles of pipe in 2008

Source: Form 10-K workpapers
 C:\DOCUME~1\jkorde\LOCALS~1\Temp\notesC9812B\[~6515971.xls]Summary

	Distr. Miles of Pipe <u>12/31/2006</u>	Distr. Miles of Pipe (1) <u>12/31/2007</u>	Distr. Miles of Pipe (2) <u>12/31/2008</u>	Estimated pipe retirements (3)	Estimated pipe additions	Overall Distr. System Expansion	2008 Estimated Cut and Cap Cost per Mile	2008 Extended ARO addition from system expansion
CKY	2,572	2,586	2,604	19	37	18	\$ 1,991	\$ 73,668

- 1) Removal cost for 2007 are totals at Nov. 30. December additions is not estimated to be significant.
- 2) Removal cost for 2008 are totals at Nov. 30. December amounts are estimated.
- 3) Columbia retirement miles are provided from system reports in 2008.

Columbia Gas of Kentucky, Inc.

PCB Exposure in Main Pipe

Calculations and Analysis - Summary

Period Ended December 31, 2008

CKY

Key Assumptions	Total	Sys#32010143	
In Service Date	various	1952	Per PBC tab
Contamination date	1958	1958	Per PBC tab
Obligation Date	1978	1978	Per PBC tab
Later of In Service/Contamination Date	various	1978	Rx
Today's Date	2005	2005	
Estimated Lives	50	50	
Estimated Settlement Date	various	2006	Rx
Cost of removal	4,335,830	4,335,830	Per PBC tab
Years until settlement	various	1	Rx
Discount rate	6.384%	6.384%	Per Nisource, email dated 12/06/2005 from V. Fleshner
Inflation rate	3.500%	3.500%	Per Nisource, email dated 12/06/2005 from V. Fleshner

Total Sys#32010143

2005 impacts

Asset retirement cost	28,335	28,335
Asset retirement obligation	4,218,289	4,218,289
Total cumulative effect	4,189,954	4,189,954
- depreciation impact	765,035	765,035
- accretion impact	3,424,919	3,424,919

2006 impacts

Annual depreciation expense	28,335	28,335
Annual inflation expense	147,640	147,640
Annual accretion	269,296	269,296

2005 Journal entry

Dr. Asset retirement cost	28,335	28,335
Dr. Cumulative effect/balance sheet	4,189,954	4,189,954
Cr. Asset retirement obligation	(4,218,289)	(4,218,289)

Check total

- -

Columbia Gas of Kentucky, Inc.

PCB Exposure in Main Pipe
 Calculations and Analysis - Summary
 For Year Ended December 31, 2008

PCBs in Distribution Pipeline: Provided by Vicki Flesher, Nisource, on December 9, 2005					
<u>Asset Description</u>	<u>Cost Estimate</u>	<u>in-service Date</u>	<u>Contamination Date</u>	<u>Regulation Date</u>	<u>Life Estimate</u>
System # 32010143	4,335,830	1952	1958	1978	20 - 80 yrs
Total	4,335,830				

<u>Miles of Pipeline</u>	<u>Feet of Pipeline</u>	Option 1	Option 2	<u>Average cost</u>
		<u>Grouting Cost</u>	<u>Internal labor cost</u>	
216.10	1,141,008	4,564,032	4,107,629	4,335,830
216.10	1,141,008	4,564,032	4,107,629	4,335,830

Comments:
 Per Dave Schwarzwaelder, in-service dates range from 100 years ago to present, spanning 105 years.
 105 / 2 = 52.5 yrs ago for in-service date
 2005 - 53 = 1952

Columbia Gas of Kentucky, Inc.

PCB Exposure in Main Pipe

Calculations and Analysis - Journal Entries and Balances

Year Ended December 31, 2008

Key Assumptions	Sys#32010143	
In Service Date	1952	Per Assumptions tab
Contamination date	1958	Per Assumptions tab
Obligation Date	1978	Per Assumptions tab
Later of In Service/Contamination Date	1978	Per Assumptions tab
Today's Date	2005	Per Assumptions tab
Estimated Lives	50	Per Assumptions tab
Estimated Settlement Date	2006	Per Assumptions tab
Cost of removal	4,335,830	Per Assumptions tab
Years until settlement	1	
Discount rate	6.38%	
Inflation rate	3.50%	Per Assumptions tab

Sys#32010143

Later of In Service/contamination date	1978
Today's Date	2005
Estimate Settlement Date	2006
Years from inservice date	27
Years until removal	1
Total life	28

Cost of removal:

- at current date	4,335,830
- at settlement date	4,487,584
- at inservice date (discounted) (ARC)	793,370
- at current date (discounted)	4,218,289

2005 impacts

Asset retirement cost	28,335
Asset retirement obligation	4,218,289
Total cumulative effect	4,189,954
- depreciation impact	765,035
- accretion impact	3,424,919

2006 impacts

Annual depreciation expense	28,335
Annual inflation expense	147,640
Annual accretion	269,296

12-31-06 Balance/2007 Expense

ARO Liability - at settlement date	4,487,584
ARO Acrued Liability - at 12-31-06	4,487,584
ARO Net Asset - at 12-31-06	(0)
2007 Accretion	-
2007 Depreciation	-

12-31-07 Balance/2008 Expense

ARO Liability - at settlement date	4,487,584
ARO Acrued Liability - at 12-31-07	4,487,584
ARO Net Asset - at 12-31-07	0
2008 Accretion	-
2008 Depreciation	-

12-31-08 Balance/2009 Expense

ARO Liability - at settlement date	4,487,584
ARO Acrued Liability - at 12-31-08	4,487,584
ARO Net Asset - at 12-31-08	0
2009 Accretion	-
2009 Depreciation	-

PSC Case No. 2009-00141
AG DR Set 1-146
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 146:

Describe the relationship of the dollars in Mr. Spanos' life studies to the actual unpriced retirement units to which they relate.

Response:

The dollars reflected in Mr. Spanos' retirement rate analyses set forth assets exposed to retirement by age interval and those dollars retired at each age interval. Therefore, all dollars in the life analyses reflect assets that have been placed in service for the designated experience band and those assets that have survived to the respective age intervals. The life analysis performed by Mr. Spanos is done on a dollar basis not a unit basis.

PSC Case No. 2009-00141
AG DR Set 1-147
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 147:

Provide and explain all life studies (actuarial or semi-actuarial) Mr. Spanos conducted for Columbia using actual unpriced retirement units.

Response:

The actuarial life studies presented by Mr. Spanos in the Columbia Gas of Kentucky report are the basis for his life estimates. These studies set forth the dollars added and retired over the life of the account.

PSC Case No. 2009-00141
AG DR Set 1-148
Respondent(s): David Mueller

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 148:

Please provide all manuals, guidelines, memoranda or other documentation that deals with the Company's policies with regard to the physical removal of retired mains and, separately, services from the ground as opposed to capping these pipes and leaving them in place.

Response:

See attachment.

26. Post-Testing Pressurization

A positive pressure shall be maintained in new mains and transmission lines from the time the pressure test is removed until the tie-in process is started.

27. Main Abandonment Practices

When it has been determined that a main has no reason-able prospect for future use, it shall be scheduled for retirement. If an entire pipe section is to be retired, it shall be disconnected from the supplying main(s) as close to that main(s) as is physically practical.

When any main is abandoned or disconnected, the remaining live stub shall be capped with an approved end cap. The preferred method of attaching this end cap is either by fusion or welding. When the preferred method is not practical a mechanical fitting may be used in accordance with Procedure Reference No. 643-10, "Material Table for In-Line Joining of Mains and Service Lines Underground."

Each facility abandoned in place shall be disconnected from all sources and supplies of gas, purged of gas and the ends sealed by plastic line caps, concrete, or similar material. It should be noted on the Job Order Completion Report that the abandoned main has been purged and that the ends have been sealed.

If air is used for purging, the operator shall ensure that a combustible mixture is not present after purging.

All above ground mains that have been abandoned shall be removed with the following exception: Old piping systems installed above ground on private property not covered by a removal clause may be allowed to remain unless requested by the grantor of the right-of-way to remove such mains.

28. Clean-up

Clean-up work shall closely follow backfilling and shall be finished as soon as possible. As construction work is completed, the right-of-way and surrounding ground shall be cleared of all equipment, extra materials, rubbish and debris remaining from the work. The premises shall be left in a neat and presentable condition.

28.1 Cultivated Land

On cultivated and improved land, all rock, skids and other rubbish, resulting from the construction which might interfere with cultivation, shall be removed.

28.2 Burning

Open burning of any remaining brush, timber or construction debris is prohibited except by permit and in accordance with the applicable provisions of the local governmental agency.

Year	New Main Additions (feet)		Replacement Main Additions (feet)		No. of Services	
	Steel	Plastic	Steel	Plastic	New Service Additions	Replacement
1999	77507	180205	15880	37495	2470	1702
2000	5742	160976	3656	28307	2280	2017
2001	3120	89359	4705	66805	1479	1906
2002	6	81255	29529	56961	1435	1820
2003	1806	73856	8664	39521	1546	1945
2004	2625	68394	3230	28896	1119	1601
2005	2630	68734	3774	31100	979	1202
2006	180	58345	759	21932	674	1271
2007	9	72261	12086	31008	491	1394
2008	5	50250	21758	71562	405	1933

PSC Case No. 2009-00141
AG DR Set 1-149
Respondent(s): Lon R. Patton

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 149:

Please explain the process by which the labor associated with Mains and Services replacement projects is split between the new asset and cost of removal.

Response:

For each Main Line and Service Line replacement project, Columbia issues both a construction and corresponding retirement job order. This allows for labor to be assigned directly to the appropriate construction/retirement activity, through the Labor Distribution System.

For less than three inch Service Line replacements which are recorded on a series of repetitive blanket job orders, on a monthly basis, Columbia transfers one hour of labor from the construction blanket job order, to the retirement blanket job order, for each Service Line of this type being replaced.

PSC Case No. 2009-00141
AG DR Set 1-150
Respondent(s): Dave Mueller

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 150:

Please provide a summary of the last 10 years of Mains and Services additions, up to and including 2008. Identify on a year-by-year basis the new additions vs. replacement additions. Please explain any anticipated changes to these proportions.

Response:

The year-by-year summary is attached. New main and service additions are expected to level off beginning in 2008 while replacement main and services will increase as a result of Columbia's AMRP.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 151:

Please identify and explain the three largest Mains and Services replacement projects currently taking place.

Response:

- Loudon Ave AMRP (JO # 08-0262726-00) in Lexington:

This project will eliminate approximately 5,300 feet of dual 8-inch bare steel high pressure pipelines replacing them with a single 12" cathodically protected pipeline. In addition, the project will replace 2,600 feet of bare steel low pressure pipeline with 3,000 feet of 4", 6" and 8" plastic medium pressure pipelines. This project will also replace 19 bare steel service lines, relocate 18 inside meters to the outside and convert 50 low-pressure customers to medium pressure service. The construction began in February 2009 and is expected to be completed in July or August 2009.

- Indian Hills AMRP (JO # 08-0262675-00) in Frankfort:

This project will replace approximately 19,000 feet of cast iron pipe with 19,000 feet of 2" and 4" plastic pipeline. In addition, 190 bare steel service lines will be replaced, 153 inside meters moved outside, all 292 customers will be converted to medium pressure service, and AMR devices installed on each of the customers' meters. The construction began in February 2009 and is expected to be completed in September 2009.

- Goodrich/Nicholasville Road AMRP (JO # 08-0262663-00) in Lexington:

This project will replace approximately 12,000 feet of bare steel low pressure pipeline with 9,700 feet of 2", 4", and 6" plastic pipeline. In addition, this project replaces 133 bare service lines, relocates 154 inside meters to the outside, and converts 233 customers to medium pressure service. The construction began April 2009 and is expected to be completed October 2009.

PSC Case No. 2009-00141
AG DR Set 1-152
Respondent(s): Dave Mueller

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 152:

Please provide a summary of all Main and Service Replacement projects during 2008. Separately identify all major costs, including the removal of the existing Main and/or Service.

Response:

See attachment for summary of main line replacement projects that were in various stages of design, construction, or close-out during 2008.

Columbia replaces its service lines one job order at a time whether replaced as part of a main replacement project or individually to eliminate a hazardous condition. In 2008 Columbia replaced 1933 service lines for a cost of \$2,894,165.

There were no costs for physical removals of mains or services in 2008.

2008_Replacement Job_Orders

Work Order Number	Summary	Contract,		
		Overheads, & Other	Material	Company Labor
00557.WP1531.2631	INSTALL 5' - 4" WT	350.78	41.34	580.28
00558.WP1532.2631	ABANDON 5' - 4" WT	116.62	0	355
00557.WP1840.2621	INSERT 273' 3"PL	74.43	458.04	0
00558.WP1841.2621	RET 273'4"PL-RETAIN AS CASING	673.2	0	0
00557.WP1932.2623	INSTALL 1680' 12" WTHP	256269.36	84889.94	46549.95
00558.WP1933.2623	RETIRE MAIN - LEAKAGE	172.66	0	805.01
00557.WP1942.2621	INSTALL 1740'4" PL	63729.84	956.85	15661.94
00558.WP1943.2621	RETIRE 1740' 4" W AND PL	167.75	0	580.94
00557.WP1973.2631	INSTALL 2475' - 12" WTHP	464.07	715.1	451.29
00558.WP1974.2631	ABANDON 2468' - 16" HP	0	0	0
00557.WP1984.2631	INSTALL 1860' - 4" & 2" PM	117.59	0	0
00557.WP1988.2621	INSTALL 468' 6"PMPLP & WTLP	-334.44	-1037.11	0
00558.WP1989.2621	RETIRE 468'-12 W	0	0	0
00557.WP1999.2631	INSTALL 1220' - 2" PMIP	179.69	0	0
00557.WP2009.2623	INSTALL 285' 12" WTHP	11.71	0	69.8
00557.WP2024.2623	INSTALL 4249' 4" PMP	61095.18	19493.49	5835.48
00558.WP2025.2623	RETIRE MAIN - LEAKAGE	75.21	0	459.52
07705.WP2079.2621	INSTALL 23,617'-2"& 8"PMMP	7487.04	-2389.88	4000.28
07706.WP2080.2621	RETIRE 23,617'-2"& 8"WMP	451.07	388.06	1954.95
00557.WP2091.2633	INSTALL 973' -2"& 4" PMIP MAIN	9.05	0	21.07
00557.WP2093.2633	INSTALL 545' - 2" PMIP	48.53	0	113.08
00557.WP2119.2632	INSTALL 650' - 6" PMMP	92739.58	268.66	7375.5
00558.WP2120.2632	ABANDON 634' - 4" & 6" MP	110.53	0	373.63
00557.WP2170.2631	INSTALL 1355' - 4" PM	545.79	0	1583.88
00558.WP2171.2631	ABANDON 1424' - 3"&4"MAIN	0	0	29.6
00557.WP2182.2623	INSTALL 6'-4" WTMP & 78'-4" PMMP	735.53	0	0
00557.WP2248.2621	INSTALL 40' 3" PMP	9.67	59.48	0
00557.WP2259.2623	INSTALL 25' 4" WTMP & 30' 2" PMMP	12806.96	1270.57	1992.76
00558.WP2260.2623	RETIRE MAIN - LEAKAGE	13.7	0	64.76
00557.WP2264.2621	INSTALL 191' 4" PLP	1776.76	717.32	1898.47
00558.WP2265.2621	RETIRE MAIN - LEAKAGE	30.45	0	119.74
00557.WP2266.2621	INSTALL 151' 4" PMP	48.02	295.49	0
00557.WP2279.2629	INSTALL 220' 8",1340' 6", 40' 4", 12' 3" PMP	159332.73	19162.5	12153.54
00558.WP2280.2629	RETIRE MAIN - LEAKAGE	32	0	0
07801.WP2284.2623	INSTALL 8895' 2" PMMP	457784.81	10032.16	32446.8
07802.WP2285.2623	RETIRE BARE MAIN	980.34	0	5121.87
00557.WP2286.2631	INSTALL 740' - 8" PMMP MAIN	30.56	0	597.39
07802.WP2296.2623	RETIRE REG STATION #1508	2935.9	0	654.43
07802.WP2297.2623	DEMO BLOCK BLDG-REG STAT #1508	60.21	0	248.19
00557.WP2305.2633	INSTALL 1340' - 4" PMMP	42170.61	917.86	10021.92
00558.WP2306.2633	ABANDON 1285' - 4" MP	126.07	0	443.89
07707.WP2311.2629	INSTALL 11360' 8" WTHP	20316.36	7515.51	2297.02
07708.WP2312.2629	RETIRE MAIN - LEAKAGE	16	0	0
07803.WP2313.2621	INSTALL 10069'-4"&6"PMMP	233502.35	51230.99	34634.05
07804.WP2314.2621	RETIRE 12172'-4"&6"MJ&W	41.04	0	166.24
00558.WP2320.2621	RETIRE MAIN - LEAKAGE	-834.2	0	-39.82
00557.WP2327.2621	INSTALL 41' 4" PMP	247.02	103.73	0
00557.WP2329.2623	INSTALL 854' 4" PMP	746.43	3025.09	579.15
00557.WP2331.2621	INSTALL 715' 6" AND 50' 2" PMP	16691.16	-343.56	32.43

2008_Replacement Job_Orders

00558.WP2332.2621	RETIRE MAIN - LEAKAGE	1.27	0	5.56
07805.WP2335.2623	INSTALL 1961'-12"WTHP	22968.62	72054.82	2662.24
07806.WP2336.2623	RETIRE 1000' STEEL MN	2004.25	0	0
00557.WP2341.2629	INSTALL 800' 2" PMP	31746.16	4063.99	8441.17
00558.WP2342.2629	RETIRE MAIN - LEAKAGE LP	138.06	0	604.55
07807.WP2343.2629	INSTALL 16,173' 12" WTHP	1465887.8	569109.9	63550.24
07808.WP2344.2629	RETIRE MAIN - LEAKAGE	255.74	0	1170.74
00557.WP2364.2621	INSTALL 85' 2" PMP	76.83	60	0
07809.WP2366.2629	INST 13000'-8"&1260'-2"PMMP	298773.21	106276.8	23661.74
07810.WP2367.2629	RETIRE 14140'-8&10"STEEL	301.46	0	666.14
00558.WP2368.2623	RETIRE MAIN - LEAKAGE	2227.5	18.01	0
00557.WP2372.2621	INSTALL 170' OF 8"PM	0	0	0
00557.WP2394.2621	INSTALL 40' 4" PMP	2363.69	99	0
00558.WP2395.2621	RETIRE MAIN - LEAKAGE	0	0	0
00557.WP2413.2623	REPLACE MAIN - LEAKAGE	5571.67	0	106.35
00558.WP2414.2623	RETIRE MAIN - LEAKAGE	58.2	149.41	0
00557.WP2426.2629	INSTALL 69' 4" PMP	3569.82	0	0
00557.WP2437.2623	INSTALL 415' 6", 63' 3" PMP	50295.38	8212.23	8808.78
00558.WP2438.2623	RETIRE MAIN - LEAKAGE	3996.06	172.74	3073.16
00557.WP2439.2631	INSTALL 802' 2" PM LP MAIN	11935.36	2017.17	3335.15
00558.WP2440.2631	ABANDON 606' - 3" LP MAIN	82.23	0	284.23
00557.WP2441.2623	INSTALL 72' 6" PMP	15156.06	506.48	775.79
00558.WP2442.2623	RETIRE MAIN - LEAKAGE	24.62	0	127.21
00557.WP2443.2621	INSTALL 550' OF PMMP	301.71	1812.13	0.46
00557.WP2449.2621	INSTALL 8' 4" PMP	9473.27	324.64	571.44
00558.WP2450.2621	RETIRE MAIN - LEAKAGE	10.78	0	50.37
00557.WP2472.2621	INSTALL 60' PLP	3728.94	200.76	511.35
00558.WP2473.2621	RETIRE MAIN - LEAKAGE	46.64	0	227.49
00557.WP2474.2621	INSTALL 40' 4" PMP	5750.6	753.89	325.1
00558.WP2475.2621	RETIRE MAIN - LEAKAGE	10.58	0	49.43
07813.WP2479.2631	INSTALL 12500'-2" & 4" PMMP	335895.48	54694.01	58808.36
07811.WP2483.2621	INSTALL 10,046'2",3"& 4"PMMP	354954.96	31951.97	61483.93
07812.WP2484.2621	RETIRE 13,143-2,3&4"LP	17878.78	0	5155.59
00557.WP2510.2629	INSTALL 40' 6" PMP	5612.92	2504.85	2619.88
00558.WP2511.2629	RETIRE MAIN - LEAKAGE	0	0	0
00557.WP2517.2629	INSTALL 6' 2" PMP	714.36	378.69	1142.39
00558.WP2518.2629	RETIRE MAIN - LEAKAGE	44.31	0	125.7
00557.WP2519.2621	INSTALL 3581'-2"&4"PMMP	242898.34	10297.29	14152.66
00558.WP2520.2621	RETIRE	0	368.71	0
00557.WP2525.2629	INSTALL 5210'-2"PMMP/12'-4"	116091.31	13883.14	18547.08
00558.WP2526.2629	RETIRE MAIN - LEAKAGE 4"&3"	0	0	0
00557.WP2529.2632	INSTALL 12'-2"WTMP & 2" GV	1894	2042.75	3262.83
00558.WP2530.2632	ABANDON 4'-2"WTMP & VLV C133-A	139.34	89.71	550.23
00557.WP2537.2621	INSTALL 7443'-2",4",6"&8"PMMP	288538.4	30571.91	29088.51
00557.WP2563.2633	INSTALL 232' - 2" PMMP	6203.61	639.52	1697.31
00558.WP2564.2633	ABANDON 216' - 2" WMP	49.06	0	63.8
00558.WP2566.2621	RETIRE 188' OF 4"W MAIN	137.9	0	640.26
00557.WP2567.2621	INSTALL 1600'-4&6" WTHP	9056.03	0	0
00558.WP2568.2621	RETIRE 1570'-6"WHP	0	0	367.39
00557.WP2570.2632	INSTALL 125' - 2" PM	1035.52	635.73	1957.44
00558.WP2571.2632	ABANDON 125' - 2" W	98.44	0	384.48
00557.WP2575.2621	INSTALL 250' OF 4"PM - LEAKAGE	11232.42	1262.25	4431.95

2008_Replacement Job_Orders

00558.WP2576.2621	RETIRE 245' OF 3" CAST IRON MN	118.84	0	484.35
00557.WP2591.2621	INSTALL 40' PLP	9091.91	1839.83	1177.3
00558.WP2592.2621	RETIRE MAIN - LEAKAGE	41.04	0	170.41
00557.WP2604.2621	INSTALL 50' PLP	4390.57	1003.64	450.68
00558.WP2605.2621	RETIRE MAIN - LEAKAGE	0	0	35.15
00557.WP2609.2629	INSTALL 435' 2",1050' 4",& 36' 8" LP	20.55	0	46.19
00557.WP2613.2631	INSTALL 90' 4" PMIP	22709.05	4790.62	5543.27
00558.WP2614.2631	ABANDON 100' 4" IP MAIN	47.84	0	214.67
00557.WP2625.2621	INSTALL 40' PLP	5339.92	745.64	1552.66
00558.WP2626.2621	RETIRE MAIN - 100'-2"WT	7.09	0	30.67
00557.WP2635.2621	INSTALL 47' 4" PMP	5594.78	1254.66	362.01
00558.WP2636.2621	RETIRE MAIN - LEAKAGE	31.82	0	142.99
00558.WP2645.2621	RETIRE 400'-2" BARE STEEL MN	1207.18	0	315.71
00558.WP2660.2629	RETIRE MAIN - LEAKAGE	223.12	39.07	557.97
07807.WP2681.2629	INSTALL 4" SERVICE LINE	768.77	2068.38	945.81
07807.WP2684.2629	INSTALL RECTIFIER/GROUNDBED	3475.26	2115.21	1039.26
00557.WP2692.2621	INSTALL 40' 2" PMP	3504.08	246.47	347.15
00558.WP2693.2621	RETIRE MAIN - LEAKAGE	0	0	50.66
00557.WP2696.2621	INSTALL 30'-8"PMMP	28.1	168.84	0
00558.WP2697.2621	RETIRE 35'-10"WMP	0	0	0
00558.WP2707.2621	RETIRE MAIN - LEAKAGE	2819.45	0	623.39
00557.WP2708.2629	INST 3"TEE/3"EL+20"PM	2798.9	22.64	1253.28
00558.WP2709.2629	RETIRE 127'-3" MAIN	79	0	198.2
07933.WP2719.2629	FUTURE DKZ AMRP	55049.44	330829.5	0
00557.WP2728.2621	INSERT 250'-1.25"PMMP	12212.88	1091.43	561.24
00557.WP2751.2621	INSTALL 40' 3" PMP	3592.78	557.78	255.8
00558.WP2752.2621	RETIRE MAIN - LEAKAGE	10.92	0	49.31
00557.WP2767.2629	INSTALL 7' 2" PMP	354.02	6.96	544.42
00558.WP2768.2629	RETIRE MAIN - LEAKAGE	22.91	0	55.44
00558.WP2780.2621	RETIRE 100'2"GALV	2403.71	497.07	295.44
00557.WP2791.2621	INSERT 24'-2"PMMP	2977.45	54.97	231.18
00558.WP2792.2621	RETIRE 24'-4"PMMP	4.52	0	19.87
00557.WP2797.2621	INSTALL 50' 3" PMP	293.87	458.21	749.87
00558.WP2798.2621	RETIRE MAIN - LEAKAGE	29.72	0	133.54
00557.WP2807.2631	INSTALL 400' - 4" PM	1294.4	2291.16	2516.11
00557.WP2822.2631	INSTALL 350' - 4" PM	6784.01	1840.35	3229.82
00558.WP2823.2631	ABANDON 345' - 3" MAIN	0	0	0
00557.WP2828.2621	INSTALL 120' 2" PMP	532.94	1747.43	911.94
00558.WP2829.2621	RETIRE MAIN - LEAKAGE	5.13	0	60.34
00558.WP2847.2621	RETIRE 500' OF 2"PIP-PINK PLAS	90.91	0	314.08
00557.WP9835.2629	INSTALL 400'-12" WTHP KZ	5812.5	0	0
00561.WP1548.2632	INSTALL 445' - 2" PM	-300.26	-673.4	-282.76
00561.WP1650.2621	4545'-8" WTHP, 1899'-6&4 PMMP	-34483.38	-20.34	-206.88
00561.WP1692.2631	INSTALL 280'-6" MP	63.36	0	159.65
00561.WP1712.2633	INSTALL 435'-2"PMIP	0	0	0
00561.WP1741.2623	1940' 12" WTHP	0	0	0
00559.WP1766.2632	INST. 9775'-3" & 1210'-2" PMMP	57477.32	1984.68	7296.92
00560.WP1767.2632	ABANDON 12195' - 2" & 3" MP	0	0	0
00561.WP1837.2623	INSTALL NEW MAIN FOR BOILER	31345.96	1704.95	5466.56
00561.WP1863.2623	960' 8" WTHP & 10' 6" WTHP	-1140.98	0	0
00561.WP1898.2623	RELOCATE 6" DKT-N HP MAIN	3931.81	0	0
00561.WP1937.2623	INSTALL/RELOCATE 80'-8"WTHP	51066.9	11158.54	4684.25

2008_Replacement Job_Orders

00562.WP1938.2623	RETIRE 65'-8" WTHP MAIN	32	0	225.14
00561.WP1950.2621	LIBERTY/TODDS MAIN RELOCATION	5580.37	0	55.24
00562.WP1951.2621	LIBERTY/TODDS MAIN RELOCATION	0	0	0
00559.WP1956.2623	INSTALL 8"WTHP	-730.67	-2974.93	0
00561.WP2001.2631	INSTALL 111' - 8" WTMP	168.34	576	188.35
00559.WP2019.2621	INSTALL 2640'-4"PMMP	759.38	0	5828.87
00559.WP2038.2623	REPLACE AND LOWER 8" MAIN	125.4	0	0
00559.WP2042.2621	INSTALL 160'-8"WTHP	2181.56	13107.73	1.68
00561.WP2060.2621	RELOCATE HP & MP MAIN FOR UK	428.66	30.72	167.91
00562.WP2061.2621	RELOCATE HP & MP MAIN F	0	0	0
00559.WP2083.2632	INSTALL 1583' -2",3" & 4" MP	8599.17	1136.17	15558.68
00560.WP2084.2632	ABANDON 453' - 2" & 4" IP MAIN	0	0	0
00561.WP2086.2621	RELOCATE/REPLACE 3" STEEL MAIN	35141.01	2817.73	4685.5
00562.WP2087.2621	RETIRE 3" BARE STEEL MAIN	52.19	0	227.17
00559.WP2101.2621	INSTALL 3960'-2"PMIP	-88.44	0	0
00559.WP2117.2621	INSTALL 4448'-8"PMMP	106848.86	34.71	17919.6
00560.WP2118.2621	RETIRE 4448'-6"WTMP	323.4	0	1420.47
00560.WP2136.2623	RETIRE 3" ROAD CROSSING	0.8	0	8.87
00559.WP2143.2629	INSTALL 505' OF 2"PMMP	4266.48	105.93	9703.61
00560.WP2144.2629	INSTALL 505' OF 2"PMMP	287.29	0	270.41
00559.WP2154.2623	INSTALL 66'-6"LP & 72'-4"PM	22572.29	4830.75	2157.29
00560.WP2155.2623	RETIRE BARE STEEL MAIN	2572.82	0	0
00561.WP2165.2631	INSTALL 670' - 6" PM	-78.1	0	17.67
00562.WP2166.2631	ABANDON 400' - 4" LP MAIN	12.95	0	56.86
00561.WP2174.2629	REPLACE 188'-2"PLP	2295.8	0	0
00561.WP2212.2633	RELOCATE ~25' - 2" WTIP	1061.22	35.75	2074.83
00562.WP2213.2633	ABANDON 25' - 2" WTIP	57.66	0	240.66
00559.WP2243.2623	REPLACE IN/OUT FOR REG STATION	8291.68	2102.02	641.46
00560.WP2244.2623	REPLACE IN/OUT FOR REG STATION	250.6	361.78	1011.89
00559.WP2257.2629	INST 2"&3" W/3337'-4"PMMP MAIN	16728.06	0	0
00562.WP2273.2621	RETIRE 155' OF 2"PMMP MAIN	0	0	0
00561.WP2274.2621	1305' 6" PMMP & 10' 6" WTMP	10691.06	565.72	0
00562.WP2275.2621	RELOCATE MP & LP MAINS	16.59	0	2.61
00561.WP2289.2621	RELOCATE 400' OF LP MAIN	1696.6	1710.07	1445.28
00562.WP2290.2621	RETIRE 4" LP MAIN	4.82	0	25.16
00561.WP2301.2621	INSTALL 1000' OF 2"PMMP MAIN	-26.57	-243.14	19.1
00562.WP2302.2621	RETIRE LP MAIN FOR LFUCG	95.01	14.55	285.59
00561.WP2308.2621	INSTALL 80'-12"WTHP	16719.02	4469.33	3602.15
00562.WP2309.2621	RETIRE 80'12"WTHP	58.93	0	240.38
00561.WP2346.2621	RELOCATE 500' OF 12" WTHP MAIN	68592.91	32476.36	18002.54
00562.WP2347.2621	RETIRE 600' OF 12" WTHP	1.19	0	515.28
00559.WP2351.2623	INSTALL 165' OF 2"PM	6028.67	600.4	1272.86
00560.WP2398.2631	ABANDON 68'/STEEL & PLASTIC IP	7918.36	0	1440.51
00561.WP2400.2623	INSTALL 350' OF 2"PMMP	2478.48	-55.16	1638.35
00562.WP2401.2623	INSTALL 350' OF 2"PMMP	2937.56	64.83	120.94
00561.WP2402.2633	INSTALL 545' 2" PMIP-DRIFT BR	23334.88	3394.9	9342.55
00562.WP2403.2633	ABANDON 537' - 2" IP MAIN	45.6	0	72.12
00561.WP2405.2621	RELOCATE 25' OF 2" MP MAIN	2937.73	25.94	642.37
00562.WP2406.2621	RELOCATE 25' OF 2" WTMP MAIN	46.35	0	197.41
00561.WP2407.2631	INSTALL 180' - 3" PMIP	10619.4	0	0
00561.WP2416.2621	RELOCATE 1800'-4"PMMP	37970.13	9573.47	2918.39
00562.WP2417.2621	RELOCATE 1800'-4"PMMP	45.76	0	186.19

2008_Replacement Job_Orders

00559.WP2451.2621	INSTALL 90'-2"&4"WTMP&WTIP	13386.92	5830.1	2447.13
00560.WP2452.2621	RETIRE 5'-6"WTIP	15.86	0	73.22
00559.WP2455.2623	INSTALL 1000' OF 2"PMMP	5620.87	0	0
00561.WP2476.2629	RELOCATE 1035' OF 4"PMMP	1730.93	0	0
00561.WP2481.2621	RELOCATE 75' OF 4"PM	4347.7	720.01	710.25
00562.WP2482.2621	RELOCATE 75' OF 4"PM	0	0	0
00561.WP2497.2621	RELOCATE 270' OF 2"PMMP MAIN	6730.09	422.42	1672.37
00562.WP2498.2621	RETIRE 250' OF 2"PMP	76.25	0	316.1
00559.WP2515.2623	REPLACE 85'OF 4" EXPOSED MAIN	755.89	4387.74	94.99
00560.WP2516.2623	RETIRE 4"WTMP EXPOSED MAIN	0	0	0
00561.WP2521.2621	RELOCATE 655' OF 2"PMMP	11894.65	799.31	1988.2
00562.WP2522.2621	RETIRE 490' OF 2"PMP MAIN	0	0	0
00561.WP2543.2621	INSTALL 1700' OF 2"/4"PMMP	70984.36	3744.75	6354.98
00562.WP2544.2621	RETIRE 1750' OF 4" LP MAIN	217.62	0	676.8
00561.WP2549.2631	INSTALL 352' - 4" PL & WT IP	37325.81	8249.52	7426.99
00562.WP2550.2631	ABANDON 248' - 4" IP & MP MAIN	16.65	0	2.9
00561.WP2555.2621	INSTALL 275' OF 6"PM	26872.8	2902.95	2179.14
00562.WP2556.2621	INSTALL 200' OF 6"PM	1269.3	701.83	522.63
00561.WP2557.2621	INSTALL 785' OF 4"PM	24603.66	5151.03	4492.59
00562.WP2558.2621	RETIRE 785'-4" STEEL LP MAIN	6.41	0	27.85
00561.WP2559.2631	INSTALL 2 EA 2" SST & 2" GV	2885.24	1328.02	5720.08
00561.WP2560.2632	INSTALL 640' - 2" PMMP	2339.6	1243.78	4604.46
00562.WP2561.2632	ABANDON 762' - 3"-6" LP MAIN	568.73	295.77	2345.69
00559.WP2573.2632	INSTALL 56'-2"&4" PMIP	2227.38	3148.13	3668.9
00560.WP2574.2632	ABD 51' -2"S&4"CIMJIP & C-167	531.47	0	1977.15
00561.WP2581.2633	INSTALL 392' - 2" PMMP	352.67	0	393.47
00559.WP2588.2632	REPLACE CRIT. VLV C139-C	1741.29	1276.48	3336.82
00561.WP2600.2621	RELOCATE 40' OF 6"MP MAIN	394.81	2372.65	0
00560.WP2616.2621	RETIRE 112'-4"PMLP	697.8	23.36	657.63
00561.WP2623.2629	REPLACE 1018'-2"PMMP	215.78	0	0
00561.WP2629.2621	INSTALL 790' OF 2"PMMP	14009.65	1324.32	3795.82
00562.WP2631.2621	RETIRE 10' OF 2"PMP	0.82	0	3.38
00562.WP2633.2633	ABANDON 173' - 2" PIP	44.15	12.04	490.43
00559.WP2643.2623	INSTALL NEW 2" CRITICAL VALVE	441.56	0	1466.11
00560.WP2644.2623	RETIRE 6' OF 2"PMP MAIN	23.55	0	73.73
00561.WP2650.2629	RENOVATE MAIN ST-CYNTHIANA	27415.15	2336.43	6996.83
00562.WP2651.2629	RETIREMENT - MAIN ST-CYNTHINA	6.05	0	85.95
00561.WP2652.2621	RELOCATE 80' OF 4"PMMP	3535.55	0	692.9
00561.WP2654.2621	RELOCATE 440' OF 2"PMMP	8677.11	661.04	1906.94
00562.WP2655.2621	RETIRE 1000' OF LP MAIN	43.5	0	182.43
00561.WP2665.2621	INSTALL 1550' OF 2"PMMP MAIN	25.65	0	57.66
00561.WP2679.2629	INST 264'-4"PMMP	397.31	1705.26	294.65
00562.WP2680.2629	RETIRE 280'-4"W/WT LP MAIN	3276.77	0	605.11
00561.WP2687.2621	INSTALL 262' OF 6"PMMP MAIN	7558.99	4127.45	876.5
00562.WP2688.2621	RETIRE 262' OF 6"PMP/WTMP MAIN	0	0	0
00562.WP2691.2621	RETIRE 1800' OF 2"-8" MAIN	0	1294.38	0
00561.WP2721.2621	INSTALL 18' OF 12"WTHP MAIN	15699.42	11537.57	5621.02
00562.WP2722.2621	RETIRE 10' OF 12"WTHP MAIN	116.88	0	488.95
00561.WP2723.2621	INSTALL 450' OF 12"WTHP MAIN	49456.86	36811.19	6938.04
00562.WP2724.2621	RETIRE 450' OF 12"WTHP MAIN	63.28	0	354.9
00561.WP2743.2621	INSTALL 150'-2"PMMP	6926.1	279.25	1292.23
00561.WP2756.2621	INSTALL 440' OF 4"PMMP	1040.52	3165.35	0

2008_Replacement Job_Orders

00561.WP2761.2621	INSTALL 15' OF 4"PM MAIN	3340.4	923.01	344.13
00562.WP2762.2621	RETIRE 18' OF 3"-4" LP MAIN	1.16	0	4.84
00561.WP2794.2621	INSTALL 72' OF 4"PMMP	12.62	0	27.96
00561.WP2801.2621	INSTALL 90' OF 4"PMMP	14.56	0	32.25
00561.WP2819.2621	INSTALL 650' OF 8"PMMP	1369.34	0	554.42
00562.WP2820.2621	RETIRE 600' OF 8"PMP	24.13	0	268.16
00562.WP2827.2621	RETIRE 219' OF 3"WTLP MAIN	0	326.67	0
00562.WP2830.2621	RETIRE 76' OF 2'WTMP MAIN	1009.04	0	25
00562.WP2848.2621	RETIRE 1050' OF 2" PMMP	26.26	0	308.87
00561.WP8106.2631	INSTALL SHORTSTOPP FITTING	37.42	230.28	0
00561.WP9302.2621	RELOACTE 150' OF 6"PMP	0	0	0
00559.WP9404.2621	INSERT 2/4"PMLP MAIN	0	0	0
00559.WP9515.2629	INSTALL 455' OF 4"WT,6",4"PMMP	0	0	0
00561.WP9951.2632	INSTALL APPROX 1295'-4"PL	6725.67	0	0

2008_Replacement Job_Orders

AFUDC Debit	AFUDC Equity
10.28	0.26
0	0
0	0
0	0
2079.69	52
0	0
128.61	3.22
0	0
0	0
0	0
0	0
-40.04	0
0	0
0	0
0	0
427.62	10.69
0	0
0	0
0	0
0	0
0	0
55.14	1.38
0	0
0	0
0	0
18.36	0.44
0	0
0	0
0	0
4.15	0.1
0	0
0	0
226.55	5.66
0	0
247.5	6.19
0	0
7.54	0.18
0	0
0	0
53.8	1.35
0	0
0	0
0	0
190.54	50.91
0	0
0	0
0	0
10.86	0.22
0	0

2008_Replacement Job_Orders

0	0
340.95	7.24
0	0
15.91	0.4
0	0
9230.15	230.77
0	0
0	0
1058.11	26.45
0	0
0	0
38.97	0.95
-3.16	-0.08
0	0
0	0
0	0
0	0
10.78	0.27
0	0
3.36	0.08
0	0
0	0
0	0
33.36	0.79
2.63	0.07
0	0
-74.38	2
0	0
0.44	0.01
0	0
3503.76	83.29
2005.96	50.15
0	0
11.57	0.29
0	0
0.88	0.02
0	0
161.58	4.04
0	0
127.54	3.19
0	0
3.39	0.08
0	0
1063.06	26.58
5.1	0.13
0	0
0	0
154.12	3.67
0	0
8.58	0.21
0	0
15.76	0.39

2008_Replacement Job_Orders

0	0
-33.05	-0.83
0	0
-10.93	-0.27
0	0
0.88	0.02
17.62	0.44
0	0
-8	-0.2
0	0
-4.63	-0.12
0	0
0	0
0	0
49.35	1.16
0	0
0.69	0.02
0	0
0	0
0	0
0	0
2.04	0.05
0	0
598.11	11.19
93.27	2.06
1.09	0.03
0	0
0.52	0.01
0	0
0	0
-1.84	0.12
0	0
-0.37	0.11
0	0
9.46	0.18
11.94	0.23
0	0
5.21	0.11
0	0
0	0
0	0
-83.48	0.91
-530.84	0
0	0
0.42	0
168.46	4.08
193.92	4.85
0	0
370.01	9.25
-24.77	-0.72
0	0
175.04	4.38

2008_Replacement Job_Orders

0	0
0	0
0	0
-27.02	1.7
0	0
197.55	4.94
0	0
353.87	8.53
0	0
0	0
234.94	5.87
0	0
16.68	0.42
0	0
-0.38	0
844.63	21.12
0	0
0	0
9.56	0.24
0	0
84.23	2.11
0	0
0	0
0	0
65.41	1.58
14.14	0.35
0	0
59.86	1.5
0	0
375.51	9.06
0	0
0	0
0	0
56.5	1.34
0	0
0	0
0	0
0	0
0	0
8.73	0.22
0	0
6.88	0.17
0	0
0	0
0	0
84.49	2.11
0	0
0	0
0	0
0	0
227.61	5.69
0	0

2008_Replacement Job_Orders

141.02	3.1
0	0
84.39	2
27.9	0.66
3.67	0.09
0	0
1.36	0.03
0	0
14.83	0.29
0	0
0.1	0
0	0
201.82	10.96
0	0
8.42	0.21
0	0
26.64	0.67
0	0
0.2	0.01
0	0
4.5	0.11
19.03	0.48
0	0
23.78	0.59
0	0
10.32	0.24
9.04	0.23
36.03	0.85
0	0
2.82	0.06
3.15	0.08
0	0
0	0
21.03	0.49
0	0
14.26	0.36
0	0
0	0
3.16	0.08
0	0
1.09	0.02
2.1	0.05
0	0
0	0
0	0
0	0
36.63	0.92
0	0
200.83	5.02
0	0
0	0
15.37	0.31

2008_Replacement Job_Orders

2.67	0.07
0	0
0.27	0
0.3	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
6.93	0.17
1683.41	40.83
399.29	9.63

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 153:

Please provide a narrative explanation of a typical Main and Service replacement project.

Response:

The typical main and service replacement project involves five stages: identification, design, planning, approval, construction, and closeout.

The identification stage involves either Field Engineering or Operations observing a potential need for replacement of a pipe section. This potential need may be identified through Columbia's risk assessment software Optimain DS or certain risk factors observed by Operations personnel such as corrosion, leak severity, leak migration, proximity to structures, cover type, and difficulty of repair. Once a potential replacement project is identified, it either becomes a candidate for future replacement if the pipe section's condition can be safely managed or is scheduled for replacement if it is deemed in need of immediate repair. Those pipe sections in the candidate pool are sorted according to risk and those sections having the highest risk are developed into area based projects with a preliminary scope. These projects are then reviewed by Engineering leadership and Operations to determine which ones should be advanced to the design stage.

The design stage of a replacement project involves a detailed examination by a Planning Engineer for each candidate project. The examination includes an assessment of system supply, capacity, future plans, and future growth potential. The result of this examination is a recommended pipe size, operating pressure, and assessment of regulator station capacity. After that Field Engineering conducts a site review of a proposed project with Construction to discuss project specifics, discuss alignment alternatives, tie-ins, and key cost drivers. In addition, Field Engineering will take measurements and identify affected customers, necessary material, labor, land rights, permits, storm water controls, and contract units. Based on available information, Field Engineering selects a pipeline alignment and prepares an installation and retirement drawing. Field Engineering will also design any necessary changes to affected pressure regulating stations. A job order is then created in Columbia's Work Management System which results in a detailed cost estimate and a tie-in plan. Once detailed estimates for all projects are completed, the

projects are again compared with one another, evaluated, and either recommended for approval, or placed back in the candidate pool of projects.

The planning stage of a replacement project begins as a candidate project is identified but prior to approval. Candidate projects are provided to the Construction Planning department with sufficient information to allow planning personnel to begin evaluating the labor and contract resources necessary to complete the job. The purpose of the planning stage is to optimize labor resources, increase efficiencies, and reduce costs. The benefit of planning is to have the initial work of fitting a new project into the construction schedule. A centralized planning and scheduling center performs these planning tasks, but also coordinates other aspects of a project throughout the construction phase.

When a particular project has been selected to be constructed in the current or future budget year, it must be approved by management according to Columbia's capital policy. Once a project is approved, material is ordered, the permits are obtained, and the project is released to construction.

The construction of a replacement project involves installation of the pipeline in accordance with the job order design, permits, and applicable procedures. The main is installed first. It may be installed in its entirety or in sections. The method of installation may be by conventional excavation, boring, or inserting. Once the entire main or a suitable pipe section is installed, it is pressure tested and tied to an existing main in accordance with the tie-in plan. Both mains are left in service until the gas service for all affected customers is resumed. The service may be resumed in one of two ways. It will either be connected to the new main by installing new pipe using methods previously discussed or by tying over an existing service to the new main provided the material is in good condition and was installed in accordance with current safety, construction, and material standards. If necessary, meters are moved out and regulators installed. Once all of the services are supplied by the new main, the existing main and services may be retired. Street and land restoration usually follows the retirement, but may occur anytime after excavation is completed in a particular area. The construction stage is monitored by a Construction Coordinator who maintains a sketch of the installation, a log of the contract units, and ensures the project is installed in accordance with applicable procedures. The coordinator also periodically submits the contract units worked for approval and subsequent payment to the contractor. Both Engineering and the Construction Coordinator monitor the cost of the project.

The close-out stage of a project is conducted by Field Engineering where the materials installed are balanced with the materials ordered. An as-built sketch is prepared, the job order executed, and the completion report sent to mapping with final processing performed by Asset Accounting.

PSC Case No. 2009-00141
AG DR Set 1-154
Respondent(s): Dave Mueller

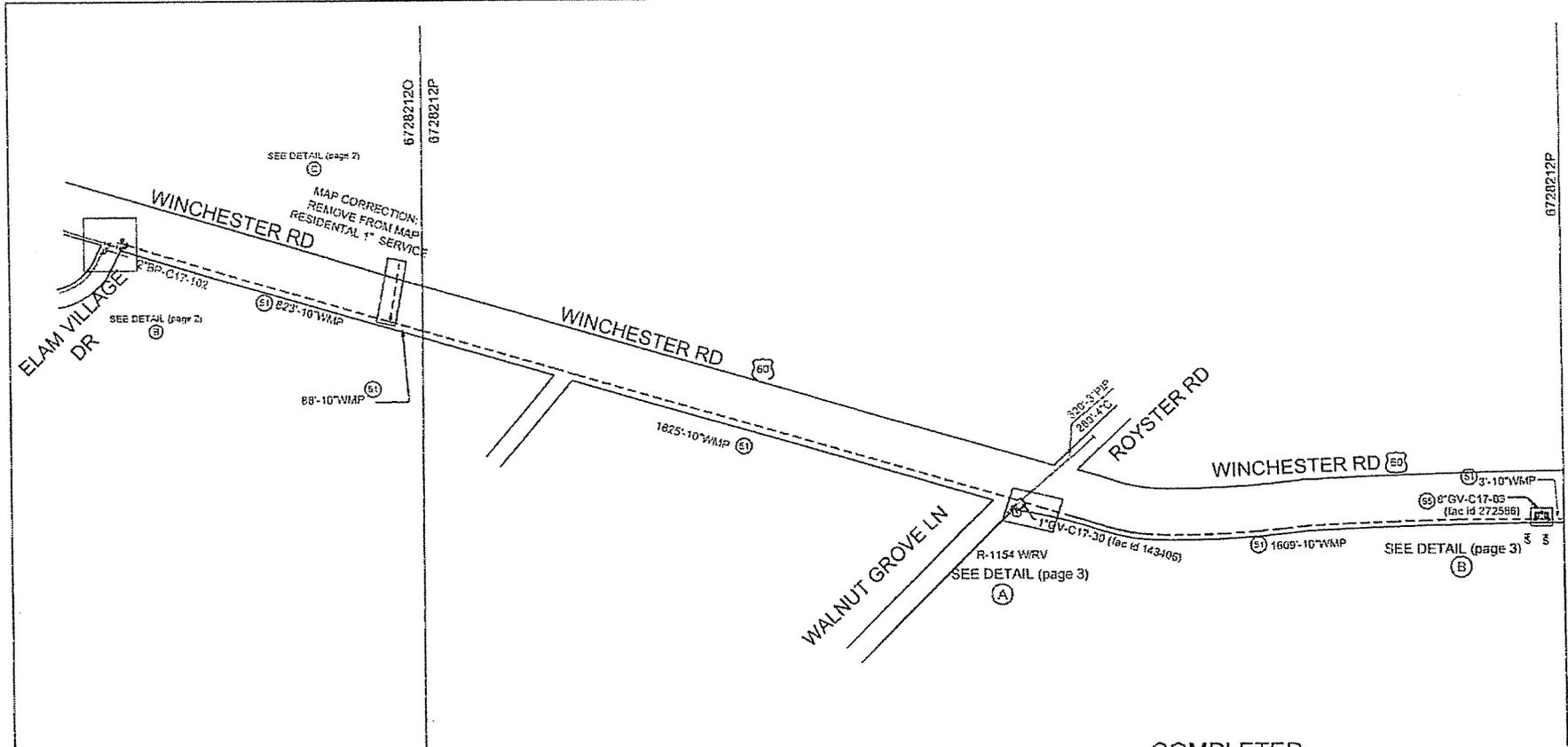
**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 154:

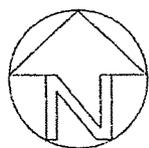
Please provide a sample work order showing the retirement of a gas main.

Response:

Please see attachments.



FILE COPY



COMPLETED
COLUMBIA GAS OF KENTUCKY, INC.

DKA REPLACEMENT FAYETTE CO		PROJ-ID: 07-79899	
AREA: 2621	SYS #: 32010145		
MAP #: 67282120	TAX: 0574805		
X,Y: 730738,4212425	FILE NAME: 0262079		SCALE:
DRAWN BY: KB	DATE: 02/26/2007	NTS	
UPDATED BY: TWALKER	DATE: 03-28-08		
J/O#: 07-0262080-00	TYPE: 558	PAGE 1 of 11	

FORM C 1921 CSO **PRESSURE TEST DATA** TEST ACCEPTABLE TEST NOT ACCEPTABLE

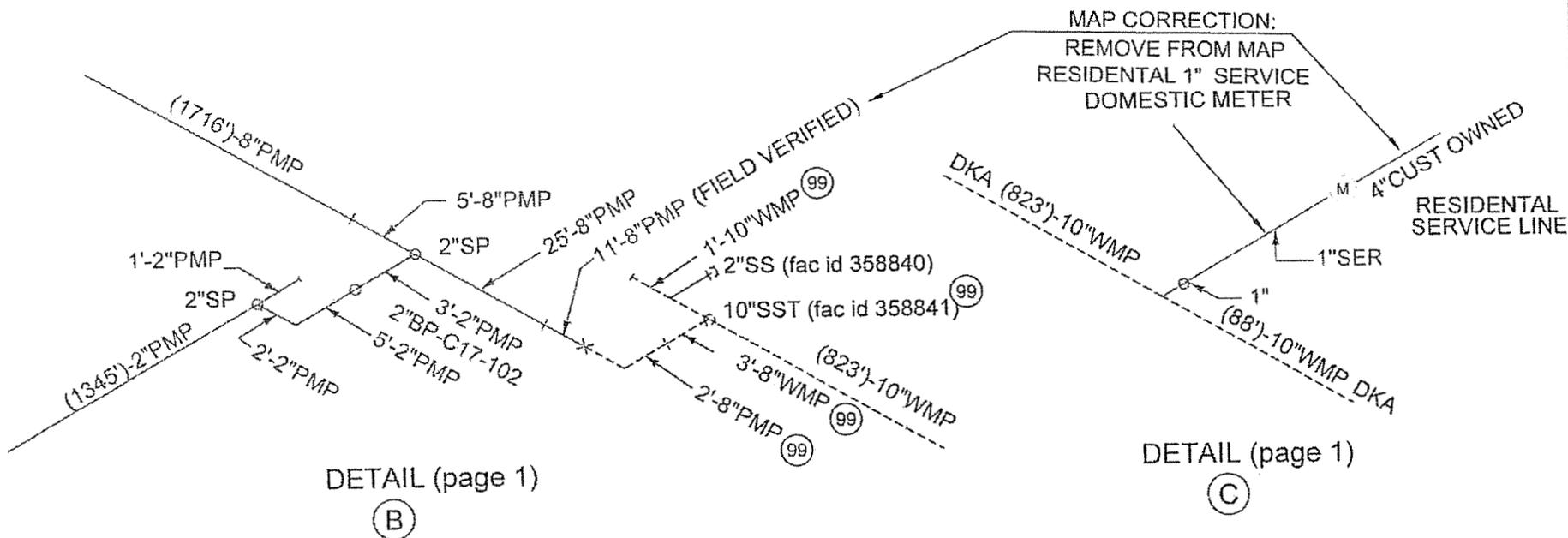
WORK ORDER _____ DATE _____ TIME TEST REMOVED _____ PRESSURE _____

DURATION OF TEST _____ TESTING MEDIUM _____ BY _____

CONTRACTOR (IF APPLICABLE) _____

REMARKS * SEE DETAIL (page 3)

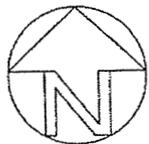
* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING H.P. MAIN AND THEIR DISPOSITION.

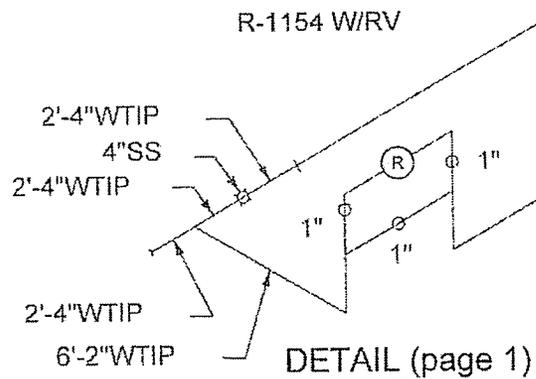
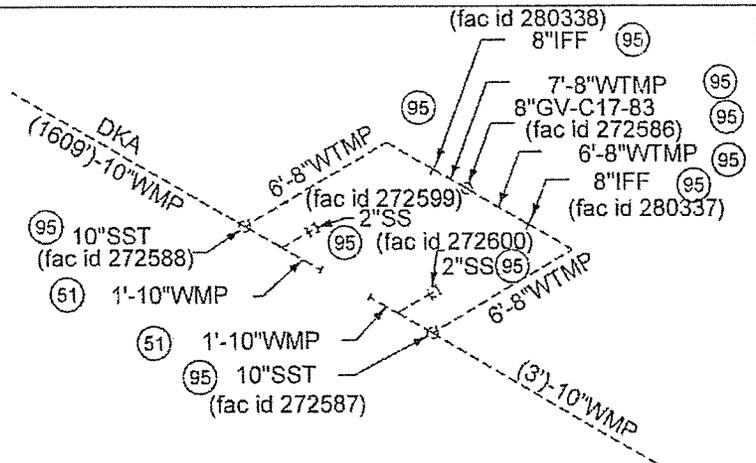
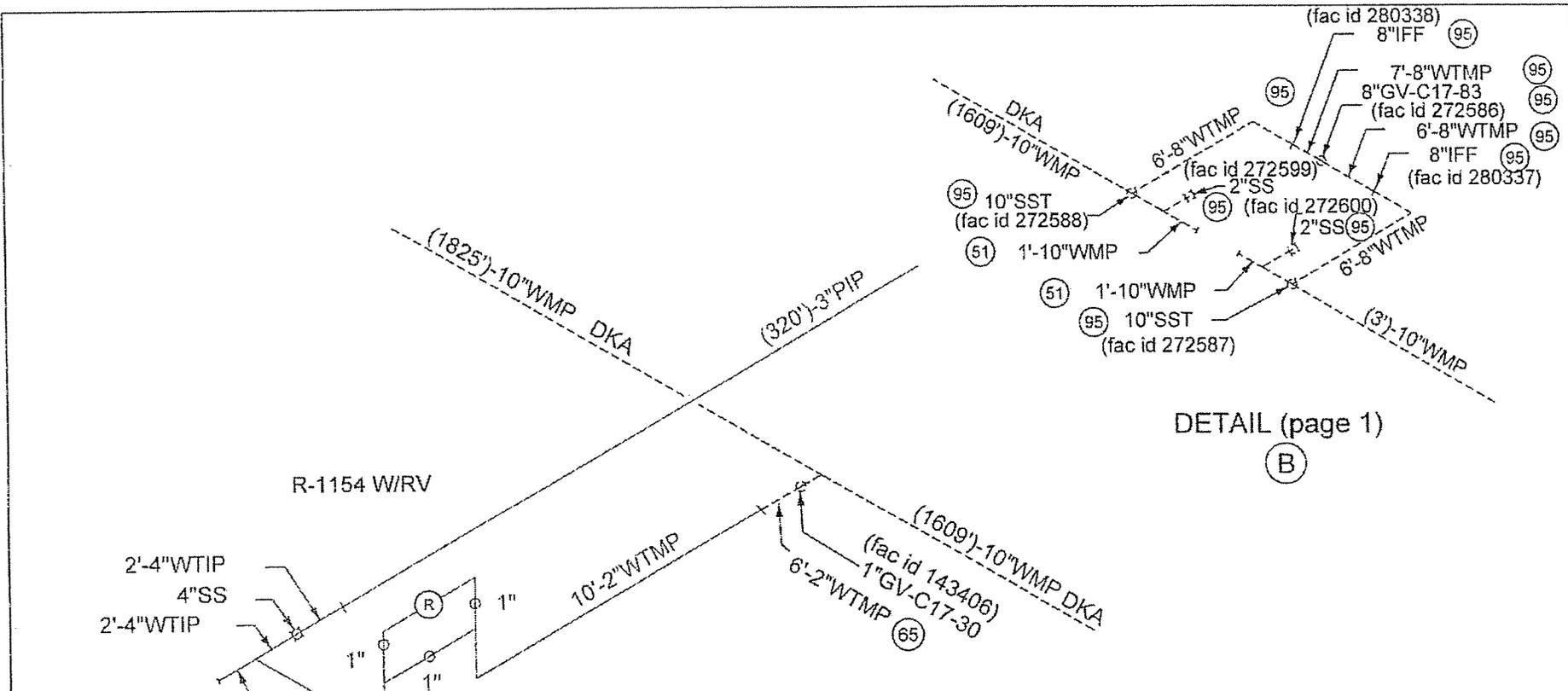


COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.

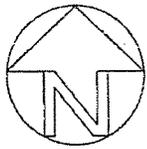
DKA REPLACEMENT FAYETTE CO		PROJ-ID: 07-79899
AREA: 2621	SYS #: 32010145	
MAP #: 67282120	TAX: 0674805	
X,Y: 730736,4212425	FILE NAME: 0262079	
DRAWN BY: KB	DATE: 02/26/2007	SCALE: NTS
UPDATED BY: TWALKER	DATE: 03-31-08	
J/O#: 07-0262080-00	TYPE: 558	PAGE 2 of 11





DETAIL (page 1)
(B)

DETAIL (page 1)
(A)



COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.		
DKA REPLACEMENT FAYETTE CO		PROJ-ID: 07-79899
AREA: 2621	SYS #: 32010145	
MAP #: 67282120	TAX: 0674805	
X,Y: 730738.4212425	FILE NAME: 0262079	
DRAWN BY: KB	DATE: 02/26/2007	SCALE:
UPDATED BY: TWALKER	DATE: 03-28-08	NTS
J/O#: 07-0262080-00	TYPE: 558	PAGE 3 of 11

FORM C 1921 CSO PRESSURE TEST DATA TEST ACCEPTABLE TEST NOT ACCEPTABLE

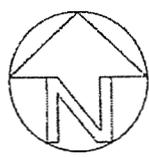
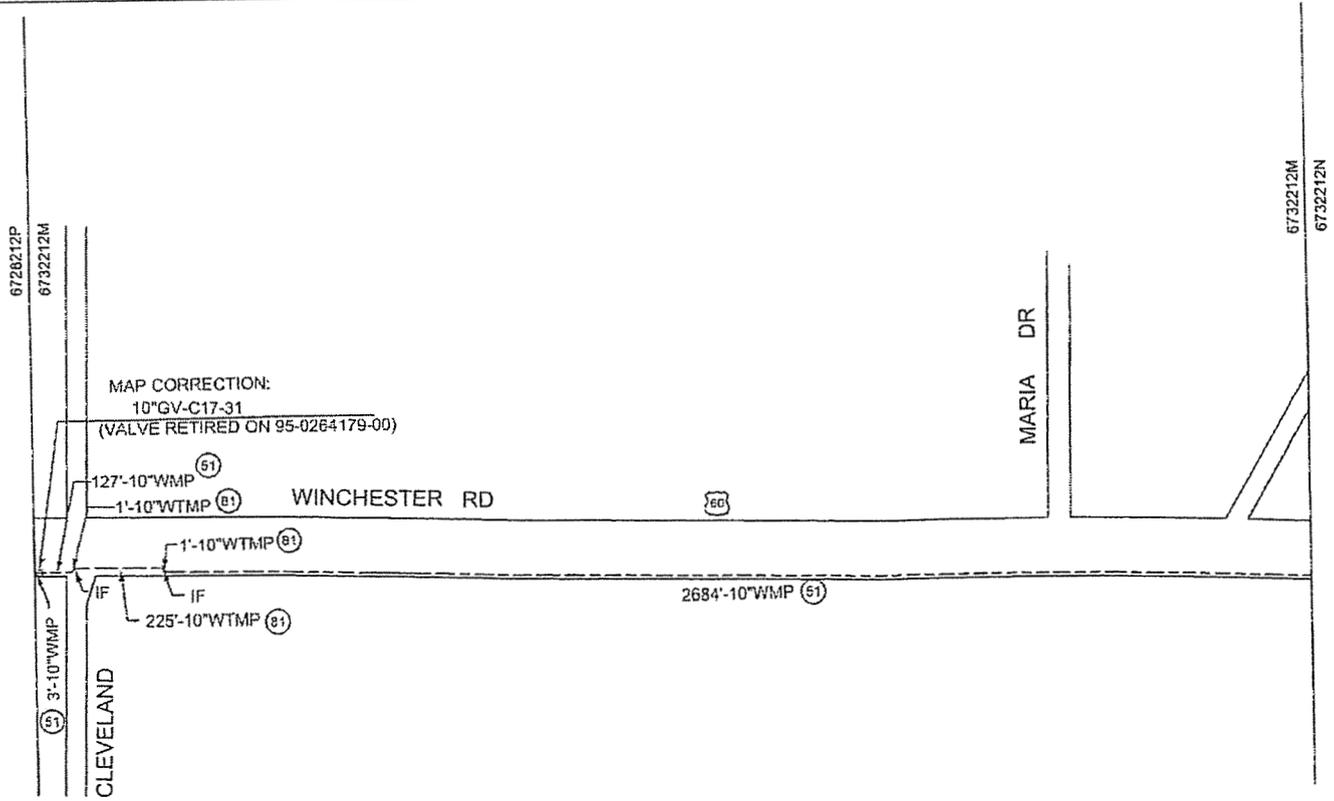
WORK ORDER _____ DATE _____ TIME TEST REMOVED _____ PRESSURE _____

DURATION OF TEST _____ TESTING MEDIUM _____ BY _____

CONTRACTOR (IF APPLICABLE) _____

REMARKS * RETIREMENT _____

* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING H.P. MAN AND THEIR DISPOSITION.



COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.	
DKA REPLACEMENT FAYETTE CO	PROJ-ID: 07-79899
AREA: 2621	SYS #: 32010145
MAP #: 6732212M	TAX: 0674805
X.Y: 730738,4212425	FILE NAME: 0262079
DRAWN BY: KB	DATE: 02/26/2007
UPDATED BY: TWALKER	DATE: 03-28-08
J/O#: 07-0262080-00	TYPE: 558
	SCALE: NTS
	PAGE 4 of 11

FORM C 1921 CSD PRESSURE TEST DATA TEST ACCEPTABLE TEST NOT ACCEPTABLE

WORK ORDER _____ T/M/C TEST REMOVED _____ PRESSURE _____

DATE _____

DURATION OF TEST _____ TESTING MEDIUM _____ BY _____

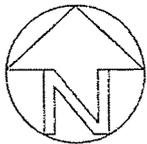
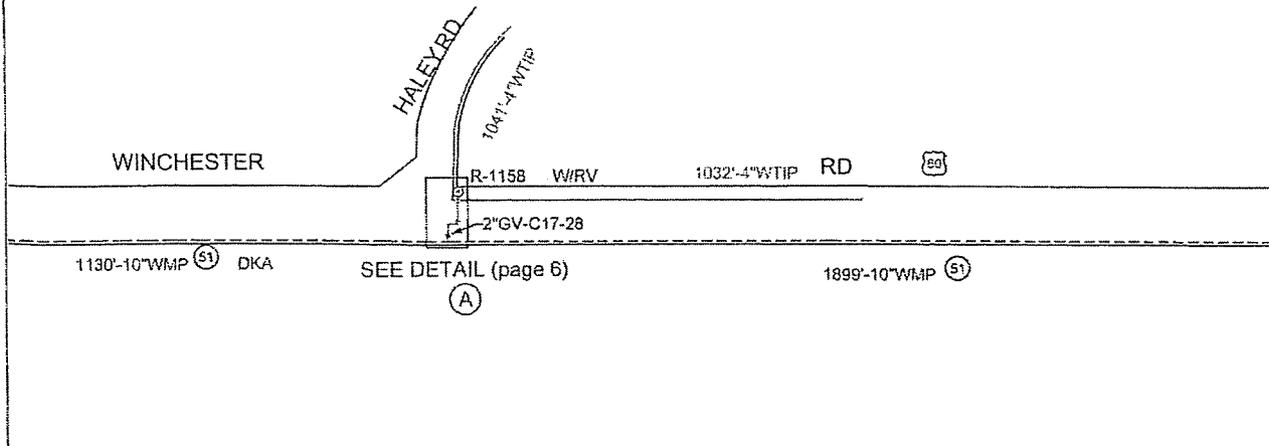
CONTRACTOR (if APPLICABLE) _____

REMARKS * RETIREMENT

* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING H.P. MARK AND THEIR DISPOSITION.

6732212M
6732212N

6732212N
6732212O



COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.

DKA REPLACEMENT FAYETTE CO PROJ-ID: 07-79899

AREA: 2621 SYS #: 32010145

MAP #: 6732212N TAX: 0674805

X,Y: 730738,4212425 FILE NAME: 0262079

DRAWN BY: KB DATE: 02/26/2007 SCALE:

UPDATED BY: TWALKER DATE: 03-28-08 NTS

J/O#: 07-0262080-00 TYPE: 558 PAGE 5 of 11

FORM C 1921 CSO PRESSURE TEST DATA TEST ACCEPTABLE TEST NOT ACCEPTABLE

WORK ORDER _____ TIME TEST REMOVED _____ PRESSURE _____

DATE _____ TESTING MEDIUM _____ BY _____

DURATION OF TEST _____

CONTRACTOR (IF APPLICABLE) _____

REMARKS _____

* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING H.P. MARK AND THEIR DISPOSITION.

SEE DETAIL (page 6)

(A)

1130'-10"WMP (S1) DKA

1899'-10"WMP (S1)

WINCHESTER

HALEY RD

1041'-4"WTIP

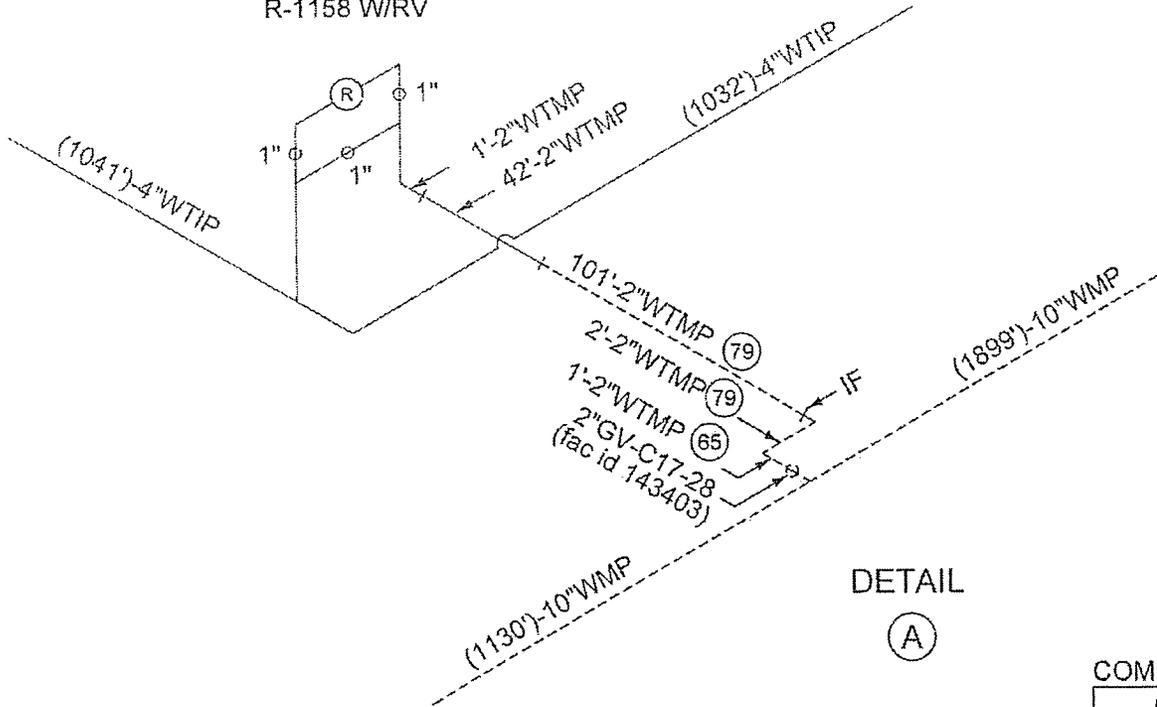
R-1158 WRV

1032'-4"WTIP RD



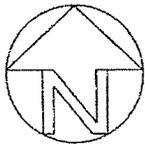
2"GV-C17-28

R-1158 W/RV



DETAIL

(A)



COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.

DKA REPLACEMENT FAYETTE CO		PROJ-ID: 07-79899	
AREA: 2621	SYS #: 32010145		
MAP #: 6732212N	TAX: 0674805		
X,Y: 730738,4212425	FILE NAME: 0262079		SCALE:
DRAWN BY: KB	DATE: 02/26/2007	NTS	
UPDATED BY:	DATE:		
J/O#: 07-0262080-00	TYPE: 558	PAGE 6 of 11	

FORM C 1921 CSO PRESSURE TEST DATA TEST ACCEPTABLE TEST NOT ACCEPTABLE

WORK ORDER _____ DATE _____ TIME TEST REMOVED _____ PRESSURE _____

DURATION OF TEST _____ TESTING MEDIUM _____ BY _____

CONTRACTOR (IF APPLICABLE) _____

REMARKS - RESTRICTION _____

* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING H.P. MAN AND THEIR DISPOSITION.

6732212N
6732212O

6732212O
6732212P

WINCHESTER

EASTPOINT DR

EASTPOINT SUBDIVISION

RD

2"BP-C17-95
(fac id 327832)

R-1122

564'-3"W/TIP

226'-4"W/TIP

648'-4"W/TIP

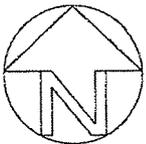
50'

1327'-10"WMP (51)

2159'-10"WMP (51)

SEE DETAIL

(A)



COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.

DKA REPLACEMENT FAYETTE CO PROJ-ID: 07-79899

AREA: 2521 SYS #: 32010145

MAP #: 6732212O TAX: 0674805

X,Y: 730738,4212425 FILE NAME: 0262079

DRAWN BY: KB DATE: 02/26/2007 SCALE:

UPDATED BY: TWALKER DATE: 03-27-08 NTS

J/O#: 07-0262080-00 TYPE: 558 PAGE 7 of 11

FORM C 1921 CSD PRESSURE TEST DATA TEST ACCEPTABLE TEST NOT ACCEPTABLE

WORK ORDER _____ TIME TEST REMOVED _____ PRESSURE _____

DATE _____ TESTING _____ BY _____

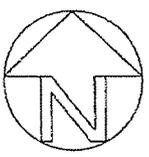
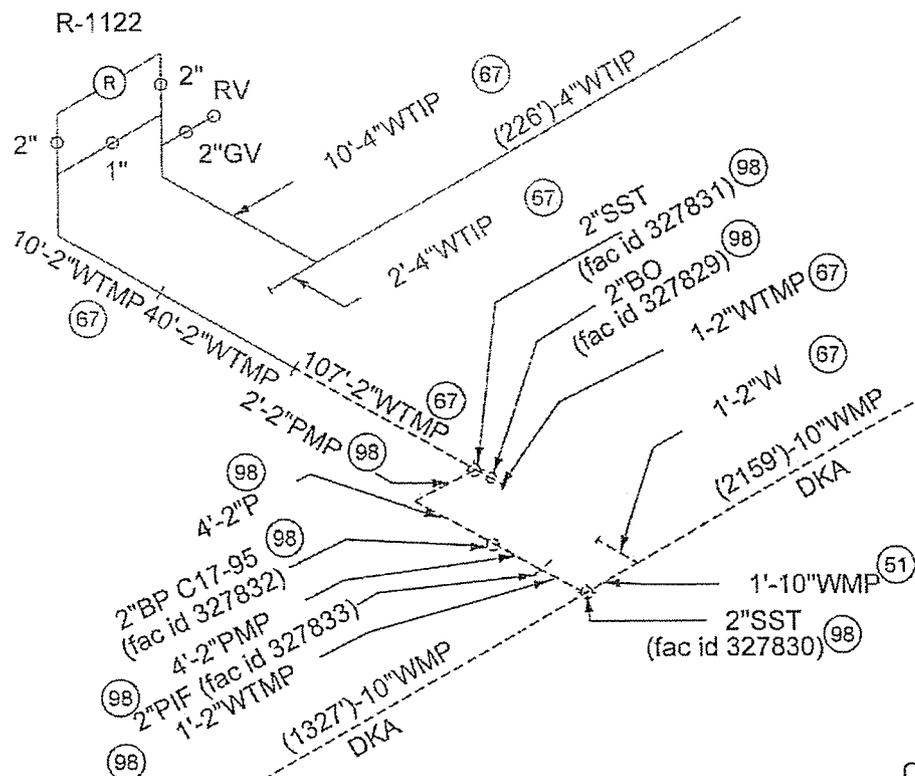
DURATION _____ TESTING _____

OF TEST _____ MEDIUM _____

CONTRACTOR (IF APPLICABLE) _____

REMARKS * _____

* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING H.P. MADE AND THEIR DISPOSITION.



(A)

COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.

DKA REPLACEMENT FAYETTE CO		PROJ-ID: 07-79899	
AREA: 2621	SYS #: 32010145		
MAP #: 67322120	TAX: 0674805		
X,Y: 730738,4212425	FILE NAME: 0262079		
DRAWN BY: KB	DATE: 02/26/2007	SCALE: NTS	
UPDATED BY: TWALKER	DATE: 03-27-08		
J/O#: 07-0262080-00	TYPE: 558	PAGE 8 of 11	

FORM C 1921 CSO PRESSURE TEST DATA TEST ACCEPTABLE TEST NOT ACCEPTABLE

WORK ORDER _____ DATE _____ TIME TEST REMOVED _____ PRESSURE _____

DURATION OF TEST _____ TESTING MEDIUM _____ BY _____

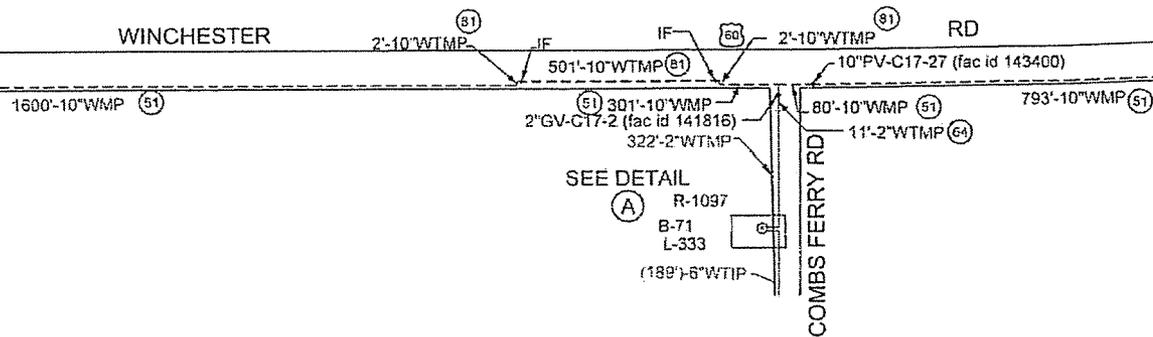
CONTRACTOR (IF APPLICABLE) _____

REMARKS _____

* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING H.P. MAIN AND THEIR DISPOSITION.

6732212D
6732212P

6732212P
6736212M



SEE DETAIL

(A)

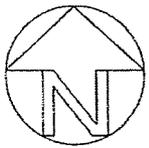
R-1097
B-71
L-333
(189')-6\"/>

COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.

DKA REPLACEMENT FAYETTE CO		PROJ-ID: 07-79899	
AREA: 2621	SYS #: 32010145		
MAP #: 6732212P	TAX: 0674805		
X,Y: 730738,4212425	FILE NAME: 0262079		
DRAWN BY: KB	DATE: 02/26/2007	SCALE:	
UPDATED BY: TWALKER	DATE: 03-27-08	NTS	
J/O#: 07-0262080-00	TYPE: 558	PAGE 9 of 11	

FORM C 1921 CSD	PRESSURE TEST DATA	TEST ACCEPTABLE TEST NOT ACCEPTABLE
WORK ORDER _____	TIME TEST REMOVED _____	PRESSURE _____
DATE _____	TESTING MEDIUM _____	BY _____
CONTRACTOR (IF APPLICABLE) _____		
REMARKS * RETIREMENT		
* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING I.P. MAN AND THEIR DISPOSITION.		



6736212P
6736212M

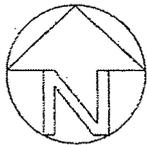
6736212M
6736212N

WINCHESTER



3407'-10" WMP (S)

RD



COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.

DKA REPLACEMENT FAYETTE CO PROJ-ID: 07-79899

AREA: 2621 SYS #: 32010145

MAP #: 6736212M TAX: 0674805

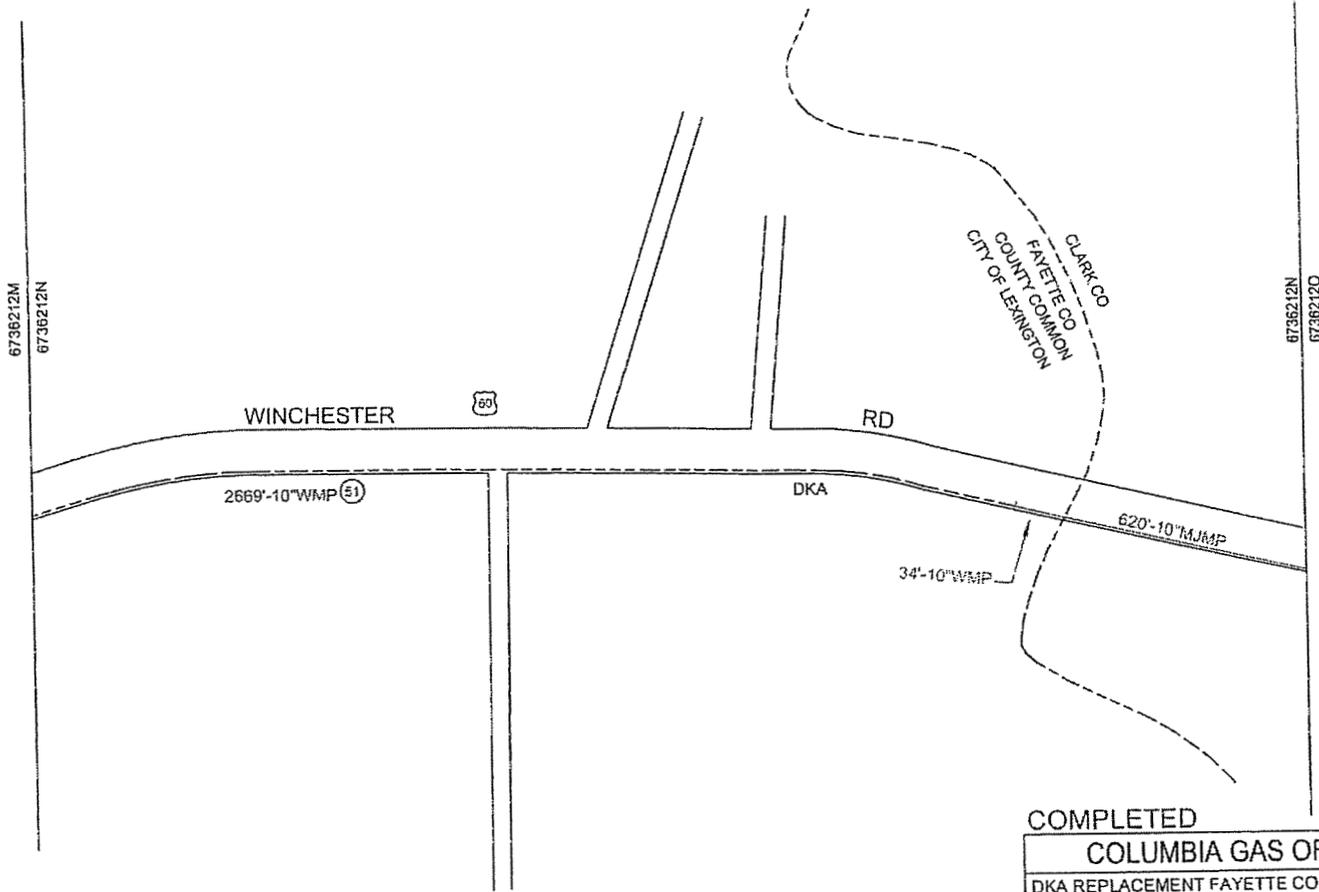
X,Y: 730738,4212425 FILE NAME: 0262079

DRAWN BY: KB DATE: 02/26/2007 SCALE:

UPDATED BY: TWALKER DATE: 03-27-08 NTS

J/O#: 07-0262080-00 TYPE: 558 PAGE 10 of 11

FORM C 1921 GSD		PRESSURE TEST DATA		TEST ACCEPTABLE
WORK ORDER _____	DATE _____	TIME TEST REMOVED _____	PRESSURE _____	TEST NOT ACCEPTABLE <input type="checkbox"/>
DURATION OF TEST _____	TESTING MEDIUM _____	BY _____		
CONTRACTOR (IF APPLICABLE) _____				
REMARKS * SEE SUBJECT _____				
* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING H.P. MAIN AND THEIR DISPOSITION.				



COMPLETED

COLUMBIA GAS OF KENTUCKY, INC.			
DKA REPLACEMENT FAYETTE CO		PROJ-ID: 07-79899	
AREA: 2621	SYS #: 32010145		
MAP #: 6736212N	TAX: 0674805		
X,Y: 730738,4212425	FILE NAME: 0262079		
DRAWN BY: KB	DATE: 02/26/2007	SCALE: NTS	
UPDATED BY: TWALKER	DATE: 03-27-08		
J/O#: 07-0262080-00	TYPE: 558	PAGE 11 of 11	

FORM C 1821 CSD PRESSURE TEST DATA TEST ACCEPTABLE TEST NOT ACCEPTABLE

WORK ORDER _____ DATE _____ TIME TEST REMOVED _____ PRESSURE _____

DURATION OF TEST _____ TESTING WEEKEND _____ BY _____

CONTRACTOR (IF APPLICABLE) _____

REMARKS * BEDROCK

* INDICATE SIGNIFICANT ELEVATION VARIATIONS ON WATER TESTS AND ANY LEAKAGE OR FAILURES FOUND ON TESTING K.P. MARK AND THEIR DISPOSITION.



jo num: 07-0262080-00 loc num: 2621 supervisor: KBOTKIN PAGE: 01 of 07
job type: 558 specific budget: 7706 copy no: 01 on: 05/09/07
job summary: RETIRE 23,617'-2"& 8"WMP bad weather (y/n): N
job desc: MAINS-LEAKAGE ELIMINATION (RET.) status: PL

cdc map num: system number: 32010145 MP maop: 60.0
located at: WINCHESTER
begin street num: end street num:
between: ELAM VILLAGE DR
and: CLARK CO LINE
also known as: DKA
city: LEXINGTON zip:

originated by: KBOTKIN on: 05/09/07 updated by: KBOTKIN on: 05/09/07
wms related jo num: 07-0262079-00 dis related jo num:
project id: 07-81107 project name: 2621 - WINCHESTER -
co/contract cd: B reimbursable (y/n): N income tax (y/n): N
facility type: MN facility id:
function type: function id:
co premise id: psid:
county name: FAYETTE
taxing district: 0674805 mult tax dist (y/n): __
incorporated place: LEXINGTON-FAYETTE
county subdivision:
assess district 1: FAYETTE COUNTY (S.D.)
assess district 2:
permits required:

committed date: target date: 08/31/07 start date:
total duration time: 1:00 num in crew: 1 retirement code: 03

scheduling:
remarks:

***** M A I N S *****
operating press: MP system number: 32010145
maop: 60.0 psig main number:
design maop: 0.0 psig med number: 0019855
test press: 90.0 psig other market affected:
nlds number: other system affected:
lea number: 000000000
footage to install: 23617 ft
method of tie in: WELD material code: S

FILE COPY

jo num: 07-0262080-00 loc num: 2621 supervisor: KBOTKIN PAGE: 02 of 07
job type: 558 job summary: RETIRE 23,617'-2"& 8"WMP specific budget: 7706

***** M A I N E V A L U A T I O N D A T A S H E E T *****

material type: type of joint:
system number: 32010086
operating press: INTERMEDIATE PRESSUR corrosion control:
adjacent to: predom main cover:
type of area: attachments: N

feet of main evaluated: 0 main number:
year pipe mitigated: existing main size: 0
year installed: recommended replacement size: 0
most recent leak survey date:

OPEN services: grade 1: 0 grade 2: 0 grade 3: 0
ORDERS mains: grade 1: 0 grade 2: 0 grade 3: 0

dpi/mex yr located at number	lk prob gd lk	cs sc	clr cd	clmp cd	ftg inst	ppe exps	cr cnd	pit cd
B611166 05 5666 WINCHESTER RD	1	MAIN	1	01	1	10	P	P D

replace/repair code: 3

A. main replacement estimate (use jo num:07-0261993-00) \$ 595107
B. estimated cost of service...replacement-num 0 at \$ 0 +
reconnect -num 0 at \$ 0 = \$ 0
C. estimated cost to clear leak areas main-num 0 at \$ 0 +
serv-num 0 at \$ 0 = \$ 0
D. calculated replace/repair ratio=A+B/C 99.9
E. estimated time (in years) until next leak develops on main 2
F. company replace/repair ratio 4.2

--recommendation for replacement--
economic: N other/comments: Y

remarks:
JOB RECOMMENDED DUE TO THE AMOUNT OF EMERGENCY LEAK REPAIRS WORKED IN
THE AREA PER GARY SULLIVAN.

*****DIG AND BACKFILL/REIMBURSING/CUSTOMER ADVANCE INFORMATION*****

basis: estimated amount: date pymt recd:
 name & :
 address

dig & backfill footage:	0	rate:	0.00	cost:	0
***** C D S T S U M M A R Y *****					
classification code/percent:	2	:100.00%	:	0.00%	
materials cost:	0			subtotal:	45
stores expense: 0.000% cost:	0		afudc: 0.000% cost:		0
contract cost:	0		seg&a: 0.000% cost:		0
labor hours: 1 labor cost:	23				
vac/non-prod: 10.680% cost:	2		total estimated cost:		45
labor overhead: 35.237% cost:	9		income tax: 0.000% cost:		0
other cost:	11		total duration time:		1:00
			maximum crew size:		1

***** ATTACHMENTS *****

detail: X sketch: _

***** APPROVALS *****

_____, 20____
 _____, 20____
 _____, 20____
 _____, 20____
 _____, 20____

CERTIFICATE I CERTIFY THAT ALL COMPONENTS ON THIS PROJECT ARE DESIGNED IN
 ACCORDANCE WITH THE COLUMBIA GAS DIST COMPANIES POLICY/PROCEDURE MANUAL
 ENGINEER: *[Signature]* 5/16, 2007

jo num: 07-0262080-00 loc num: 2621 supervisor: KBOTKIN PAGE: 04 of 07
job type: 558 specific budget: 7706 copy no: 01 on: 05/09/07
job summary: RETIRE 23,617'-2" & 8"WMP bad weather (y/n): N
job desc: MAINS-LEAKAGE ELIMINATION (RET.) status: PL

cdc map num: system number: 32010145 MP maop: 60.0
located at: WINCHESTER
begin street num: end street num:
between: ELAM VILLAGE DR
and: CLARK CO LINE
also known as: DKA
city: LEXINGTON zip:

originated by: KBOTKIN on: 05/09/07 updated by: KBOTKIN on: 05/09/07
wms related jo num: 07-0262079-00 dis related jo num:
project id: 07-81107 project name: 2621 - WINCHESTER -
co/contract cd: B reimbursable (y/n): N income tax (y/n): N
facility type: MN facility id:
function type: function id:
co premise id: psid:
county name: FAYETTE
taxing district: 0674805 mult tax dist (y/n): __
incorporated place: LEXINGTON-FAYETTE
county subdivision:
assess district 1: FAYETTE COUNTY (S.D.)
assess district 2:
permits required:

committed date: target date: 08/31/07 start date:
total duration time: 1:00 num in crew: 1 retirement code: 03

scheduling:
remarks:

***** EXECUTION *****

remarks: _____

line markers and signs inspected (y/n): __
facility failures (y/n): __ damages by others (y/n): __
damages to others (y/n): __ map corrections (y/n): __

***** CHARGE TO INFORMATION *****
32108 07706WP2080 2621:100% _____: __%

***** FURTHER ACTION REQUIRED *****

job type: _____ job summary: _____
remarks: _____

***** ATTACHMENTS *****

detail: X contracts: materials: X execute detail: X
pipe exposure: X facility: f.a.r.: X sketch: __

I HAVE COMPLETED THIS JOB ORDER IN COMPLIANCE WITH ALL APPLICABLE POLICIES AND
PROCEDURES. [Signature] (COMPANY REPRESENTATIVE) 2-14-, 2008

jo num: 07-0262080-00 loc num: 2621 supervisor: KBOTKIN PAGE: 06 of 07
ob type: 558 job summary: RETIRE 23,617'-2" & 8"WMP specific budget: 7706
***** S O D A N D P A V I N G *****

surface broken by: _____ date broken: _____ 1
surface broken: _____ ft from: _____
and: _____ ft from: _____
type broken: _____
size of opening: _____ X _____
depth inches: _____
surface as found: _____
surface as left: _____
authorized repair size: _____ X _____ completed (y/n) _____ (no f.a.r.)
authorized repair surface: _____
actual repair size: _____ X _____
actual repair kind: _____
repaired/completed by: _____ contractor name: _____
charge : _____ : _____ % _____ : _____ % _____ : _____ %
to jo#s _____ : _____ % _____ : _____ % _____ : _____ %
_____ : _____ % _____ : _____ % _____ : _____ %

***** S O D A N D P A V I N G *****

surface broken by: _____ date broken: _____ 2
surface broken: _____ ft from: _____
and: _____ ft from: _____
type broken: _____
size of opening: _____ X _____
depth inches: _____
surface as found: _____
surface as left: _____
authorized repair size: _____ X _____ completed (y/n) _____ (no f.a.r.)
authorized repair surface: _____
actual repair size: _____ X _____
actual repair kind: _____
repaired/completed by: _____ contractor name: _____
charge : _____ : _____ % _____ : _____ % _____ : _____ %
to jo#s _____ : _____ % _____ : _____ % _____ : _____ %
_____ : _____ % _____ : _____ % _____ : _____ %

***** P I P E E X P O S U R E *****

located at: _____ - _____ - _____ - _____ - _____
county: _____ city: _____ map num: _____
begin street num: _____ end street num: _____
between: _____ - _____ - _____ - _____
and: _____ - _____ - _____ - _____
exposure type: _____
material: _____ pipe cond: _____ corrosion: _____ pits code: _____ intrnl corr: _____
ctg cond: _____ ctg type: _____ ftg expsd: _____ depth cvr: _____ in mtl rmv: _____
year installed: _____ num existing clamps: _____ pipe size code: _____
corr contrl type: _____
num clamps installed: _____ number anodes installed: _____ op press: _____
pipe to soil reading: _____ volts surface cover: _____

jo num: 07-0262080-00 loc num: 2621 supervisor: KBOTKIN PAGE: 07 of 07
job type: 558 job summary:RETIRE 23,617'-2"& 8"WMP specific budget:7706

***** P I P E E X P O S U R E *****

located at:_____ - _____ - _____ - _____ - _____
county:_____ city:_____ map num:_____
begin street num:_____ end street num:_____
between:_____ - _____ - _____ - _____
and:_____ - _____ - _____ - _____
exposure type:_____
material:_____ pipe cond:_____ corrosion:_____ pits code:_____ intrnl corr:_____
ctg cond:_____ ctg type:_____ ftg expsd:_____ depth cvr:_____ in mtl rmv:_____
year installed:_____ num existing clamps:_____ pipe size code:_____
corr contrl type:_____
num clamps installed:_____ number anodes installed:_____ op press:_____
pipe to soil reading:_____ volts surface cover:_____

PSC Case No. 2009-00141
AG DR Set 1-155
Respondent(s): James Racher

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 155:

Please provide a copy of the depreciation study underlying the current rates and the Order(s), Decision(s), Stipulation(s) and/or Settlement(s) establishing the current depreciation rates.

Response:

Please see Filing Requirement 6-n filed in Case No. 2002-00145 for the depreciation study used as the basis for the current rates. AG Set 1-155 Attachment A is the Commission's Order from Case No. 2002-00145 approving the current depreciation rates. The rates were agreed upon by the parties per the stipulation for settlement and are found on Page 21 of the attachment.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF GAS RATES OF) CASE NO.
COLUMBIA GAS OF KENTUCKY, INC.) 2002-00145

ORDER

In its Order approving the merger of Columbia Energy Group ("Columbia Energy") and NiSource, Inc. ("NiSource"), the Commission required the Chief Executive Officers ("CEO") of both utilities to commit that Columbia Gas of Kentucky, Inc. ("Columbia") would "[f]ile by the earlier of September 30, 2002 or 18 months after consummation of the merger, a rate case including the statutory filing requirements, a cost-of-service study, an estimate of future net merger savings, and a mechanism to reflect on ratepayers' bills future merger savings and the net deferred merger savings."¹ To comply with the CEOs' commitments, Columbia filed its application on May 1, 2002 for authority to adjust its gas rates to produce additional annual revenues of \$2,503,221, an increase of 2.3 percent.²

BACKGROUND

Columbia, a wholly-owned subsidiary of Columbia Energy, is a Kentucky corporation regulated by the Commission as a utility under KRS 278.010(3)(b). It is engaged in the business of selling and distributing natural gas, as well as the

¹ Case No. 2000-00129, Joint Application of NiSource, Inc., New NiSource Inc., Columbia Energy Group and Columbia Gas of Kentucky for Approval of a Merger, Order Issued June 30, 2000.

² Application at 3.

transportation of customer-owned volumes of gas.³ Columbia provides gas service to approximately 141,000 retail customers within the Commonwealth of Kentucky.

PROCEDURE

Columbia submitted written notice of its intent to file an application for an adjustment of rates on April 1, 2002 and subsequently tendered its application on May 1, 2002. Columbia requested to place its proposed rates into effect on June 1, 2002. To determine the reasonableness of the proposed rates, the Commission issued an Order on May 21, 2002 suspending the proposed rates for 5 months from their effective date, pursuant to KRS 278.190(2), up to and including October 31, 2002.

The following parties requested and were granted full intervention: the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention; the Kentucky Industrial Utility Customers, Inc.; the Lexington-Fayette Urban County Government; the Kentucky Association for Community Action; and the Community Action Council for Lexington-Fayette, Bourbon, Nicholas and Harrison Counties, Inc. (collectively "Intervenors").

On May 21, 2002, the Commission issued a procedural schedule to investigate Columbia's rate application. The schedule provided for discovery, intervenor testimony, rebuttal testimony by Columbia, a public hearing, and an opportunity for the parties to file post-hearing briefs.

JOINT STIPULATION AND RECOMMENDATION

Pursuant to a request by Columbia, an informal conference was scheduled and held on September 12, 2002 at the Commission's offices in Frankfort, Kentucky. At the

³ Application at 1.

conference, Columbia and the Intervenors informed Commission Staff ("Staff") that they had been negotiating a settlement and that their discussions were ongoing. Although a settlement had not been reached, they wanted to advise the Commission of the status of their settlement discussions. The parties stated that they planned to continue settlement discussions and would advise the Commission if they reached a settlement.

Pursuant to a second request by Columbia, an informal conference was scheduled and held on September 19, 2002 at the Commission's offices in Frankfort, Kentucky. At the September 19, 2002 conference, Columbia and the Intervenors informed Staff that their settlement negotiations had been successful and that they anticipated filing a formal settlement agreement and supporting testimony with the Commission by September 27, 2002.

On October 2, 2002, Columbia and the Intervenors filed their Joint Stipulation and Recommendation ("Joint Stipulation"), which is attached hereto and incorporated herein as Appendix B. Included with the Joint Stipulation was the supporting Direct Testimony of Joseph W. Kelly, Executive Vice President and Chief Operating Officer of Columbia. The following is a brief synopsis of the Joint Stipulation:

1. Columbia will reduce its base rates by an amount that results in a decrease to its annual operating revenues of \$7,800,000. The reduction in Columbia's base rates will be effective for service rendered on and after March 1, 2003.

2. Columbia's proposed tariff revisions are modified as follows: (a) the proposed margin loss recovery rider is withdrawn; (b) the proposed merger savings rider is withdrawn; (c) the Inland rate schedules on Tariff Sheet Nos. 26 through 29 will be cancelled; (d) the proposed changes to the service line extension policy on Tariff

Sheet No. 62 should be implemented; and (e) the change to the definition of the term "gas day" on Tariff Sheet No. 100 should be implemented.

3. Columbia will withdraw the proposed funding mechanism for the Energy Assistance Program ("EAP"), but will retain the proposed EAP to be funded by customers via a surcharge with a true-up for actual cost recovery and by an annual contribution from Columbia's shareholders of \$175,000. The EAP will initially operate as a continuation of the current Customer Assistance Program ("CAP") until the EAP program details are agreed upon by the parties, or October 1, 2003, whichever occurs first. The EAP will be effective with Columbia's second billing cycle following the issuance of the Commission's Order approving the Joint Stipulation. The EAP surcharge will be calculated to generate \$500,000 for the program budget plus a true-up for the prior year.

4. Columbia will fund the Gas Technology Institute ("GTI") at \$300,000 per year by means of a line item accounting, which shall include a true-up to prevent over- or under-recovery. The GTI surcharge will be recovered from all distribution customers except those served under the Alternative Fuel Displacement Service or the flex rate provisions of the Delivery Service rate schedule.

5. Columbia will implement new depreciation rates using the average service life procedure and the remaining life basis. The depreciation rates are set forth in Attachment B of the Joint Stipulation.

6. The Direct Testimony of Columbia witness Jeffery T. Gore dealing with the treatment of other post-retirement employee benefits ("OPEB") is accepted with the following modifications: (a) Columbia will continue to amortize its OPEB transition

obligation pursuant to the stipulation approved in Columbia's last rate case; and (b) Columbia will reclassify the entire OPEB gain of \$1,966,111 as a regulatory asset and amortize the gain over the remaining life of the original transition period.

7. Columbia will withdraw its proposal to fund, and to implement at this time, the Automated Meter Reading Program ("AMRP"). Columbia will continue to consider implementation of an AMRP as a part of its normal review of budgets and capital expenditures.

8. Columbia will not be required to make post-merger filings set forth in Case No. 2000-00129 that duplicate Columbia's SEC filings. The filings that are duplicative are set out in Columbia's January 30, 2001 filing in Case No. 2000-00129.

MODIFICATION TO JOINT STIPULATION

On October 14, 2002, Staff issued its Post-Settlement Data Request to Columbia and the intervenors. In their respective responses all Parties state either that they agree to or that they do not oppose several of Staff's recommended modifications to the Joint Stipulation. The following is a brief synopsis of those modifications:

1. The stipulated service line extension policy on Tariff Sheet No. 62 should be modified to reflect: (a) the following definition of major source of energy, "A customer's major source of energy is defined as its primary energy source for heating the premises"; (b) an effective date of March 1, 2003; and (c) Columbia will file the 2002 average cost for a service line extension with the Commission as Tariff Sheet No. 62a at least 30 days prior to the March 1, 2003 date and will update the average cost of such extensions annually by making similar filings in subsequent years.

2. The EAP program described on Tariff Sheet No. 51b should be modified to reflect (a) that it is effective on March 1, 2003; and (b) that revised Tariff Sheet No. 51b reflecting the new surcharge rate will be filed at least 30 days prior to the effective date.

3. Columbia will begin accumulating funds for its EAP program in March 2003 for disbursements that will begin in November 2003.

4. Tariff Sheet No. 51b will note that the EAP surcharge will be a separate line item on customers' bills.

ASSESSMENT OF THE JOINT STIPULATION
AND THE MODIFICATIONS

Columbia and the Intervenors agree that the Joint Stipulation is reasonable and in the best interest of all concerned. Therefore, they urge the Commission to accept this Joint Stipulation in its entirety. While the overall reasonableness of the Joint Stipulation is an important factor, the Commission is bound by law to act in the public interest and review all elements of the Joint Stipulation. In determining whether the results of the settlement are in the public interest and beneficial to the ratepayers, the Commission considered the fact that the Joint Stipulation as modified is unanimous and that the participation of the Intervenors ensures that a wide range of interests were represented. The Intervenors have been involved in previous Columbia rate proceedings and are well aware of the issues involved in the current proceeding.

The Joint Stipulation set forth only the amount of revenue decrease agreed to and not the underlying calculations and adjustments. In determining the overall reasonableness of the proposed \$7,800,000 decrease in Columbia's annual operating revenues, the Commission has evaluated Columbia's and the Intervenors' proposed

adjustments to capital, rate base, operating revenues, and operating expenses in light of our normal rate-making treatment. In addition, consideration has been given to the rates of return on common equity authorized by the Commission in recent rate cases. Based on a review of all these factors and the evidence of record, the Commission finds that the earnings resulting from the Joint Stipulation should fall within a range reasonable for both Columbia and its ratepayers. The \$7,800,000 revenue decrease provided for in the Joint Stipulation will result in fair, just, and reasonable rates for Columbia.

Based upon a review of all aspects of the Joint Stipulation as modified, an examination of the record, and being otherwise sufficiently advised, the Commission finds that the Joint Stipulation as modified is in the public interest and should be approved. The Commission's approval of this settlement is based solely on its reasonableness in toto and does not constitute the approval of any rate-making adjustment or revenue allocation.

While the Commission would prefer for Columbia's shareholders to fund 50 percent of the EAP, as they did for the CAP, we are encouraged by Columbia's commitment to provide a substantial level of shareholder funding to the program. The Commission hopes that other utilities under its jurisdiction will take note and choose to follow Columbia's example.

IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by Columbia in its application are denied.
2. The rates and charges in Appendix A are approved for service rendered by Columbia on and after March 1, 2003.

3. The tariff changes and additions included in the Joint Stipulation as modified herein are approved effective March 1, 2003.

4. Columbia shall file its revised Tariff Sheet No. 62a, the average cost for a service line extension, its revised Tariff Sheet No. 51b reflecting the new EAP surcharge rate, and supporting documentation, at least 30 days prior to the effective date of March 1, 2003.

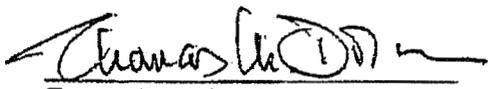
5. Columbia shall file a report, as a supplement to the annual report submitted with the Commission, outlining the previous year's projects funded by its GTI surcharge.

6. At least 30 days prior to their effective dates, Columbia shall file its revised tariff sheets setting out the rates and tariffs approved herein for service rendered on and after March 1, 2003.

Done at Frankfort, Kentucky, this 13th day of December, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00145 DATED December 13, 2002

The following rates and charges are prescribed for the customers in the area served by Columbia Gas of Kentucky, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

	<u>Base Rate Charge</u>	<u>Gas Cost Adjustment Demand</u>	<u>Commodity</u>	<u>Total Billing Rate</u>
<u>SCHEDULE GSR</u>				
First 1 Mcf or less per mo.	\$6.95	\$1.7923	\$2.9893	\$11.7316
Over 1 Mcf per mo.	1.8715	1.7923	2.9893	6.6531
<u>RATE SCHEDULE GSO</u>				
Commercial or Industrial				
First 1 Mcf or less per mo.	18.88	1.7923	2.9893	23.6616
Next 49 Mcf per mo.	1.8715	1.7923	2.9893	6.6531
Next 350 Mcf per mo.	1.8153	1.7923	2.9893	6.5969
Next 600 Mcf per mo.	1.7296	1.7923	2.9893	6.5112
Over 1000 Mcf per mo.	1.5802	1.7923	2.9893	6.3618
<u>Delivery Service</u>				
Administrative Charge	55.90			55.90
<u>Standby Service Demand Charge</u>				
Demand Charge Times Daily Firm Vol. (Mcf) In Customer Service Agreement		8.6481		8.6481
<u>Delivery Rate Per Mcf</u>				
First 400 Mcf per mo.	1.8153			1.8153
Next 600 Mcf per mo.	1.7296			1.7296
All Over 1000 Mcf per mo.	1.5802			1.5802
Former IN8 Rate	1.0575			1.0575
Banking and Balancing Service		0.0211		0.0211

SCHEDULE GPR

First 1 Mcf or less per mo.	6.95	NA	NA	NA
Over 1 Mcf per mo.	1.8715	NA	NA	NA

RATE SCHEDULE GPOCommercial or Industrial

First 1 Mcf or less per mo.	18.88	NA	NA	NA
Next 49 Mcf per mo.	1.8715	NA	NA	NA
Next 350 Mcf per mo.	1.8153	NA	NA	NA
Next 600 Mcf per mo.	1.7296	NA	NA	NA
Over 1000 Mcf per mo.	1.5802	NA	NA	NA

RATE SCHEDULE IS

<u>Customer Charge per mo</u>	116.55			116.55
First 30,000 Mcf	.5467	2.9893		3.5360
Over 30,000 Mcf	.2905	2.9893		3.2798

Standby Service Demand Charge

Demand Charge Times Daily Firm Vol. (Mcf) in Customer Service Agreement		8.6481		8.6481
--	--	--------	--	--------

Delivery Service

Administrative Charge	55.90			55.90
First 30,000 Mcf	.5467			.5467
Over 30,000 Mcf	.2905			.2905
Banking and Balancing Service		0.0211		0.0211

RATE SCHEDULE IUS

For All Volumes Delivered Each Month	.3038	1.7923	2.9893	5.0854
---	-------	--------	--------	--------

Delivery Service

Administrative Charge	55.90			55.90
Delivery Rate per Mcf	.3038	1.7923	2.9893	5.0854
Banking and Balancing Service		0.0211		0.0211

MAINLINE DELIVERY SERVICE

Administrative Charge	55.90			55.90
Delivery Rate per Mcf	0.0858			0.0858
Banking and Balancing Service		0.0211		0.0211

RATE SCHEDULE SVGTSDelivery Charge per McfGeneral Service Residential

First 1 Mcf or less per month
Over 1 Mcf per month

\$6.95 (Minimum Bill)
1.8715

General Service Other

First 1 Mcf or less per month
Next 49 Mcf per month
Next 350 Mcf per month
Next 600 Mcf per month
Over 1000 Mcf per month

\$18.88 (Minimum Bill)
1.8715
1.8153
1.7296
1.5802

Intrastate Utility Service

For all volumes per month

\$0.3038

Actual Gas Cost Adjustment

For all volumes per month

\$0.2553

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00145 DATED December 13, 2002

RECEIVED

OCT 01 2002

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of adjustment of rates of Columbia) Case No. 2002-00145
Gas of Kentucky, Inc.)

JOINT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely Columbia Gas of Kentucky, Inc. ("Columbia"); the Attorney General of the Commonwealth of Kentucky; Lexington-Fayette Urban County Government; the Kentucky Industrial Utility Customers; and the Kentucky Associations for Community Action and the Community Action Council for Lexington-Fayette, Bourbon, Nicholas, and Harrison Counties, Inc. to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding.

It is understood by all parties hereto that this Stipulation and Recommendation is not binding upon the Public Service Commission ("Commission"), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to Columbia's rates. The parties have expended considerable efforts to reach the agreements that form the basis of this Stipulation and Recommendation. All of the parties, representing diverse interests and divergent viewpoints, agree that this Stipulation and Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

In addition, the adoption of this Stipulation and Recommendation will eliminate the need for the Commission and the parties to expend significant resources in litigation of this proceeding, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order

herein. It is the position of the parties hereto that this Stipulation and Recommendation is supported by sufficient and adequate data and information, and is entitled to serious consideration by the Commission. Based upon the parties' participation in settlement conferences and the materials on file with the Commission, and upon the belief that these materials adequately support this Stipulation and Recommendation, the parties hereby stipulate and recommend the following:

1. Columbia should be permitted to adjust its rates in order to permit it to recover \$7,800,000 less in annual revenue than it is recovering under its current rates, with such reduced rates to be effective for service rendered on and after March 1, 2003. The pro-forma tariff sheets attached hereto as Attachment A are recommended as reflecting the new rates to be effective as of the aforementioned date. These pro-forma tariff sheets further reflect rates that are designed to allow Columbia to recover the reduced revenue from its various classes of customers, in the manner agreed to by the parties to this Stipulation and Recommendation.

2. Columbia's proposed tariff revisions should be acted upon as follows:

- (a) The proposed margin loss recovery rider is withdrawn.
- (b) The proposed merger savings rider is withdrawn, and the parties represent that the merger savings and costs of the merger are included in the \$7.8 million rate reduction specified in paragraph number 1 herein.
- (c) The former Inland rate schedules on tariff Sheet Nos. 26-29 will be cancelled.
- (d) The changes proposed to Columbia's service line extension policy on Tariff Sheet No. 62 should be implemented.
- (e) The changes proposed to Columbia's definition of the term "gas day" on Tariff Sheet No. 100 should be implemented.

- (f) The existing surcharge for the Customer Assistance Program will be replaced by a new Energy Assistance Program surcharge on Tariff Sheet No. 51b as further described in paragraph number 3 below.
- (g) A new tariff provision should be added as Tariff Sheet No. 51c to provide for funding of the Gas Technology Institute as further described in paragraph number 4 below.

The foregoing changes are reflected in the proposed tariff sheets attached to this Stipulation and Recommendation as Attachment A.

3. Columbia will withdraw the proposed funding mechanism for the Energy Assistance Program ("EAP"), but will retain the proposed EAP to be funded instead by a surcharge with a true-up for actual cost recovery and by a contribution from Columbia. Details of the EAP program will be determined collaboratively with the parties to this proceeding, but the program will be designed to assist 850 customers annually with a total budget not to exceed \$675,000 annually. The EAP will operate as a continuation of the current Customer Assistance Program ("CAP") until the EAP program details are agreed upon by the parties, or October 1, 2003, whichever occurs first. The EAP surcharge will be effective with bills rendered in Columbia's second billing cycle following the Commission's Order approving this Stipulation and Recommendation. The initial EAP surcharge will be calculated as the existing CAP surcharge, plus the true-up of CAP costs for the year 2001-2002. The CAP surcharge will expire at the time of the initial EAP surcharge. Subsequent EAP surcharge calculations shall be made annually to generate \$500,000 for the program budget plus a true-up for the prior year. The Columbia contribution shall not exceed \$175,000 annually.

4. Columbia will fund the Gas Technology Institute at \$300,000 per year by means of line item accounting which shall include a true up to prevent over or under recovery. The annual

expenditure will be recovered from all distribution service customers except those served under the Alternate Fuel Displacement Service rate schedule or the flex rate provisions of the Delivery Service rate schedule.

5. Columbia will implement new depreciation rates using the average service life procedure and the remaining life basis. The parties do not agree as to the procedures, methods, techniques or parameters underlying these rates, but in the interests of settlement, stipulate the depreciation rates set forth in Attachment B hereto.

6. To deal with the treatment of other post-retirement employee benefits ("OPEB"), the Prepared Direct Testimony of Columbia witness Gore is accepted, with the following modifications:

(a) Columbia will continue to amortize the OPEB transition obligation pursuant to the Commission's Order approving the stipulation in Columbia's last rate case, Commission Case No. 94-179; and, (b) Columbia will reclassify the entire \$1,966,111 OPEB gain to a regulatory asset and amortize the gain over the remaining portion of the original transition period.

7. Columbia withdraws its proposal to fund, and to implement at this time, the Automated Meter Reading Program. Columbia will, however, continue to consider implementation of an automated meter reading program as part of its normal review of budgets and capital expenditures.

8. The parties agree that Columbia should no longer be required to make the post-merger filings required by the Commission's Order in Case No. 2000-129 to the extent that such filings are duplicated by SEC filings, as set forth in the filing that Columbia made on January 30, 2001 in Case No. 2000-129.

9. Attached to this Stipulation and Recommendation as Attachment C are proof-of-revenue sheets, showing that the rates set forth in Attachment A will generate the proposed revenue decrease to which the parties have agreed in Paragraph number 1 hereof.

10. Each party hereto waives all cross-examination of the witnesses of the other parties hereto unless the Commission disapproves this Stipulation and Recommendation, and each party further stipulates and recommends that the Notice of Intent, Notice, Application, testimony, pleadings and responses to data requests filed in this proceeding be admitted into the record.

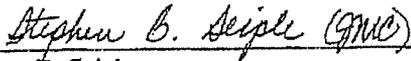
11. This Stipulation and Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving Columbia or any other utility.

12. If the Commission issues an order adopting this Stipulation and Recommendation in its entirety, each of the parties hereto agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to such order.

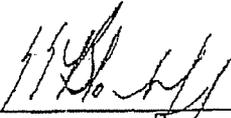
13. If this Stipulation and Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any or all matters involved herein, and that in such event the terms of this Stipulation and Recommendation shall not be deemed binding upon the parties hereto, nor shall such Stipulation and Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party hereto, the Commission, or its Staff in any such hearing.

14. All of the parties hereto agree that the foregoing Stipulation and Recommendation is reasonable and in the best interests of all concerned, and urge the Commission to adopt the Stipulation and Recommendation in its entirety.

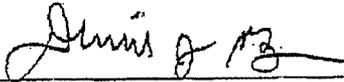
AGREED, this 30th day of September, 2002.



Stephen B. Seiple
On behalf of Columbia Gas of Kentucky, Inc.

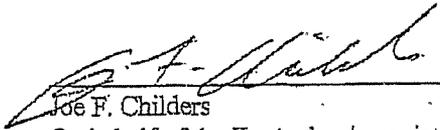


Elizabeth E. Blackford
On behalf of the Attorney General of the Commonwealth of Kentucky



David J. Barberie
On behalf of the Lexington-Fayette Urban County Government

David F. Boehm
On behalf of the Kentucky Industrial Utility Customers



Joe F. Childers
On behalf of the Kentucky Associations for Community Action and the Community Action Council
for Lexington-Fayette, Bourbon, Nicholas, and Harrison Counties, Inc.

CT. -01' 02 (TUE) 14:56 BOEHM KURTZ & LOWRY

TEL: 513 421 2764

P. 002

INQUIRY NO. 20 02 TEL: 10 81 12 08 NO. 42614445 TP T

AGREED, this 30th day of September, 2002.

Stephen B. Seiple (GMC)

Stephen B. Seiple
On behalf of Columbia Gas of Kentucky, Inc.

Elizabeth E. Blackford
On behalf of the Attorney General of the Commonwealth of Kentucky

David I. Barberie

David I. Barberie
On behalf of the Lexington-Fayette Urban County Government

David F. Boehm

David F. Boehm
On behalf of the Kentucky Industrial Utility Customers

Joe F. Childers

Joe F. Childers
On behalf of the Kentucky Associations for Community Action and the Community Action Council for Lexington-Fayette, Bourbon, Nicholas, and Harrison Counties, Inc.

ATTACHMENT B
DEPRECIATION RATES

COLUMBIA GAS OF KENTUCKY, INC.

STIPULATED ANNUAL DEPRECIATION ACCRUAL RATES RELATED TO GAS PLANT
AT DECEMBER 31, 2001
(AVERAGE SERVICE LIFE AND GENERAL PLANT AMORTIZATION)

	<u>Depreciable Group</u> (1)	<u>Stipulated Annual Accrual Rate</u> (2)
DEPRECIABLE PLANT		
DISTRIBUTION PLANT		
	Land and Land Rights	
374.4	Land Rights	1.53
374.5	Rights-of-Way	1.22
	<i>Total Account 374</i>	1.29
	Structures and Improvements	
375.34	Measuring and Regulating	1.96
375.7	<i>Other Distribution System</i>	
	Distribution System Structures	1.99
	Other Buildings	3.03
	<i>Total Account 375.70</i>	2.00
375.7	Other Structures - Leased	12.75
375.8	Communication Structures	5.32
	<i>Total Account 375</i>	2.10
376	Mains	1.57
378	Meas and Reg Equipment - General	2.35
379.1	Meas and Reg Equipment - City Gate	2.27
380	Services	2.59
381	Meters	2.59
382	Meter Installations	2.39
383	House Regulators	1.39
384	House Regulator Installations	1.10
385	Industrial Meas and Reg Equipment	2.09
	Other Equipment	
387.2	Odorization	4.22
387.4	Customer Information Services	2.34
	<i>Total Account 387</i>	2.63
	<i>Total Distribution Plant</i>	1.99
GENERAL PLANT		
	Office Furniture and Equipment	
391.1	Furniture	7.29
391.11	Equipment	19.81
391.12	Information Systems	20.25
	<i>Total Account 391</i>	10.98
392.2	Transportation Equipment - Trailers	6.34
393	Stores Equipment	-
	Tools, Shop and Garage Equipment	
394	Equipment	3.79
394.11	CNG Facilities	13.77
	<i>Total Account 394</i>	7.13
395	Laboratory Equipment	4.87
396	Power Operated Equipment	-
398	Miscellaneous Equipment	7.36
	<i>Total General Plant</i>	7.55
	<i>Total Depreciable Plant</i>	2.12

PSC Case No. 2009-00141
AG DR Set 1-156
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 156:

Please provide the calculation of the current depreciation rates in electronic format (Excel) with all formulae intact. Show all parameters used (i.e., ASL, curve, remaining life, net salvage ratio), and provide a source for those parameters. Please explain any differences in the parameters or rates from those that were ordered when the rates were adopted.

Response:

The spreadsheet which is contained on the enclosed CD and labeled Attachment A AG-1-156-CGK01asl.xlsx, sets forth the development of the current depreciation rates. These rates are consistent with those that were ordered in PSC Case No. 2002-00145.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 157:

Identify and explain all changes between the current study and the most recent prior study.

Response:

The proposed study and the current study have differences in life, curve, net salvage percent, probable retirement date, depreciation procedure, reserve to plant ratio and plant activity. The attached table sets forth the life, curve, net salvage percent and probable retirement date differences.

The proposed depreciation parameters were the result of a detailed and comprehensive depreciation study, reflecting both an analysis of the historical data, as well as consideration of current and prospective factors, that will impact the average life and net salvage to be achieved by each Company's property group.

Each of the applicable life and salvage parameters were utilized together with the surviving plant in service by vintage and book depreciation reserve at December 31, 2008 with the equal life group procedure and remaining life method to develop the property group and/or location level annual depreciation rate.

The net changes in the annual depreciation rates are the result of the changes in the Company's plant account level balances, age of the surviving plant in service, book depreciation reserve depreciation procedure and changes in the underlying service life and salvage parameters.

COLUMBIA GAS OF KENTUCKY, INC.

COMPARISON OF PROBABLE RETIREMENT DATE, SURVIVOR CURVE AND NET SALVAGE PERCENT UTILIZED IN THE PROPOSED STUDY AND THE CURRENT STUDY

Depreciable Group (1)	PROPOSED			CURRENT STUDY			
	Probable Retirement Date (2)	Survivor Curve (3)	Net Salvage Percent (4)	Probable Retirement Date (5)	Survivor Curve (6)	Net Salvage Percent (7)	
DEPRECIABLE PLANT							
DISTRIBUTION PLANT							
	Land and Land Rights						
374.4	Land Rights		70-R2.5		65-R2.5	0	
374.5	Rights-of-Way		75-S4		70-S4	0	
	Structures and Improvements						
375.34	Measuring and Regulating		47-S0.5		42-S0.5	(10)	
375.7	Other Distribution System						
	Paris Area Office - Vine Street	2028	Square *	0	2028	Square *	0
	Winchester Service Center and Office	2042	Square *	0	2042	Square *	0
	Lexington Headquarters	2044	Square *	0	2044	Square *	0
	Distribution System Structures		34-S1.5		30-S0.5	0	
375.71	Other Structures - Leased		N/A	N/A	2007	Square *	0
375.8	Communication Structures		30-R3		30-R3	0	
376	Mains						
	Cast Iron	2037	68-R1.5	*	(15)	64-R2	(15)
	Bare Steel	2037	68-R1.5	*	(15)	64-R2	(15)
	Coated Steel		68-R1.5		(15)	64-R2	(15)
	Plastic		68-R1.5		(15)	64-R2	(15)
378	Meas and Reg Sta. Equip. - General		38-S0		(10)	32-S0	(10)
379.1	Meas and Reg Sta. Equip. - City Gate		27-S1		(10)	22-R2.5	(10)
380	Services		39-R1.5		(60)	38-R2	(50)
381	Meters		37-R1.5		0	40-R2.5	0
382	Meter Installations		37-S2		(10)	38-S1.5	(5)
383	House Regulators		35-S2		(5)	32-S2	(5)
384	House Regulator Installations		32-R4		0	35-S2	0
385	Industrial Meas and Reg Equipment		32-O1		(5)	30-R0.5	(5)
	Other Equipment						
387.2	Odorization		25-R2.5		(5)	25-R2.5	0
387.4	Customer Information Services		30-R2		(5)	27-R2	0
GENERAL PLANT							
	Office Furniture and Equipment						
391.1	Furniture		20-SQ		0	20-SQ	0
391.11	Equipment		15-SQ		0	15-SQ	0
391.12	Information Systems		5-SQ		0	5-SQ	0
392.2	Transportation Equipment - Trailers		25-S3		0	17-S3	0
393	Stores Equipment		N/A	N/A		20-SQ	0
	Tools, Shop and Garage Equipment						
394	Equipment		25-SQ		0	25-SQ	0
394.11	CNG Facilities		12-S3		0	12-S3	0
395	Laboratory Equipment		20-SQ		0	20-SQ	0
396	Power Operated Equipment		15-S1.5		25	14-S1	25
398	Miscellaneous Equipment		15-SQ		0	15-SQ	0

* Indicates the use of an interim survivor curve. Each asset class has a probable retirement date.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 158:

Please provide the current depreciation rates, split into three separate components: capital recovery, gross salvage and cost of removal.

Response:

The attached spreadsheet sets forth the current depreciation rates split into the three components.

COLUMBIA GAS OF KENTUCKY, INC.

AG DR Set 1-158 Attachment A

CALCULATED ANNUAL ACCRUAL RATES BY
COMPONENT USING CURRENT RATES AS OF DECEMBER 31, 2001

Depreciable Group (1)	Survivor Curve (2)	Net Salvage (3)	Original Cost at December 31, 2001 (4)	Book Reserve (5)	Future Book Book Accruals (6)	Calculated Annual Accrual		Capital Recovery Accrual Rate (9)	Cost of Removal Accrual Rate (10)	Gross Salvage Accrual Rate (11)
						Amount (7)	Rate (8)=(7)/(4)			
DEPRECIABLE PLANT										
DISTRIBUTION PLANT										
	Land and Land Rights									
374.4	Land Rights	65-R2.5	0	416,312.90	84,786	331,530	6,387	1.53	1.53	0.00
374.5	Rights-of-Way	70-S4	0	1,388,000.43	444,124	943,872	16,965	1.22	1.22	0.00
	<i>Total Account 374</i>			1,804,313.33	528,910	1,275,402	23,352	1.29		0.00
	Structures and Improvements									
375.34	Measuring and Regulating	42-S0.5	(10)	607,999.91	338,974	329,827	11,939	1.96	1.65	0.31
375.7	Other Distribution System									0.00
	Distribution System Structures	Square *	0	6,858,275.77	1,110,602	5,747,674	136,212	1.99	1.99	0.00
	Other Buildings	30-S0.5	0	110,342.43	52,272	58,071	3,347	3.03	3.03	0.00
	<i>Total Account 375.70</i>			6,968,618.20	1,162,874	5,805,745	139,559	2.00		0.00
375.71	Other Structures	Square *	0	63,495.37	18,971	44,524	8,096	12.75	12.75	0.00
375.8	Communication Structures	30-R3	0	33,260.58	14,719	18,542	1,769	5.32	5.32	0.00
	<i>Total Account 375</i>			7,673,374.06	1,535,538	6,198,638	161,363	2.10		0.00
376	Mains	64-R2	(15)	111,332,702.80	38,453,922	89,578,687	1,745,826	1.57	1.35	0.28
378	Meas and Reg Sta. Equip. - General	32-S0	(5)	4,228,068.95	2,029,902	2,409,569	99,201	2.35	2.22	0.16
379.1	Meas and Reg Sta. Equip. - City Gate	22-R2.5	(5)	259,389.51	214,814	57,546	5,884	2.27	2.15	0.16
										(0.04)
380	Services	38-R2	(50)	62,871,583.36	41,680,225	52,627,154	1,630,295	2.59	1.38	1.21
381	Meters	40-R2.5	0	9,635,566.47	3,329,218	6,306,345	249,641	2.59	2.59	0.00
382	Meter Installations	38-S1.5	(5)	6,606,914.64	2,382,463	4,554,796	158,201	2.39	2.20	0.19
383	House Regulators	32-S2	(5)	1,106,465.79	804,024	357,764	15,371	1.39	1.24	0.17
384	House Regulator Installations	35-S2	0	2,136,350.31	1,464,528	671,824	23,575	1.10	1.10	0.00
385	Industrial Meas and Reg Equipment	30-R0.5	(5)	1,998,787.82	1,044,108	1,054,620	41,745	2.09	1.92	0.22
										(0.05)
DISTRIBUTION PLANT, CONT.										
	Other Equipment									
387.2	Odorization	25-R2.5	0	212,002.37	100,611	111,391	8,943	4.22	4.22	0.00
387.4	Customer Information Services	27-R2	0	1,847,883.98	928,060	919,821	43,255	2.34	2.34	0.00
	<i>Total Account 387</i>			2,059,886.35	1,028,671	1,031,212	52,198	2.53		0.00
	<i>Total Distribution Plant</i>			211,713,403.39	94,496,323	166,123,557	4,206,652	1.99		

COLUMBIA GAS OF KENTUCKY, INC.

AG DR Set 1-158 Attachment A

CALCULATED ANNUAL ACCRUAL RATES BY
COMPONENT USING CURRENT RATES AS OF DECEMBER 31, 2001

Depreciable Group (1)	Survivor Curve (2)	Net Salvage (3)	Original Cost at December 31, 2001 (4)	Book Reserve (5)	Future Book Accruals (6)	Calculated Annual Accrual		Capital Recovery Accrual Rate (9)	Cost of Removal Accrual Rate (10)	Gross Salvage Accrual Rate (11)
						Amount (7)	Rate (8)=(7)/(4)			
GENERAL PLANT										
391.1	Office Furniture and Equipment									
	Furniture	20-SQ	0	1,275,746.64	249,843	1,025,902	92,950	7.29	7.29	0.00
391.11	Equipment	15-SQ	0	115,686.62	48,116	67,571	22,915	19.81	19.81	0.00
391.12	Information Systems	5-SQ	0	379,116.35	105,634	273,482	76,771	20.25	20.25	0.00
	<i>Total Account 391</i>			<u>1,770,549.61</u>	<u>403,593</u>	<u>1,366,955</u>	<u>192,636</u>	<u>10.88</u>		
392.2	Transportation Equipment - Trailers	17-S3	0	75,707.28	22,923	52,785	4,797	6.34	6.34	0.00
393	Stores Equipment	20-SQ	0	13,787.48	13,787	0	0	-	-	0.00
	Tools, Shop and Garage Equipment									
	Equipment	25-SQ	0	1,628,860.38	661,248	967,616	61,778	3.79	3.79	0.00
394.11	CNG Facilities	12-S3	0	818,313.56	193,258	625,057	112,714	13.77	13.77	0.00
	<i>Total Account 394</i>			<u>2,447,173.94</u>	<u>854,506</u>	<u>1,592,673</u>	<u>174,492</u>	<u>7.13</u>		
395	Laboratory Equipment	20-SQ	0	6,390.81	1,872	4,519	311	4.87	4.87	0.00
396	Power Operated Equipment	14-S1	25	615,401.28	615,401	(153,852)	0	-	-	0.00
GENERAL PLANT, CONT.										
398	Miscellaneous Equipment	15-SQ	0	<u>129,846.09</u>	<u>56,581</u>	<u>73,265</u>	<u>9,557</u>	<u>7.36</u>	<u>7.36</u>	<u>0.00</u>
	<i>Total General Plant</i>			<u>5,058,856.49</u>	<u>1,968,663</u>	<u>2,936,345</u>	<u>381,793</u>	<u>7.55</u>		
	Subtotal Depreciable Plant			216,772,259.88	96,464,986	<u>169,059,902</u>	<u>4,588,445</u>	2.12		
NONDEPRECIABLE PLANT										
301	Organization			521.20						
302	Franchises & Consents			0.00						
303	Misc. Intangible Plant			2,401,559.52						
304	Land			7,678.39						
374.2	Land			<u>877,248.57</u>						
	Subtotal Nondepreciable Plant			3,287,007.68						
	Total Gas Plant			<u>220,059,267.56</u>	<u>96,464,986</u>					

* Indicates the use of an interim survivor curve and retirement date.

PSC Case No. 2009-00141
AG DR Set 1-159
Respondent(s): John Spanos

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 159:

Provide a table summarizing separately by account the depreciation expense changes caused by life changes, net salvage changes, and other changes. Provide additional explanations of the "other changes."

Response:

It is not possible to accurately separate, by account, the changes in depreciation expense due to each of the components of the depreciation expense is calculated based on a combination of parameters. However, I can segregate within relatively close proximity, the change in depreciation expense from the Equal Life Group Procedure to the Average Service Life Procedure. This table, labeled Attachment A AG-1-159.xls, is attached.

COLUMBIA GAS OF KENTUCKY, INC.

COMPARISON OF EQUAL LIFE GROUP vs AVERAGE SERVICE LIFE
CALCULATED ANNUAL DEPRECIATION EXPENSE AS OF DECEMBER 31, 2008

Depreciable Group (1)	Survivor Curve (2)	Net Salvage (3)	ELG Calculated Annual		ASL Calculated Annual		Difference (8)=(4)-(6)	
			Accrual Amount (4)	Accrual Rate (5)	Accrual Amount (6)	Accrual Rate (7)		
DEPRECIABLE PLANT								
DISTRIBUTION PLANT								
Land and Land Rights								
374.4	Land Rights	70-R2.5	0	9,457	1.70	7,892	1.42	1,565
374.5	Rights-of-Way	75-S4	0	34,116	1.28	32,647	1.22	1,469
	<i>Total Account 374</i>			43,573	1.35	40,539	1.26	3,034
Structures and Improvements								
375.34	Measuring and Regulating	47-S0.5	(10)	17,783	2.43	13,708	1.87	4,075
375.7	Other Distribution System							
	Other Buildings	Square *	0	140,609	2.01	140,379	2.01	230
	Distribution System Structures	34-S1.5	0	5,312	2.96	5,157	2.88	155
	<i>Total Account 375.70</i>			145,921	2.03	145,536	2.03	385
375.8	Communication Structures	30-R3	0	800	2.41	690	2.07	110
	<i>Total Account 375</i>			164,504	2.07	159,934	2.01	4,570
376	Mains							
	Cast Iron	68-R1.5 *	(15)	4,940	1.72	2,782	0.97	2,158
	Bare Steel	68-R1.5 *	(15)	327,623	1.80	201,192	1.10	126,431
	Coated Steel	68-R1.5	(15)	792,889	2.05	620,927	1.60	171,962
	Plastic	68-R1.5	(15)	1,709,265	2.16	1,283,800	1.62	425,465
	<i>Total Account 376</i>			2,834,717	2.08	2,108,701	1.54	726,016
378	Meas and Reg Sta. Equip. - General	38-S0	(10)	138,181	2.86	102,706	2.12	35,475
379.1	Meas and Reg Sta. Equip. - City Gate	27-S1	(10)	2,258	0.88	1,951	0.76	307
380	Services	39-R1.5	(60)	3,361,836	4.18	2,520,344	3.14	841,492
381	Meters	37-R1.5	0	407,451	3.46	314,264	2.67	93,187
382	Meter Installations	37-S2	(10)	260,523	3.33	222,502	2.85	38,021
383	House Regulators	35-S2	(5)	109,967	3.08	94,870	2.65	15,097
384	House Regulator Installations	32-R4	0	38,499	1.65	35,453	1.52	3,046
385	Industrial Meas and Reg Equipment	32-O1	(5)	112,933	4.16	71,497	2.63	41,436
Other Equipment								
387.2	Odorization	25-R2.5	(5)	25,369	87.80	24,253	83.93	1,116
387.4	Customer Information Services	30-R2	(5)	118,794	3.68	95,751	2.97	23,043
	<i>Total Account 387</i>			144,163	4.43	120,004	3.69	24,159
TOTAL DISTRIBUTION PLANT				7,618,605	2.88	5,792,765	2.19	1,825,840

COLUMBIA GAS OF KENTUCKY, INC.

COMPARISON OF EQUAL LIFE GROUP vs AVERAGE SERVICE LIFE
CALCULATED ANNUAL DEPRECIATION EXPENSE AS OF DECEMBER 31, 2008

Depreciable Group (1)	Survivor Curve (2)	Net Salvage (3)	ELG Calculated Annual		ASL Calculated Annual		Difference (8)=(4)-(6)
			Accrual Amount (4)	Accrual Rate (5)	Accrual Amount (6)	Accrual Rate (7)	
GENERAL PLANT							
391.1	Office Furniture and Equipment						
391.1	Furniture	0	60,620	5.00	60,620	5.00	0
391.11	Equipment	0	921	6.67	921	6.67	0
391.12	Information Systems						
	Fully Amortized	0	0	-	0	-	0
	Amortized	5-SQ	50,481	20.00	50,481	20.00	0
			50,481	18.72	50,481	18.72	0
	<i>Total Account 391</i>		112,022	7.48	112,022	7.48	0
392.2	Transportation Equipment - Trailers	0	5,004	4.29	4,515	3.87	489
	Tools, Shop and Garage Equipment						
394	Equipment	0	78,900	4.00	78,900	4.00	0
394.11	CNG Facilities	0	67,017	19.99	60,960	18.18	6,057
	<i>Total Account 394</i>		145,917	6.32	139,860	6.05	6,057
395	Laboratory Equipment	0	515	5.00	515	5.00	0
396	Power Operated Equipment	25	0	-	0	-	0
398	Miscellaneous Equipment						
	Fully Amortized	0	0	-	0	-	0
	Amortized	15-SQ	5,043	6.67	5,043	6.67	0
	<i>Total Account 398</i>		5,043	6.39	5,043	6.67	0
TOTAL GENERAL PLANT			268,501	5.75	262,180	5.62	6,546
TOTAL DEPRECIABLE PLANT			7,887,106	2.93	6,054,945	2.25	1,832,386
UNRECOVERED RESERVE TO BE AMORTIZED							
391.1	Furniture		54,638 **		54,638 **		0
391.11	Equipment		5,548 **		5,548 **		0
391.12	Information Systems		(16,498) **		(16,498) **		0
394	Equipment		(9,340) **		(9,340) **		0
395	Laboratory Equipment		13 **		13 **		0
398	Miscellaneous Equipment		3,195 **		3,195 **		0
TOTAL UNRECOVERED RESERVE TO BE AMORTIZED			37,556		37,556		0
TOTAL GAS PLANT			7,924,662		6,092,385		1,832,386

* Indicates the use of an interim survivor curve. Each asset class has a probable retirement date.

** 5-Year amortization of unrecovered reserve related to implementation of amortization accounting.

**COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO REQUESTS FOR INFORMATION OF THE
ATTORNEY GENERAL**

Data Request 160:

Provide the Company's FERC Form 2 reports for the years 2004 - 2008.

Response:

For the Company's FERC Form 2 reports for the years 2003 through 2006, please refer to the Company's response to PSC Case No. 2007-00008, AG Data Request Set 1, Question No. 4 "Supplemental Book."

For the Company's FERC Form 2 report for the year 2007, please refer to AG Set 1 No. 160 Attachment 1.

For the Company's FERC Form 2 report for the year 2008, please refer to Volume 2 of the Company's rate filing under Tab 31 for Filing Requirement 6-m.

Check appropriate box:

- An Original Signed Form
 Conformed Copy

Form Approved
OMB No. 1902-0028
(Expires 3/31/2005)



FERC Form No. 2 ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES

This report is mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR 260.1. Failure to report may result in criminal fines, civil penalties, another sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company) Columbia Gas of Kentucky, Inc.	Year of Report Dec. 31, 2007
--	---------------------------------

GENERAL INFORMATION

I. Purpose

This form is designed to collect financial and operational information from major interstate natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is a nonconfidential public use form.

II. Who Must Submit

Each Major natural gas company which meets the filing requirements of 18 CFR 260.1 must submit this form.

NOTE: Major means having combined gas transported or stored for a fee exceeding 50 million Dth in each of the 3 previous calendar years.

III. What and Where to Submit

- (a) Submit the electronic medium in accordance with the procedures specified in 18 CFR § 385.2011 and an original and four (4) copies of this form to:

Office of the Secretary
Federal Energy Regulatory Commission
Washington, DC 20426

Retain one copy of this report for your files.

- (b) Submit immediately upon publication, four (4) copies of the latest annual report to stockholders and any *annual* financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to:

Chief Accountant
Federal Energy Regulatory Commission
Washington, DC 20426

- (c) For the CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with current standards of reporting which will:

- (i) contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

GENERAL INFORMATION

- (ii) be signed by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States (See 18 CFR 158.10-158.12 for specific qualifications.)

<u>Schedules</u>	<u>Reference</u>
	<u>Pages</u>
Comparative Balance Sheet	110-113

Statement of Income	114-116
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122

Insert the letter or report immediately following the cover sheet of the original and each copy of this form.

- (d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirement free of charge from:

Public Reference and Files Maintenance Branch
 Washington, DC 20426
 (202) 208-2356

IV. When to Submit

Submit this report form on or before April 30th of the year following the year covered by this report.

V. Where to Send Comments on Public Reporting Burden

The public reporting burden for this collection of information is estimated to average 2,475 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, Washington, DC 20426 (Attention: Michael Miller, ED-12.4); and to the Office of Information and Regulatory Affairs, Office of the Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission).

You shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform Systems of Accounts (18 CFR 201)(U.S. of A.). Interpret all accounting words and phrases in accordance with the U.S. of A.
- II. Enter in whole numbers (dollars or Dth) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important.) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required. The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use the current year amounts for statement of income accounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, either
 - (a) Enter the words "Not Applicable" on the particular page(s), or
 - (b) Omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. The "Date of Report" at the top of each page is applicable only to resubmissions (see VII. below).
- VI. Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ().
- VII. When making revisions, resubmit the electronic medium and only those pages that have been changed from the original submission. Submit the same number of copies as required for filing the form. Include with the

resubmission the Identification and Attestation, page 1. Mail dated resubmissions to:
Chief Accountant
Federal Energy Regulatory Commission
Washington, DC 20426

- VIII. Provide a supplemental statement further explaining accounts or pages as necessary. Attach the supplemental statement (8 1/2 by 11 inch size) to the page being supplemented. Provide the appropriate identification information, including the title(s) of the page and the page number supplemented.
- IX. ~~Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.~~
- X. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.
- XI. Report all gas volumes in MMBtu and Dth.
- XII. Respondents may submit computer printed schedules (reduced to 8 1/2 x 11) instead of the schedules in the FERC Form 2 if they are in substantially the same format.
- XIII. Report footnotes on pages 551 and 552. Sort data on page 551 by page number. Sort data on page 552 by footnote number. The page number component of the footnote reference is the first page of a schedule whether it is a single page schedule or a multi-page schedule. Even if a footnote appears on a later page of a multi-page schedule the footnote will only reference the first page of the schedule. The first page of a multi-page schedule now becomes a proxy for the entire schedule. For example, Gas Plant in Service ranges across pages 204 through 209. A footnote on page 207 would contain a page reference of 204.

DEFINITIONS

- I. Btu per cubic foot—The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32°F, and under standard gravitational force (980.665 cm. per sec.) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value).
- II. Commission Authorization—The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the Commission whose authorization was obtained and give date of the authorization.
- III. Dekatherm—A unit of heating value equivalent to 10 therms or 1,000,000 Btu.
- IV. Respondent—The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made.

EXCERPTS FROM THE LAW

(Natural Gas Act, 15 U.S.C. 717-717w)

"Sec.10(a). Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, costs of facilities, cost of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas..."

"Sec. 16. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade

terms used in this act; and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within which they shall be filed..."

GENERAL PENALTIES

"Sec.21(b). Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this act, shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding \$500 for each and every day during which such offense occurs."

**FERC FORM NO. 2:
ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES**

IDENTIFICATION		
01	Exact Legal Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	02 Year of Report December 31, 2007
03	Previous Name and Date of Change (If name changed during year)	
04	Address of Principal Office at End of Year (Street, City, State, Zip Code) 2001 Mercer Road, P.O. Box 4241, Lexington, KY 40512-4241	
05	Name of Contact Person Robert Kriner	06 Title of Contact Person Controller-Distribution Segment
07	Address of Contact person (Street, City, State, Zip Code) 200 Civic Center Drive, Columbus, OH 43215	
08	Telephone of Contact Person, including Area Code (614) 460-5900	09 This report is <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission
		10 Date of Report (Mo, Da, Yr) March 31, 2008
ATTESTATION		
<p>The undersigned officer certifies that he/she has examined the accompanying report; that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.</p>		
11	Name Robert Kriner	12 Title Controller-Distribution Segment
13	Signature <i>Robert Kriner</i>	14 Date Signed 3/26/08
<p>Title 18, U S C 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.</p>		

Notary Sharon L. Booth Date 3/26/08



SHARON L. BOOTH
Notary Public, State of Ohio
My Commission Expires 11-09-2012

**This Side of Page Left
Intentionally Blank**

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
---	---	--	--

List of Schedules (Natural Gas Company)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
	GENERAL CORPORATE INFORMATION and FINANCIAL STATEMENTS			
1	General Information	101		
2	Control over Respondent	102		
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During thre Year	108		
6	Comparative Balance Sheet	110-113		
7	Statement of Income for the Year	114-116		
8	Statement of Accumulated Comprehensive Income and Hedging Activities	117		
9	Statement of Retained Earnings for the Year	118-119		
10	Statement of Cash Flows	120-121		
11	Notes to Financial Statements	122		
	BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
12	Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization	200-201		
13	Gas Plant in Service	204-209		
14	Gas Property and Capacity Leased from Others	212		
15	Gas Property and Capacity Leased to Others	213		
16	Gas Plant Held for Future Use	214		
17	Construction Work in Progress - Gas	216		
18	General Description of Construction Overhead Procedures	218		
19	Accumulated Provision for Depreciation of Gas Utility Plant	219		
20	Gas Stored	220		
21	Investments	222-223		
22	Investments in Subsidiary Companies	224-225		
23	Prepayments	230		
24	Extraordinary Property Losses	230		
25	Unrecovered Plant and Regulatory Study Costs	230		
26	Other Regulatory Assets	232		
27	Miscellaneous Deferred Debits	233		
28	Accumulated Deferred Income Taxes	234-235		
	BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
29	Capital Stock	250-251		
30	Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252		
31	Other Paid in Capital	253		
32	Discount on Capital Stock	254		
33	Capital Stock Expense	254		
34	Securities issued or Assumed and Securities Refunded or Retired during the Year	255		
35	Long-Term Debt	256-257		
36	Unamortized Debt Expense, Premium, and Discount on Long-Term Debt	258-259		
37	Unamortized Loss and Gain on Recquired Debt	260		

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: (1) [X] An Original (2) [] A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
---	--	--	--

List of Schedules (Natural Gas Company) (continued)

Enter in column (d) the terms "none," "not applicable," or "NA" as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the responses are "none," "not applicable," or "NA".

Line No	Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
38	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		
39	Taxes Accrued, Prepaid, and Changes During Year	262-263		
40	Miscellaneous Current and Accrued Liabilities	268		
41	Other Deferred Credits	269		
42	Accumulated Deferred Income Taxes-Other Property	274-275		
43	Accumulated Deferred Income Taxes-Other	276-277		
44	Other Regulatory Liabilities	278		
	INCOME ACCOUNT SUPPORTING SCHEDULES			
45	Gas Operating Revenues	300-301		
46	Revenues from Transportation of Gas of Others Through Gathering Facilities	302-303		
47	Revenues from Transportation of Gas of Others Through Transmission Facilities	304-305		
48	Revenues from Storage Gas of Others	306-307		
49	Other Gas Revenues	308		
50	Gas Operation and Maintenance Expenses	317-325		
51	Exchange of Imbalance Transactions	328		
52	Gas used in Utility Operations	331		
53	Transmission and Compression of Gas by Others	332		
54	Other Gas Supply Expenses	334		
55	Miscellaneous General Expenses-Gas	335		
56	Depreciation, Depletion, and Amortization of Gas Plant	336-338		
57	Particulars Concerning Certain Income Deductions and Interest Charges Accrued	340		
	COMMON SECTION			
58	Regulatory Commission Expenses	350-351		
59	Distribution of Salaries and Wages	354-355		
60	Charges for Outside Professional and Other Consultative Services	357		
	GAS PLANT STATISTICAL DATA			
61	Compressor Stations	508-509		
62	Gas Storage Projects	512-513		
63	Transmission Lines	514		
64	Transmission System Peak Deliveries	518		
65	Auxiliary Peaking Facilities	519		
66	Gas Account-Natural Gas	520		
67	System Map	522		
68	Footnote Reference	551		
69	Footnote Text	552		
70	Stockholder's Reports (check appropriate box)			

- Four copies will be submitted
- No annual report to stockholders is prepared

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007
GENERAL INFORMATION			
<p>1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.</p> <p style="text-align: center;">Robert Kriner, Controller-Distribution Segment 200 Civic Center Drive Columbus, OH 43215</p>			
<p>2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.</p> <p style="text-align: center;">Incorporated in Kentucky - October 11, 1905, as Central Kentucky Natural Gas Company. Name changed to Columbia Gas of Kentucky, Inc. effective January 1, 1958.</p>			
<p>3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.</p> <p>Not Applicable.</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p>Purchase and distribution, at retail and wholesale, natural gas within the Commonwealth of Kentucky, and off-system sales in the states of Louisiana, Ohio, Tennessee, Virginia, and West Virginia. Respondent also transports natural gas to industrial and commercial consumers under transportation service rate schedules.</p>			
<p>5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes Enter the date when such independent accountant was initially engaged: (2) <input checked="" type="checkbox"/> No</p>			

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec. 31, 2007
--	---	--	---------------------------------

CONTROL OVER RESPONDENT

1. Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.

2. If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.

3. In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise, report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No.	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1	Columbia Energy Group	M	Delaware	100%

Detail of Columbia Energy Group Companies

Columbia Energy Group (Parent)
Columbia Atlantic Trading Corporation
Columbia Remainder Corporation
Columbia Energy Services Corporation
Columbia Gas of Kentucky, Inc.
Columbia Gas of Maryland, Inc.
Columbia Gas of Ohio, Inc.
Columbia Gas of Pennsylvania, Inc.
Columbia Gas of Virginia, Inc.
Columbia Gas Transmission Corporation
Columbia Gulf Transmission Company
NiSource Insurance Company, Ltd.
Columbia Network Services Corporation
Columbia Assurance Agency
Columbia Accounts Receivable Corporation
Columbia Deep Water Services Company

The Columbia Energy Group (the Group) was organized under the laws of Delaware on September 30, 1926, and is a registered holding company under the Public Utility Holding Company Act of 1935.

Columbia is an interconnected natural gas system composed of the Group; three transmission subsidiaries, one of which operates storage and transmission facilities in the Appalachian area, another operates a transmission line from the Southwest to the Appalachian area and the last of which owns and operates non-jurisdictional facilities, including offshore systems; five distribution subsidiaries operating in the states of Kentucky, Maryland, Ohio, Pennsylvania, and Virginia; a subsidiary which reinsures commercial insurance bought by Columbia subsidiaries; a subsidiary that invests in telecommunications network and a subsidiary which factors receivables of other Columbia subsidiaries.

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec 31, 2007
--	---	--	--------------------------------

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year, had the highest voting powers in the respondent, and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.), duration of trust, and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

2. If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish details concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets any officer, director, associated company, or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

1. Give date of the latest closing of the stock book prior to end of year, and in a footnote, state the purpose of such closing: May 29, 2007 Election of Directors	2. State the number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy Total: 952,248 By proxy: ---	3. Give the date and place of such meeting: May 29, 2007 Unanimous Written Consent
---	--	--

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4. Number of votes as of (date): December 31, 2003					
5	TOTAL votes of all voting securities	952,248	952,248	-	-
6	TOTAL number of security holders	1	1	-	-
7	TOTAL votes of security holders listed below	952,248	952,248	-	-
8					
9	Columbia Energy Group				
10	801 E. 86th Avenue				
11	Merrillville, IN 46410				
12					
13					
14					
15					
16					
17					

Name of Respondent	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec. 31, 2007
--------------------	---	--	---------------------------------

IMPORTANT CHANGES DURING THE YEAR

Give details concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Answer each inquiry. Enter "none" or "not applicable" where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.

2. Acquisition of ownership in other companies by re-organization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3. Purchase or sale of an operating unit or system: Briefly describe the property, and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual

revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.

6. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue: State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11. Estimated increase or decrease in annual revenues due to important rate changes: State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.

- 1. None
- 2. None
- 3. None
- 4. None
- 5. None
- 6. None
- 7. None
- 8. None

Name of Respondent	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec. 31, 2007
COLUMBIA GAS OF KENTUCKY, INC.			

IMPORTANT CHANGES DURING THE YEAR (Continued)

- 9. None
- 10. None
- 11. None

Name of Respondent		This Report is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 3/31/2008	End of 2007/Q4
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (In Dollars) (d)	Balance at End of Previous Year (In Dollars) (c)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	260,641,732	253,767,367
3	Construction Work in Progress (107)	200-201	2,209,658	1,922,424
4	TOTAL Utility Plant (Total of lines 2 and 3)	200-201	262,851,390	255,689,791
5	(Less) Accum Provision for Depr, Amort, Depl (108,111,115)		115,468,034	112,845,831
6	Net Utility Plant (Total of line 4 less 5)		147,383,356	142,843,960
7	Nuclear Fuel(120.1 thru 120.4, and 120.6)		0	0
8	(Less) Accum Provision for Amort. of Nuclear Fuel Assemblies (120.5)		0	0
9	Nuclear Fuel (Total of line 7 less 8)		0	0
10	Net Utility Plant (Total of lines 6 and 9)		147,383,356	142,843,960
11	Utility Plant Adjustments (116)	122	0	0
12	Gas Stored- Base Gas (117 1)	220	0	0
13	System Balancing Gas (117 2)	220	0	0
14	Gas Stored in Reservoirs and Pipelines - Noncurrent (117.3)	220	0	0
15	Gas Owned to System Gas(117.4)	220	0	0
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)		0	0
18	(Less) Accum Provision for Depreciation and Amortization (122)		0	0
19	Investments in Associated Companies (123)	222-223	0	0
20	Investments in Subsidiary Companies (123 1)	224-225	236,140	189,485
21	(For Cost of Account 123.1 See Footnote Page 224, line 40)			
22	Noncurrent Portion of Allowances		0	0
23	Other Investments (124)	222-223	0	0
24	Sinking Funds (125)		0	0
25	Depreciation Fund (126)		0	0
26	Amortization Fund - Federal (127)		0	0
27	Other Special Funds (128)		2,940,570	0
28	Long - Term Portion of Derivative Assets (175)		0	0
29	Long - Term Portion of Derivative Assets - Hedges (176)		0	0
30	TOTAL Other Property and Investments (Total of lines 17-20, 22-29)		3,176,710	189,485
31	CURRENT AND ACCRUED ASSETS			
32	Cash (131)		1,456,022	701,080
33	Special Deposits (132-134)		0	0
34	Working Funds (135)		0	0
35	Temporary Cash Investments (136)	222-223	849,032	1,787,451
36	Notes Receivable (141)		0	0
37	Customer Accounts Receivable (142)		13,057,263	10,903,767
38	Other Accounts Receivable (143)		3,109,610	2,857,537
39	(Less) Accum Provision for Uncollectible Accounts - Credit (144)		325,179	423,233
40	Notes Receivable from Associated Companies (145)		0	0
41	Accounts Receivable from Associated Companies (146)		3,604,277	19,829,852
42	Fuel Stock (151)		0	0
43	Fuel Stock Expenses Undistributed (152)		0	0

Name of Respondent		This Report is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 3/31/2008	End of 2007/Q4
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (In Dollars) (c)	Balance at End of Previous Year (In Dollars) (d)
44	Residuals (Elec) and Extracted Products (Gas) (153)		0	0
45	Plant Materials and Operating Supplies (154)		63,731	40,493
46	Merchandise (155)		0	0
47	Other Materials and Supplies (156)		0	0
48	Nuclear Materials Held for Sale (157)		0	0
49	Allowances (158.1 and 158.2)		0	0
50	(Less) Noncurrent Portion of Allowances		0	0
51	Stores Expense Undistributed (163)		0	0
52	Gas Stored Underground - Current (164.1)	220	49,637,942	48,716,378
53	Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)	220	0	0
54	Prepayments (165)	230	549,049	560,093
55	Advances for Gas (166 thru 167)		0	0
56	Interest and Dividends Receivable (171)		10	3,425
57	Rents Receivable (172)		0	0
58	Accrued Utility Revenues (173)		14,607,382	12,381,651
59	Miscellaneous Current and Accrued Assets (174)		2,102,977	301,057
60	Derivative Instrument Assets (175)		66,600	51,090
61	(Less) Long-Term Portion of Derivative Instrument Assets - (175)		0	0
62	Derivative Instrument Assets - Hedges (176)		0	0
63	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
64	Total Current and Accrued Assets (Enter total of lines 32 thru 63)		88,778,716	97,710,641
65	DEFERRED DEBITS			
66	Unamortized Debt Expense (181)		0	0
67	Extraordinary Property Losses (182.1)	230	0	0
68	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
69	Other Regulatory Assets (182.3)	232	6,084,969	3,868,493
70	Preliminary Survey and Investigation Charges (Electric) (183)		0	0
71	Prelim. Survey and Investigation Charges (Gas) (183.1 and 183.2)		252,989	273,830
72	Clearing Accounts (184)		0	0
73	Temporary Facilities (185)		0	0
74	Miscellaneous Deferred Debits (186)	233	1,916,818	4,396,135
75	Deferred Losses from Disposition of Utility Plant (187)		0	0
76	Research, Development, and Demonstration Expend. (188)		0	0
77	Unamortized Loss on Reacquired Debt (189)		0	0
78	Accumulated Deferred Income Taxes (190)	234-235	6,509,614	7,024,295
79	Unrecovered Purchased Gas Costs (191)		1,517,640	(11,738,914)
80	TOTAL Deferred Debits (Total of lines 66 thru 79)		16,282,030	3,823,839
81	TOTAL Assets and Other Debits (Total of lines 10-15, 30,64 and 80)		255,620,812	244,567,925

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 3/31/2008	Year of Report End of 2007/Q4
--	---	---	----------------------------------

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (In Dollars) (c)	Balance at End of Previous Year (In Dollars) (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	23,806,200	23,806,200
3	Preferred Stock issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	5,182,744	4,833,890
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215 , 215 1, 216)	118-119	72,881,770	61,430,050
12	Unappropriated Undistributed Subsidiary Earnings (216 1)	118-119	0	0
13	(Less) Reacquired Capital Stock (217)	250-251	0	0
14	Accumulated Other Comprehensive Income (219)	117	0	(2,277,862)
15	TOTAL Proprietary Capital (Total of lines 2 thru 14)		101,870,714	87,792,278
16	LONG TERM DEBT			
17	Bonds (221)	256-257	0	0
18	(Less) Reacquired Bonds (222)	256-257	0	0
19	Advances from Associated Companies (223)	256-257	58,055,000	58,055,000
20	Other Long-Term Debt (224)	256-257	0	0
21	Unamortized Premium on Long-Term Debt (225)	258-259	0	0
22	(Less) Unamortized Discount on Long-Term Debt- Dr (226)	258-259	0	0
23	(Less) Current Portion of Long-Term Debt		0	0
24	TOTAL Long-Term Debt (Total of lines 17 thru 23)		58,055,000	58,055,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228 1)		0	0
28	Accumulated Provision for Injuries and Damages (228 2)		38,408	146,928
29	Accumulated Provision for Pensions and Benefits (228 3)		5,802,399	0
30	Accumulated Miscellaneous Operating Provisions (228 4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0

Name of Respondent		This Report is:	Date of Report	Year of Report
COLUMBIA GAS of KENTUCKY , Inc.		[X] An Original [] A Resubmission	(Mo, Da, Yr) 3/31/2008	End of 2007/Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (CONTINUED)				
Line No.	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (In Dollars) (c)	Balance at End of Previous Year (In Dollars) (d)
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)		5,840,807	146,928
36	CURRENT AND ACCRUED LIABILITIES			
37	Current Portion of Long-term Debt		0	0
38	Notes Payable (231)		0	0
39	Accounts Payable (232)		11,507,100	12,560,879
40	Notes Payable to Associated Companies (233)		0	0
41	Accounts Payable to Associated Companies (234)		3,634,323	5,258,894
42	Customer Deposits (235)		3,245,129	3,304,604
43	Taxes Accrued (236)	262-263	2,006,467	5,445,748
44	Interest Accrued (237)		39,215	25,936
45	Dividends Declared (238)		0	0
46	Matured Long-Term Debt (239)		0	0
47	Matured Interest (240)		0	0
48	Tax Collections Payable (241)		1,662,891	1,459,750
49	Miscellaneous Current and Accrued Liabilities (242)	268	31,840,076	34,037,288
50	Obligations Under Capital Leases - Current (243)		0	20,724
51	Derivative Instrument Liabilities (244)		664,448	1,145,670
52	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
53	Derivative Instrument Liabilities - Hedges (245)		0	0
54	(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
55	TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)		54,599,649	63,259,493
56	DEFERRED CREDITS			
57	Customer Advances for Construction (252)		1,530,253	1,067,757
58	Accumulated Deferred Investment Tax Credits (255)		854,123	941,310
59	Deferred Gains from Disposition of Utility Plant (256)		0	0
60	Other Deferred Credits (253)	269	2,227,572	9,489,383
61	Other Regulatory Credits (254)	278	5,025,999	3,448,944
62	Unamortized Gain on Reacquired Debt (257)	260	0	0
63	Accumulated Deferred Income Taxes - Accelerated Amortization (281)		0	0
64	Accumulated Deferred Income Taxes - Other Property (282)		23,590,949	20,855,905
63	Accumulated Deferred Income Taxes - Other (283)		2,025,746	(489,073)
64	TOTAL Deferred Credits (Total of lines 57 thru 65)		35,254,642	35,314,226
65	TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55 and 64)		255,620,812	244,567,925

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2008	Year of Report End of 2007/Q4
--	--	--	----------------------------------

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another utility column (l,j) in a similar manner to a utility department. Spread the amount (s) over lines 2 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
3. Report data for lines 7,9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1, and 407.2.

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Gas Operating Revenues (400)	300-301	160,750,780	164,472,629
3	Operating Expenses			
4	Operation Expenses (401)	317-325	133,222,372	142,134,573
5	Maintenance Expenses (402)	317-325	2,466,465	2,351,020
6	Depreciation Expense (403)	336-338	4,991,914	4,839,880
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-338		
8	Amort. & Depl. of Utility Plant (404-405)	336-338	424,583	497,268
9	Amort. of Utility Plant Acq. Adj. (406)	336-338	0	0
10	Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)		0	0
11	Amort. of Conversion Expenses (407.2)		0	0
12	Regulatory Debits (407.3)		0	0
13	(Less) Regulatory Credits (407.4)		0	0
14	Taxes Other Than Income Taxes (408.1)	262-263	2,363,453	2,253,757
15	Income Taxes - Federal (409.1)	262-263	896,432	7,106,712
16	Income Taxes - Other (409.1)	262-263	(395,250)	353,004
17	Provision for Deferred Income Taxes (410.1)	234-235	6,690,133	5,855,908
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234-235	2,103,763	9,800,429
19	Investment Tax Credit Adj. - Net (411.4)		(87,187)	(87,708)
20	(Less) Gains from Disp. of Utility Plant (411.6)		0	0
21	Losses from Disposition of Utility Plant (411.7)		0	0
22	(Less) Gains from Disposition of Allowances (411.8)		0	0
23	Losses from Disposition of Allowances (411.9)		0	0
24	Accretion Expense (411.10)			
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		148,469,152	155,503,985
26	Net Utility Operating Income (Enter Total of line 2 less 25) (Carry forward to page 116, line 27)		12,281,628	8,968,644

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: (1) X An Original (2) A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2008	Year of Report End of 2007/Q4
--	--	--	----------------------------------

STATEMENT OF INCOME FOR THE YEAR (Continued)

resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to may be attached at page 122.
year which had an effect on net income, including the

basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.
tional utility departments, supply the appropriate account

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
		160,750,780	164,472,629		-	2
						3
		133,222,372	142,134,573	-	-	4
		2,466,465	2,351,020	-	-	5
		4,991,914	4,839,880	-	-	6
						7
		424,583	497,268	-	-	8
		0	0	-	-	9
		0	0	-	-	10
		0	0	-	-	11
		0	0	-	-	12
		0	0	-	-	13
		2,363,453	2,253,757	-	-	14
		896,432	7,106,712	-	-	15
		(395,250)	353,004	-	-	16
		6,690,133	5,855,908	-	-	17
		2,103,763	9,800,429	-	-	18
		(87,187)	(87,708)	-	-	19
		0	0	-	-	20
		0	0	-	-	21
		0	0	-	-	22
		0	0	-	-	23
						24
		148,469,152	155,503,985	-	-	25
		12,281,628	8,968,644	-	-	26

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2008	Year of Report End of 2007/Q4
--	---	--	----------------------------------

STATEMENT OF INCOME FOR THE YEAR (CONTINUED)

Line No.	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (In Dollars) (c)	Balance at End of Previous Year (In Dollars) (d)
27	Net Utility Operating Income (Carried Forward from page 114)		12,281,628	8,968,644
28	OTHER INCOME AND DEDUCTIONS			
29	Other Income			
30	Nonutility Operating Income			
31	Revenues From Merchandising, Jobbing and Contract Work (415)		0	0
32	(Less) Costs and Exp. Of Merchandising, Job & Contract Work (416)		0	0
33	Revenues From Nonutility Operations (417)		846,862	1,077,943
34	(Less) Expenses of Nonutility Operations (417.1)		0	0
35	Nonoperating Rental Income (418)		46,351	24,485
36	Equity in Earnings of Subsidiary Companies (418.1)	119	0	0
37	Interest and Dividend Income (419)		1,640,190	669,410
38	Allowance for Other Funds Used During Construction (419.1)		0	0
39	Miscellaneous Nonoperations Income (421)		2,273,012	2,136,243
40	Gain on Disposition of Property (421.1)		0	0
41	TOTAL Other Income (Total of Lines 31 Thru 40)		4,806,415	3,908,081
42	OTHER INCOME DEDUCTIONS			
43	Loss on Disposition of Property (421.2)		0	0
44	Miscellaneous Amortization (425)		0	0
45	Donations (426.1)	340	135,552	148,426
46	Life Insurance (426.2)			
47	Penalties (426.3)		100	0
48	Expenditures for Certain Civic, Political and Related Activities (426.4)		53,206	0
49	Other Deductions (426.5)		192,339	176,272
0	TOTAL Other Income Deductions (Total of Lines 43 Thru 49)	340	381,197	324,698
51	TAXES APPLIC TO OTHER INCOME AND DEDUCTIONS			
52	Taxes Other Than Income Taxes (408.2)	262-263	0	0
53	Income Taxes - Federal (409.2)	262-263	1,488,595	690,103
54	Income Taxes - Other (409.2)	262-263	263,343	250,961
55	Provision for Deferred Income Taxes (410.2)	234-235,274-277	0	476,872
56	(Less) Provision for Deferred Income Taxes - Credit (411.2)	234-235,274-277	49,962	0
57	Investment Tax Credit Adj. - Net (411.5)		0	0
58	(Less) Investment Tax Credits (420)		0	0
59	TOTAL Taxes on Other Income and Deductions (Total of Lines 52-58)		1,701,976	1,417,936
60	NET Other Income and Deductions (Total of Lines 41, 50, 59)		2,723,242	2,165,447
61	INTEREST CHARGES			
62	Interest on Long Term Debt (427)		0	0
63	Amort. Of Debt Disc. and Expense (428)	258-259	0	0
64	Amortization of Loss on Reacquired Debt (428.1)		0	0
65	(Less) Amort. of Premium on Debt-Credit (429)	258-259	0	0
66	(Less) Amortization of Gain on Reacquired Debt - Credit (429.1)		0	0
67	Interest on Debt to Associated Companies (430)	340	3,288,998	2,585,721
68	Other Interest Expense (431)	340	211,374	354,382
69	(Less) Allowance for Borrowed Funds Used During Const. - Cr. (432)		62,907	259,035
70	NET Interest Charges (Total of Lines 62 Thru 69)		3,437,465	2,681,068
71	Income Before Extraordinary Items (Total of Lines 27, 60, 70)		11,567,405	8,453,023
72	EXTRAORDINARY ITEMS			
73	Extraordinary Items (434)		0	0
74	(Less) Extraordinary Deductions (435)		0	0
75	NET Extraordinary Items (Total of Line 73 Less Line 74)		0	0
76	Income Taxes - Federal and Other (409.3)	262-263	0	0
7	Extraordinary Items After Taxes (Total of Line 75 Less Line 76)		0	0
78	NET INCOME (Total of Lines 71 and 77)		11,567,405	8,453,023

**This Side of Page Left
Intentionally Blank**

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Statement of Accumulated Comprehensive Income and Hedging Activities

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items , on a net-of-tax basis, where appropriate
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote

Line No	Item (a)	Unrealized Gains and Losses on available for sale securities (b)	Minimum Pension liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Year Reclassification from Account 219 to Net Income				
3	Preceding Year Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Year/Beginning of Current Year				
6	Current Year Reclassifications from Account 219 to Net Income				
7	Current Year Changes in Fair Value				
8	Total (lines 6 and 7)				
9	Balance of Account 219 at End of Current Year				

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007	
Statement of Accumulated Comprehensive Income and Hedging Activities					
Line No	Other Cash Flow Hedges (Specify) (f)	Other Cash Flow Hedges (Specify) (g)	Totals for each Category of Items recorded in Account 219 (h)	Net Income (Carried Forward from Page 116, Line 72) (i)	Total Comprehensive Income (j)
1					
2					
3					
4					
5					
6					
7					
8					

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).

3. State the purpose and amount for each reservation or appropriation of retained earnings.
4. List first account 439, *Adjustments to Retained Earnings*, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
5. Show dividends for each class and series of capital stock.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Year Amount (in dollars) (c)	Previous Year Amount (in dollars) (d)
UNAPPROPRIATED RETAINED EARNINGS				
1	Balance-Beginning of Year		61,430,050	52,977,027
2	Changes(Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
4	TOTAL Credits to Retained Earnings (Account 439) (footnote details)		(115,685)	
5	TOTAL Debits to Retained Earnings (Account 439) (footnote details)			
6	Balance Transferred from Income (Acct 433 less Acct 418 1)		11,567,405	8,453,023
7	Appropriations of Retained Earnings (Account 436)			
8	TOTAL Appropriations of Retained Earnings (Account 436)			
9	Dividends Declared- Preferred Stock (Account 437)			
10	TOTAL Dividends Declared -Preferred Stock (Account 437)			
11	Dividends Declared - Common Stock (Account 438)			
11 01	Common Stock Dividends		0	0
11 02				
11 03				
12	TOTAL Dividends Declared -Common Stock (Account 438) (Total of Lines 11 01 thru 11 03)		0	0
13	Transfers from Account 216 1, Unappropriated Undistributed Subsidiary Earnings			
14	Balance-End of Year (Total of lines 1,4,5,6,8,10,12 and 13)		72,881,770	61,430,050
APPROPRIATED RETAINED EARNINGS (Account 215)				
16	TOTAL Appropriated Retained Earnings (Account 215)(footnote)			
APPROPRIATED RETAINED EARNINGS-AMORTIZED RESERVE, FEDERAL (Account 215.1)				
17	TOTAL Appropriated Retained Earnings-Amortization Reserve, Federal (Account 215.1)			
18	TOTAL Appropriated Retained Earnings(Accounts 215,215.1) Total of Lines			
19	Total Retained Earnings (Accounts 215,215.1,216)(Totals of Line 14 and 18)		72,881,770	61,430,050
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS(Account 216.1)				
20	Balance-Beginning of Year(Debit or Credit)			
21	Equity in Earnings for Year(Credit)(Account 418.1)			
22	(Less)Dividends Received(Debit)			
23	Other Changes (Explain)			
24	Balance-End of Year (Total of lines 1,4,5,6,8,10,12 and 13)			

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) March 31, 2008	Year of Report Dec. 31, 2007
--	---	--	---------------------------------

STATEMENT OF CASH FLOWS

1. Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.

2. Under "Other" specify significant amounts and group others.

3. Operating Activities - Other: Includes gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No.	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Current Year Amount (b)	Previous Year Amount (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 72(c) on page 116)	11,567,405	8,453,023
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	5,416,497	5,337,148
5	Amortization of (Specify) Other Gas Plant & Acquisition Adjustments		
5 01			
5 02			
6	Deferred Income Taxes (Net)	5,598,717	(4,294,011)
7	Investment Tax Credit Adjustments (Net)	(87,187)	(87,708)
8	Net (Increase) Decrease in Receivables	13,721,952	(6,400,212)
9	Net (Increase) Decrease in Inventory	(23,238)	1,912
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses	(4,875,562)	(54,002,069)
12	Net (Increase) Decrease in Other Regulatory Assets	(2,216,476)	(671,544)
13	Net Increase (Decrease) in Other Regulatory Liabilities	1,577,055	(858,855)
14	(Less) Allowance for Other Funds Used During Construction		
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other: (See Notes on Page 122)	(20,906,747)	39,980,698
16 01			
16 02			
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of lines 2 thru 16 02)	9,772,416	(12,541,618)
19			
20	Cash Flows from Investment Activities:		
21	Construction and Acquisition of Plant (including land):		
22	Gross Additions to Utility Plant (less nuclear fuel)		
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant	(9,955,893)	(8,757,235)
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction		
27	Other: Changes in Accrued Plant in Service		
27 01	Other, Including Cost of Removal, Net of Salvage		
27 02	Changes in Customer Advances		
28	Cash Outflows for Plant (Total of lines 22 thru 27 02)	(9,955,893)	(8,757,235)
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		
32			
33	Investments in and Advances to Assoc. and Subsidiary Companies		
34	Contributions and Advances from Assoc. and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo. Da. Yr) March 31, 2008	Dec. 31, 2007
STATEMENT OF CASH FLOWS (Continued)			
4. Investing Activities: Include at Other (Line 27) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on page 122. Do not include on this statement the dollar amount of leases capitalized per U S of A General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122.		5. Codes used: (a) Net proceeds or payments. (b) Bonds, debentures and other long-term debt. (c) Include commercial paper. (d) Identify separately such items as investments, fixed assets, intangibles, etc. 6. Enter on page 122 clarifications and explanations. 7. At lines 5,16,27,47,56,58, and 65, add rows as necessary to report all data. Number the extra rows in sequence, 5 01, 5 02, etc.	
Line No.	DESCRIPTION (See Instruction No. 5 for Explanation of Codes) (a)	Current Year Amount (b)	Previous Year Amount (c)
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other:		
47 01			
47 02			
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47 02)	(9,955,893)	(8,757,235)
50			
51	Cash Flows from Financing Activities:		
52	Proceeds from Issuance of:		
53	Long-Term Debt (b)	0	21,805,000
54	Preferred Stock		
55	Common Stock		
56	Other:		
56 01			
57	Net Increase in Short-Term Debt (c)		
58	Other:		
58 01			
58 02			
59	Cash Provided by Outside Sources (Total of lines 53 thru 58 02)	0	21,805,000
60			
61	Payments for Retirement of:		
62	Long-Term Debt (b)		
63	Preferred Stock		
64	Common Stock		
65	Other:		
65 01			
66	Net Decrease in Short-Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock	0	0
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)	0	21,805,000
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of lines 18, 49 and 71)	(183,477)	506,147
75			
76	Cash and Cash Equivalents at Beginning of Year	2,488,531	1,982,384
77			
78	Cash and Cash Equivalents at End of Year	2,305,054	2,488,531

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) March 31, 2008	Dec. 31, 2007

NOTES TO FINANCIAL STATEMENT

- 1 Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow, or any account thereof. Classify the disclosures according to each financial statement, providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.
- 2 Furnish details as to any significant contingent assets or liabilities existing at year end, and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or a claim for refund of income taxes of a material amount initiated by the utility. Also, briefly explain any dividends in arrears on cumulative preferred stock.
- 3 Furnish details on the respondent's pension plans, post-retirement benefits other than pensions (PBOP) plans, and post-employment benefit plans as required by instruction no 1 and, in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also, disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets.
- 4 Where Account 189, *Unamortized Loss on Recquired Debt*, and 257, *Unamortized Gain on Recquired Debt*, are not used, give an explanation, providing the rate treatment given these items. See *General Instruction 17 of the Uniform System of Accounts*.
- 5 Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
- 6 Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including: sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e., production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.
- 7 Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.
- 8 Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and summarize the adjustments made to balance sheet, income, and expense accounts.
- 9 Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

Notes to Statement of Cash Flows- Pages 120-121

Other Non-Cash Charges (Credits) to Income (Line16)

Unrecovered Purchased Gas Costs	(13,256,554)
Gas Stored Underground - Current	\$ (921,564)
Prepayments	11,044
Accrued Utility Revenues	(2,225,731)
Miscellaneous Current and Accrued Assets	(1,801,920)
Miscellaneous Deferred Debits	2,436,077
Preliminary Surveying and Investigation Charges	20,841
Accumulated Deferred Income Taxes - Asset	514,681
Accumulated Provision for Injuries and Damages	(108,520)
Obligations for Capital Leases	-
Obligations Under Capital Leases - Noncurrent	(20,724)
Customer Deposits	(59,475)
Accrued Taxes	(3,439,281)
Customer Advances for Construction	462,496
Other Deferred Credits	(7,045,391)
Derivative Instrument Assets - Credit	(481,222)
Derivative Instrument Assets - Debit	(15,510)
Accumulated Other Comprehensive Income	2,277,862
Accumulated Provision for Pension and Benefits	5,802,399
Other Special Funds	(2,940,570)
FAS 158 Measurement	(115,685)
	<u>\$ (20,906,747)</u>
Cash Paid for Interest During 2007	\$ 3,450,744
Cash Paid for Income Taxes (net of refunds) During 2007	\$ (4,973,524)

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) March 31, 2008	Year of Report Dec. 31, 2007
--	---	--	---------------------------------

NOTES TO FINANCIAL STATEMENTS (Continued)

Notes to Statement of Cash Flows - Pages 120 - 121 (Continued)

Cash and Cash Equivalents at End of Year: Line 78

Cash (Account 131)	\$1,456,022
Working Funds (Account 135)	-
Temporary Cash Investments (Account 136)	849,032
	<u>\$2,305,054</u>

Pension Plans

The respondent participates in the Columbia Energy Group's noncontributory, qualified defined benefit pension plan covering essentially all employees. Benefits are based primarily on years of credited service and employees' highest three-year average annual compensation in the final five years of service. Columbia's funding policy complies with Federal law and tax regulations. No cash contributions for pension plans were made in 2007. Accounting for pension plans is in compliance with Statement of Financial Accounting Standards (SFAS) No. 87.

Other Post-Retirement Benefits

The respondent provides medical coverage and life insurance to retirees. Essentially all active employees are eligible for these benefits upon retirement after completing ten consecutive years of service after age 45. Normally, spouses and dependents of retirees are also eligible for medical benefits. Funding for retiree life insurance is through a voluntary employee beneficiary association trust to which annual contributions are made, subject to the maximum tax-deductible limit. Funding for retiree medical costs is through two trusts and a 401(h) account. Cash contributions for retiree life insurance and medical costs were \$396,000 and \$432,000, respectively, for 2006 and 2007. Accounting for other post-retirement benefits is in compliance with SFAS No. 106. Additionally, the respondent has deferred as a regulatory asset transition obligations related to other post-retirement benefits in compliance with SFAS No. 71. The regulatory asset is being amortized over an eighteen year period (November 1994 - October 2012).

Other Post-Employment Benefits

The respondent provides benefits to former or inactive employees after employment, but before retirement. Such benefits include, but are not limited to, salary continuation, supplemental unemployment, severance, disability, job training, counseling, and continuation of benefits such as health care and life insurance coverage. No cash contributions were made in 2007. Accounting for other post-employment benefits is in compliance with SFAS No. 112. Additionally, the respondent has deferred as a regulatory asset these obligations in compliance with SFAS No. 71. The regulatory asset is being amortized over a nineteen year period (November 1994 - October 2013).

This Side of Page Left
Intentionally Blank

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year Ending Dec. 31, 2007
--	---	---	------------------------------

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Line No.	Item (a)	Total (b)
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	253,624,036
4	Property Under Capital Leases	*
5	Plant Purchased or Sold	-
6	Completed Construction not Classified	7,017,696
7	Experimental Plant Unclassified	-
8	TOTAL Utility Plant (Total of lines 3 thru 7)	260,641,732
9	Leased to Others	-
10	Held for Future Use	
11	Construction Work in Progress	** 2,209,658
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	262,851,390
14	Accumulated Provisions for Depreciation, Amortization, & Depletion	115,468,034
15	Net Utility Plant (Total of lines 13 and 14)	147,383,356
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION	
17	In Service:	
18	Depreciation	112,774,876
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	-
20	Amortization of Underground Storage Land and Land Rights	-
21	Amortization of Other Utility Plant	2,693,158
22	TOTAL In Service (Total of lines 18 thru 21)	115,468,034
23	Leased to Others	
24	Depreciation	-
25	Amortization and Depletion	-
26	TOTAL Leased to Others (Total of lines 24 and 25)	-
27	Held for Future Use	
28	Depreciation	-
29	Amortization	-
30	TOTAL Held for Future Use (Total of lines 28 and 29)	-
31	Abandonment of Leases (Natural Gas)	-
32	Amortization of Plant Acquisition Adjustment	-
33	TOTAL Accum. Provisions (Should agree with line 14 above)(Total of lines 22,26,30,31,	115,468,034

* Net of Accumulated Amortization

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year Ending Dec. 31, 2007
--	---	---	------------------------------

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)**

Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)	Line No.
				1
				2
	253,624,036			3
	*			4
	-			5
	7,017,696			6
	-			7
	260,641,732			8
	-			9
				10
	2,209,658			11
				12
	262,851,390			13
	115,468,034			14
	147,383,356			15
				16
				17
	112,774,876			18
	-			19
	-			20
	2,693,158			21
	115,468,034			22
				23
	-			24
	-			25
	-			26
				27
	-			28
	-			29
	-			30
	-			31
	-			32
	115,468,034			33

* Net of Accumulated Amortization

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
---	---	--	--

GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106)

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Report below the original cost of gas plant in service according to the prescribed accounts. 2. In addition to account 101, <i>Gas Plant in Service (Classified)</i>, this page and the next include <i>Account 102, Gas Plant Purchased Or Sold</i>, <i>Account 103, Experimental Gas Plant Unclassified</i>, and <i>Account 106, Completed Construction Not Classified-Gas</i>. 3. Include in column (c) and (d), as appropriate, corrections of additions or retirements for the current or preceding year. 4. Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts. 5. Classify Account 106 according to prescribed accounts on an estimated basis if necessary, and include the entries | <p>in column (c). Also to be included in column (c) are entries for reversals of tentative distribution of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements. Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d),</p> |
|---|---|

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization	521	-
3	302 Franchises and Consents	-	-
4	303 Miscellaneous Intangible Plant	1,470,163	89,794
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)	1,470,684	89,794
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325.1 Producing Land		
9	325.2 Producing Leaseholds		
10	325.3 Gas Rights		
11	325.4 Rights-of-Way		
12	325.5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Meas. and Reg. Sta. Structures		
16	329 Other Structures		
17	330 Producing Gas Wells-Well Construction		
18	331 Producing Gas Wells-Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Meas. and Reg. Sta. Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration & Devel. Costs		
26	TOTAL Production and Gathering Plant (Enter Total of lines 8 thru 25)	-	-
27	PRODUCTION EXTRACTION PLANT		

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
---	---	---	---------------------------------

GAS PLANT IN SERVICE (ACCOUNTS 101, 102 103, AND 106) (Continued)

including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the respondent's reported amount for plant actually in service at end of year.

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in col-

umn (f) only the offset to the debits or credits to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
-	-	-	521	2
-	-	-	-	3
0	0	0	1,559,957	4
0	-	-	1,560,478	5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
-	-	-	-	26
				27
				28
				29
				30
				31
				32
				33

Name of Respondent		This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
34	346 Gas Measuring and Regulating Equipment			
35	347 Other Equipment			
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)	-		-
37	TOTAL Natural gas Production Plant (Enter Total of lines 26 thru 36)	-		-
38	Manufactured Gas Production Plant (<i>Submit Supplemental Statement</i>)	7,678		-
39	TOTAL Production Plant (Enter Total of lines 37 thru 38)	7,678		-
40	NATURAL GAS STORAGE AND PROCESSING PLANT			
41	Underground Storage Plant			
42	350.1 Land			
43	350.2 Rights-of-Way			
44	351 Structures and Improvements			
45	352 Wells			
46	352.1 Storage Leaseholds and Rights			
47	352.2 Reservoirs			
48	352.3 Non-recoverable Natural Gas			
49	353 Lines			
40	354 Compressor Station Equipment			
51	355 Measuring and Reg. Equipment			
52	356 Purification Equipment			
53	357 Other Equipment			
54	TOTAL Underground Storage Plant	-		-
55	Other Storage Plant			
56	360 Land and Land Rights			
57	361 Structures and Improvements			
58	362 Gas Holders			
59	363 Purification Equipment			
60	363.1 Liquefaction Equipment			
61	363.2 Vaporizing Equipment			
62	363.3 Compressor Equipment			
63	363.4 Meas. and Reg. Equipment			
64	363.5 Other Equipment			
65	TOTAL Other Storage Plant	-		-
66	Base Load Liquefied Natural Gas Terminating and Processing Plant			
67	364.1 Land and Land Rights			
68	364.2 Structures and Improvements			
69	364.3 LNG Processing Terminal Equipment			
70	364.4 LNG Transportation Equipment			
71	364.5 Measuring and Regulating Equipment			
72	364.6 Compressor Station Equipment			
73	364.7 Communications Equipment			
74	364.8 Other Equipment			
75	TOTAL Base Load Liquefied Natural Gas, Terminating and Processing			
76	TOTAL Natural Gas Storage and Processing Plant	-		-
77	TRANSMISSION PLANT			
78	365.1 Land and Land Rights			
79	365.2 Rights-of-Way			
80	366 Structures and Improvements			

Name of Respondent		This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				34
				35
				36
				37
-	-	-	7,678	38
-	-	-	7,678	39
				40
				41
				42
				43
				44
				45
				46
				47
				48
				49
				50
				51
				52
				53
-	-	-	-	54
				55
				56
				57
				58
				59
				60
				61
				62
				63
				64
-	-	-	-	65
				66
				67
				68
				69
				70
				71
				72
				73
				74
				75
-	-	-	-	76
				77
				78
				79
				80

Name of Respondent		This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
34				
35	<u>Manufactured Plant</u>			
36	<u>Production Plant</u>			
37	<u>Liquefied Petroleum</u>			
38	<u>Gas Air Plant</u>			
39				
40	304 Land & Land Rights	7,678		-
41	305 Structures & Improvements	-		-
42	311 Liquefied Petroleum Gas Equipment	-		-
43				
44				
45	Total Manufactured Gas Production Plant Pages 206 and 207, Line 38	7,678		-
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				
74				
75				
76				
77				
78				
79				
80				

Name of Respondent		This Report Is:		Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		March 31, 2008	Dec. 31, 2007
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					34
					35
					36
					37
					38
					39
-	-	-		7,678	40
-	-	-		0	41
-	-	-		0	42
					43
					44
-	-	-		7,678	45
					46
					47
					48
					49
					50
					51
					52
					53
					54
					55
					56
					57
					58
					59
					60
					61
					62
					63
					64
					65
					66
					67
					68
					69
					70
					71
					72
					73
					74
					75
					76
					77
					78
					79
					80

Name of Respondent		This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
81	367 Mains			
82	368 Compressor Station Equipment			
83	369 Measuring and Regulation Station Equipment			
84	370 Communications Equipment			
85	371 Other Equipment			
86	TOTAL Transmission Plant (Enter Totals of lines 78-85)	-		-
87	DISTRIBUTION PLANT			
88	374 Land and Land Rights	4,016,746		0
89	375 Structures and Improvements	7,902,381		26,229
90	376 Mains	126,146,180		4,788,820
91	377 Compressor Station Equipment	-		
92	378 Meas. and Reg. Sta. Equip.-General	4,659,649		24,825
93	379 Meas. and Reg. Sta. Equip.-City Gate	257,909		
94	380 Services	74,709,563		3,099,648
95	381 Meters	11,209,945		452,176
96	382 Meter Installations	7,560,005		232,032
97	383 House Regulators	2,898,870		327,511
98	384 House Reg. Installations	2,236,083		0
99	385 Industrial Meas. and Reg. Sta. Equipment	2,576,596		113,060
100	386 Other Prop. on Customers' Premises	-		-
101	387 Other Equipment	3,190,232		218,157
102	TOTAL Distribution Plant (Enter Totals of lines 88-101)	247,364,159		9,282,458
103	GENERAL PLANT			
104	389 Land and Land Rights	-		-
105	390 Structures and Improvements	-		-
106	391 Office Furniture and Equipment	1,943,775		(179,895)
107	392 Transportation Equipment	3,399		
108	393 Stores Equipment	0		
109	394 Tools, Shop, and Garage Equipment	2,168,986		
110	395 Laboratory Equipment	10,308		0
111	396 Power Operated Equipment	681,429		0
112	397 Communication Equipment	0		0
113	398 Miscellaneous Equipment	96,179		3,951
114	Subtotal (Enter total of lines 104 thru 113)	4,904,076		(175,944)
115	399 Other Tangible Property	-		-
116	TOTAL General Plant	4,904,076		(175,944)
117	TOTAL (Accounts 101 and 106)	253,746,597		9,196,308
118	Gas Plant Purchased (See Instr. 8)	-		-
119	(Less) Gas Plant Sold (see Instr. 8)	-		
120	Experimental Gas Plant Unclassified	-		-
121	TOTAL Gas Plant In Service	253,746,597		9,196,308

Name of Respondent		This Report Is:		Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		[X] An Original [] A Resubmission		(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007
GAS PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)					
Retirements	Adjustments	Transfers	Balance at	Line	
(d)	(e)	(f)	End of Year	No.	
			(g)		
					81
					82
					83
					84
					85
-	-	-	-		86
					87
5	0	-	4,016,741		88
0	0	-	7,928,610		89
936,665	49	-	129,998,384		90
0	0	-	-		91
5,736	0	-	4,678,738		92
0	0	-	257,909		93
637,998	0	-	77,171,213		94
177,744	0	-	11,484,377		95
46,912	0	-	7,745,125		96
5,604	0	-	3,220,777		97
31,296	0	-	2,204,787		98
43,360	0	-	2,646,296		99
0	0	-	-		100
0	0	-	3,408,389		101
1,885,320	49	-	254,761,346		102
					103
-	0	-	-		104
-	0	-	-		105
142,454	0	-	1,621,426		106
0	0	-	3,399		107
0	0	-	0		108
237,178	0	-	1,931,808		109
0	0	-	10,308		110
27,614	0	-	653,815		111
0	0	-	0		112
8,656	0	-	91,474		113
415,902	0	-	4,312,230		114
0	0	-	-		115
415,902	0	-	4,312,230		116
2,301,222		-	260,641,683		117
-	-	-	-		118
					119
-	-	-	-		120
2,301,222	49	-	260,641,732		121

* Does not include Capitalized Leases

GAS PLANT IN SERVICE

DEVELOPMENT OF ADDITIONS FOR YEAR 2007 - COLUMN (c)

Line No.	Account (a)	Completed Construction Not Classified - Account 106			Transferred from Account 107 (e)	2007 Additions Column (c) (f)
		Year 2006 (b)	Year 2007 (c)	(c)-(b) (d)		
1	1. Intangible Plant					
2	301 Organization					
3	302 Franchises and Consents					
4	303 Miscellaneous Intangible Plant	396,714	191,270	(205,444)	(92,026)	92,026
5	TOTAL Intangible Plant	396,714	191,270	(205,444)	(92,026)	92,026
6	2. Production Plant					
7	Natural Gas Production and Gathering Plant					
8	325.1 Producing Lands					
9	325.2 Producing Leaseholds					
10	325.3 Gas Rights					
11	325.4 Rights-of-Way					
12	325.5 Other Land and Land Rights					
13	326 Gas Well Structures					
14	327 Field Compressor Station Structures					
15	328 Field Meas. and Reg. Sta. Structures					
16	329 Other Structures					
17	330 Producing Gas Wells-Well Construction					
18	331 Producing Gas Wells-Well Equipment					
19	332 Field Lines					
20	333 Field Compressor Station Equipment					
21	334 Field Meas. and Reg. Station Equipment					
22	335 Drilling and Cleaning Equipment					
23	336 Purification Equipment					
24	337 Other Equipment					
25	338 Unsuccessful Exploration & Devel. Costs					
26	TOTAL Production and Gathering Plant	-	-	-	-	-
27	Products Extraction Plant					
28	340 Land and Land Rights					
29	341 Structures and Improvements					
30	342 Extraction and Refining Equipment					
31	343 Pipe Lines					
32	344 Extracted Products Storage Equipment					

GAS PLANT IN SERVICE

DEVELOPMENT OF ADDITIONS FOR YEAR 2007 - COLUMN (c)

Line No	Account (a)	Completed Construction Not Classified - Account 106			Transferred from Account 107 (e)	2007 Additions Column (c) (f)
		Year 2006 (b)	Year 2007 (c)	(c)-(b) (d)		
	2. Production Plant (Continued)					
	Products Extraction Plant (Continued)					
33	345 Compressor Equipment					
34	346 Gas Meas. and Reg. Equipment					
35	347 Other Equipment					
36	TOTAL Products Extraction Plant	-	-	-	-	-
37	TOTAL Nat. Gas Production Plant	-	-	-	-	-
38	Mfd. Gas Prod. Plant (Submit Suppl. Statement) *	-	-	-	-	-
39	TOTAL Production Plant	-	-	-	-	-
40	3. Natural Gas Storage and Processing Plant					
41	Underground Storage Plant					
42	350.1 Land					
43	350.2 Rights-of-Way					
44	351 Structures and Improvement					
45	352 Wells					
46	352.1 Storage Leaseholds and Rigths					
47	352.2 Reservoirs					
48	352.3 Non-recoverable Natural Gas					
49	353 Lines					
50	354 Compressor Station Equipment					
51	355 Measuring and Reg. Equipment					
52	356 Purification Equipment					
53	357 Other Equipment					
54	TOTAL Underground Storage Plant	-	-	-	-	-
55	Other Storage Plant					
56	360 Land and Land Rights					
57	361 Structures and Improvements					
58	362 Gas Holders					
59	363 Purification Equipment					
60	363.1 Liquefaction Equipment					
61	363.2 Vaporizing Equipment					
62	363.3 Compressor Equipment					
63	363.4 Meas. and Reg. Equipment					
64	363.5 Other Equipment					
65	TOTAL Other Storage Plant	-	-	-	-	-

* See page 209-E

GAS PLANT IN SERVICE

DEVELOPMENT OF ADDITIONS FOR YEAR 2007 - COLUMN (c)

Line No	Account (a)	Completed Construction Not Classified - Account 106			Transferred from Account 107 (e)	2007 Additions Column (c) (f)
		Year 2006 (b)	Year 2007 (c)	(c)-(b) (d)		
66	Base Load Liquefied Natural Gas Terminating and Processing Plant					
67	364.1 Land and Land Rights					
68	364.2 Structures and Improvements					
69	364.3 LNG Processing Terminal Equipment					
70	364.4 LNG Transportation Equipment					
71	364.5 Measuring and Regulating Equipment					
72	364.6 Compressor Station Equipment					
73	364.7 Communication Equipment					
74	364.8 Other Equipment					
75	TOTAL Base Load Liquefied Natural					
76	Gas Terminating and Processing Plant	-	-	-	-	-
77	TOTAL Nat. Gas Storage and Proc. Plant	-	-	-	-	-
78	4. Transmission Plant					
79	365.1 Land and Land Rights					
80	365.2 Rights of Way					
81	366 Structures and Improvements					
82	367 Mains					
83	368 Compressor Station Equipment					
84	369 Measuring and Reg. Sta. Equipment					
85	370 Communication Equipment					
86	371 Other Equipment					
87	TOTAL Transmission Plant	-	-	-	-	-
88	5. Distribution Plant					
89	374 Land and Land Rights	7,875	1,389	(6,486)		0
90	375 Structures and Improvements	20,397	16,441	(3,956)	(26,224)	26,224
91	376 Mains	5,734,100	4,641,911	(1,092,189)	(4,632,785)	4,632,785
92	377 Compressor Station Equipment	-		0		-
93	378 Meas. and Reg. Sta. Equip.-General	92,890	19,950	(72,940)	(23,949)	23,949
94	379 Meas. and Reg. Sta. Equip.-City Gate	-		0		-
95	380 Services	8,590	19,542	10,952	(22,007)	22,007
96	381 Meters	1,396,115	1,848,291	452,176	(452,176)	452,176
97	382 Meter Installations	-		0		0
98	383 House Regulators	-		0		0
99	384 House Reg. Installations	-		0		-
100	385 Industrial Meas. and Reg. Sta. Equipment	515,163	82,301	(432,862)	(111,914)	111,914
	386 Other Prop. on Customers' Premises	-		0		-
	387 Other Equipment	144,348	80,080	(64,268)	(39,919)	39,919
103	TOTAL Distribution Plant	7,919,478	6,709,905	(1,209,573)	(5,308,974)	5,308,974

GAS PLANT IN SERVICE

DEVELOPMENT OF ADDITIONS FOR YEAR 2007 - COLUMN (c)

Line No	Account (a)	Completed Construction Not Classified - Account 106			Transferred from Account 107 (e)	2007 Additions Column (c) (f)
		Year 2006 (b)	Year 2007 (c)	(c)-(b) (d)		
104	6. General Plant					
105	389 Land and Land Rights	-	-	-	-	-
106	390 Structures and Improvements	-	-	-	-	-
107	391 Office Furniture and Equipment	205,500	25,606	(179,894)	0	0
108	392 Transportation Equipment	-	-	-	0	0
109	393 Stores Equipment	-	-	-	0	0
110	394 Tools, Shop, and Garage Equipment	90,916	90,916	(0)	0	0
111	395 Laboratory Equipment	-	-	-	0	0
112	396 Power Operated Equipment	-	-	-	0	0
113	397 Communication Equipment	-	-	-	0	0
114	398 Miscellaneous Equipment	0	0	0	0	0
115	Subtotal	296,416	116,521	(179,895)	0	0
116	399 Other Tangible Property	-	-	-	-	0
117	TOTAL General Plant	296,416	116,521	(179,895)	0	0
118	TOTAL	8,612,608	7,017,696	(1,594,912)	(5,401,000)	5,401,000

GAS PLANT IN SERVICE

DEVELOPMENT OF ADDITIONS FOR YEAR 2006 - COLUMN (c)

Line No	Account (a)	Completed Construction Not Classified - Account 106			Transferred from Account 107 (e)	2007 Additions Column (c) (f)
		Year 2006 (b)	Year 2007 (c)	(c)-(b) (d)		
	(1) Forward from page 209-B Line 38					
118	2. PRODUCTION PLANT					
119	Manufactured Gas Production Plant					
120	Liquefied Petroleum Gas					
121	304 Land and Land Rights	-	-	-	-	-
122	305 Structures and Improvements	-	-	-	-	-
123	311 Liquefied Petroleum Gas Equipment	-	-	-	-	-
124						
125	Total Manufactured Gas Production					
126	Plant	-	-	-	-	-

**This Side of Page Left
Intentionally Blank**

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Gas Property and Capacity Leased from Others

1. Report below the information called for concerning gas property and capacity leased from others for gas operations.
2. For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500,000, describe in column (c), if applicable: the property or capacity leased. Designate associated companies with an asterisk in column (b).

Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance End of Year (d)
1	Not Applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	TOTAL			

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
Gas Property and Capacity Leased to Others				
<p>1. For all leases in which the average lease income over the initial term of the lease exceeds \$500,000 provide in column (c), a description of each facility or leased capacity that is classified as gas plant in service, and is leased to others for gas operations</p> <p>2. In column (d) provide the lease payments received from others</p> <p>3. Designate associated companies with an asterisk in column (b)</p>				
Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance End of Year (d)
1	Not Applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	TOTAL			

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

GAS PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at the end of the year having an original cost of \$1,000,000 or more. Group other items of property held for future use.
 2. For property having an original cost of \$1,000,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance End of Year (d)
1	Not Applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	TOTAL			

Name of Respondent		This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
CONSTRUCTION WORK IN PROGRESS-GAS (Account 107)				
1. Report below descriptions and balances at end of year of projects in process of construction (107). 2. Show items relating to "research, development, and demonstration" projects last, under a caption Research.			Development, and Demonstration (see Account 107 of the Uniform System of Accounts). 3. Minor projects (less than \$1,000,000) may be grouped.	
Line No.	Description of Project (a)	Construction Work in Progress-Gas (Account 107) (b)	Estimated Additional Cost of Project (c)	
1	PRODUCTION PLANT			
2	<u>Liquefied Petroleum Gas-Air</u>			
3				
4	305 Structures and Improvements	-	-	
5	311 Liquefied Petroleum Gas Equipment	-	-	
6	Total L. P. G. Production Plant	-	-	
7				
8				
9	<u>Distribution Plant</u>			
10				
11	374 Land and Land Rights	80,170		
12	375 Structures and Improvements	57,867	6,365	
13	376 Mains *	930,651	102,372	
14	378 Measuring and Regulating Equipment-General	162,674	17,894	
15	380 Service Lines	120,238		
16	381 Meters	73,844		
17	382 Meter Installations	27,918		
18	383 House Regulators	61,651		
19	384 House Regulator Installations	-		
20	385 Industrial Measuring and Regulating Equipment	52,937	5,823	
21	387 Communications	38,607	4,247	
22	Total Distribution Plant	1,606,557	136,701	
23				
24				
25	<u>General Plant</u>			
26				
27	391 Office Furniture and Equipment	40,572	-	
28	394 Tools and Equipment	56,303	-	
29	396 Power Operated Equipment	0	-	
30	398 Miscellaneous Equipment	4,750	-	
31				
32	Total General Plant	101,625	-	
33				
34				
35	<u>Intangible Plant</u>			
36				
37	303 Miscellaneous Intangible Plant	501,476	55,162	
38	Total Intangible Plant	501,476	55,162	
39				
40				
41				
42	TOTAL	2,209,658	191,863	

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report December 31, 2007
--	---	--	-------------------------------------

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc., the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

Please refer to pages 218-A, 218-B and 218-C.

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line (5), column (d) below, enter the rate granted in the last rate proceeding. If not available, use the average rate earned during the preceding 3 years.

1. Components of Formula (Derived from actual book balances and actual cost rates): **(A)**

Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
(1) Average Short-Term Debt	S 832,043,452		
(2) Short-Term Interest			s 5.72%
(3) Long-Term Debt	D 4,926,333,342	49.56%	d 6.10%
(4) Preferred Stock	P 0	0.00%	p 0.00%
(5) Common Equity	C 5,013,569,291	50.44%	c 12.37%
(6) Total Capitalization	9,939,902,633	100.00%	
(7) Average Construction Work In Progress Balance	W 300,106,494		

2. Gross Rate for Borrowed Funds $s(S/W)+d[(D/(D+P+C))(1-(S/W))]$

3. Rate for Other Funds $[1-(S/W)][p(P/(D+P+C))+c(C/(D+P+C))]$

4. Weighted Average Rate Actually Used for the Year:

a. Rate for Borrowed Funds - 5.72

b. Rate for Other Funds - 0.00

(A) Amounts used in computation are based on the consolidation capitalization and consolidated cost rates of the Columbia Energy Group and Subsidiary Companies.

Name of Respondent	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec. 31, 2007
COLUMBIA GAS OF KENTUCKY, INC.			

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE (Continued)

Supervision and Engineering Overhead

Supervision and engineering overhead charges cover labor, transportation and travel of operating personnel related to the following construction activities:

1. Planning and designing gas facilities approved for construction.
2. Preparing and filing construction certificate applications.
3. Planning and preparing budget programs for anticipated construction programs
4. Preparing and processing construction work orders, including making sketches.
5. Classifying work order charges where applicable, such as invoices, material transfers, time sheets, etc.
6. Preparing and processing work order completion reports.
7. Preparing flow maps related to projects approved for construction.
8. Miscellaneous clerical, typing & stenographic duties related to construction projects.
9. Supervision and management, direct & indirect, for all the above activities.

It was impractical for supervision and engineering personnel performing the above mentioned functions to charge construction work orders directly; therefore, the labor and travel expenses of personnel expended on the construction records that would not be required if construction were not performed was determined on a periodic time study basis. The cost of these expenses was divided by estimated construction expenditures subject to overheads to determine an allocation rate. Those personnel engaged in the construction activities enumerated above charged their overhead clearing account where they were accumulated and allocated to all applicable construction budgets and work orders on the basis of the rate as determined above.

Labor Overheads

The cost of vacation time and non-productive time (holidays, paid time for sickness and other paid time) was allocated directly to each construction project by applying a factor to all "raw labor" (total payroll payments excluding payment for vacation and non-productive time) dollars charged to the construction project. The factor was determined by dividing the estimated annual dollars accrued for vacation and non-productive time by the estimated annual payroll payments excluding vacation and non-productive time.

The cost of employee benefits and payroll taxes was allocated directly to each construction project by applying a factor to all "base labor" (raw labor plus increment for vacation and non-productive time) dollars charged to the construction project. The factor was determined by dividing the estimated annual cost of employee benefits and payroll taxes by the estimated annual cost of "base labor." Benefits and taxes included in this factor are as follows:

Name of Respondent	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec. 31, 2007
COLUMBIA GAS OF KENTUCKY, INC.			

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE (Continued)

Labor Overheads (Continued)

1. Actual payments made to employees in connection with injury claims not covered by Workers Compensation Insurance.
2. Workers' Compensation Insurance Premiums.
3. Employee Insurance Plans.
4. Contributions to Employee Thrift Plan.
5. Federal Old Age and Survivors Insurance Tax.
6. Federal Unemployment Insurance Tax.
7. State Unemployment Insurance Tax.
8. Retirement Income Plan.

General and Administrative Overheads

The purpose of capitalizing General and Administrative overheads is to charge labor and expenses to all applicable construction work orders for those personnel who work directly on Construction Work in Progress activities but where it would be impractical for them to record these expenses directly to each work order (i.e., employees who devote their time processing a large number of construction work orders and/or related construction activities). In addition, these costs would not have been incurred had the construction activity not been undertaken.

General and Administrative overhead charges include the labor and expenses of selected Shared Services Center personnel related to the following construction activities:

1. Processing construction work orders which do not close mechanically.
2. Preparing input for and verifying mechanized Construction Work in Progress reports.
3. Assigning property unit (retirement unit) numbers to construction work orders which are not assigned mechanically.
4. Preparing input for closing Construction Work in Progress preparatory to mechanical unitization and posting to the Asset Management records.
5. Reconciling the Project Cost Management System with the General Ledger.
6. Verifying mechanized construction audit schedules with the construction information contained in the General Ledger.
7. Providing required support to Information Systems personnel regarding mechanized construction work orders and the Project Cost Management System.
8. Reconciling monthly construction budget comparison reports (actual versus budget).
9. Ordering and procuring materials and supplies for specific construction projects.
10. Processing construction related invoices.
11. Miscellaneous clerical duties related to construction projects.
12. Supervision and management (direct and indirect) for all of the above activities.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE (Continued)

General and Administrative Overheads (Continued)

A periodic time study was performed on the job positions and personnel who were responsible for the above listed activities. The number of hours spent on construction related activity was determined, by position, and extended using actual payroll information. The cost of these expenses was divided by the estimated construction expenditures subject to overheads to determine an allocation rate. This rate was applied to actual construction expenditures subject to this overhead and the resulting amount was transferred from general and administrative expense to construction.

Note: General and Administrative costs are now recorded through the Supervision and Engineering overhead application.

Allowance for Funds Used During Construction

On February 2, 1977, the Federal Energy Regulatory Commission issued Order No. 561 establishing a "uniform formulary" method for determining the maximum rate to be used in computing the Allowance for Funds Used During Construction. In 2007, Allowance for Funds Used During Construction was capitalized at a cost rate of 5.72% on all classes of property except organization, autos, office equipment, tools and other property purchases.

The allowance was applied to construction for that period of time between the date of expenditure for construction or purchase of a project and the date in which such project was completed and placed in service, or was available for service. All expenditures incurred during the current month of construction of a project were assumed to occur on the 15th of the month; consequently, interest in the current month's expenditures was for a period of one-half month only. All projects placed in service during a month were assumed to be placed in service on the 15th of the month; consequently interest for the month-in-service was for a period of one-half month only. All previously applied interest was eliminated from the base amount before the current calculation of interest; i.e., there was no calculation of interest on interest. No interest was applied on contract retainage and contributions in aid of construction applicable to any budgets and related work orders.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year Ending
Columbia Gas of Kentucky, Inc.	<input checked="" type="checkbox"/> An Original	March 31, 2008	Dec. 31, 2007
	<input type="checkbox"/> A Resubmission		

ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (Account 108)

1 Explain in a footnote any important adjustments during year
 2 Explain in a footnote any difference between the amount for book cost of plant retired, line 10, column (c), and that reported for gas plant in service, pages 204-209, column(d), excluding retirements of nondepreciable property
 3 The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications
 4 Show separately interest credits under a sinking fund or similar method of depreciation accounting
 5 At lines 7 and 14, add rows as necessary to report all data. Additional rows should be numbered in sequence, e.g., 7 01, 7 02, etc.

Line No.	Item	Total (c+d+e)	Gas Plant in Service	Gas Plant Held for Future Use	Gas Plant Leased to Others
	(a)	(b)	(c)	(d)	(e)

Section A. Balances and Changes During Year

1	Balance Beginning of Year	110,375,666	110,375,666		
2	Depreciation Provision for Year, Charged to				
3	(403) Depreciation Expense	4,991,914	4,991,914		
4	(413) Expense of Gas Plant Leased to Others				
5	Transportation Expenses - Clearing				
6	Other Clearing Accounts				
7	Other Clearing (Specify):				
7.01					
8	TOTAL Deprec. Prov. for Year (total of lines 3 thru 7.01)	4,991,914	4,991,914	0	0
9	Net Charges for Plant Retired:				
10	Book Cost of Plant Retired	(2,111,624)	(2,111,624)		
11	Cost of Removal	(525,026)	(525,026)		
12	Salvage (Credit)	33,458	33,458		
13	TOTAL Net Chrgs. for Plant Ret. (Total of lines 10 thru 12)	(2,603,192)	(2,603,192)	0	0
14	Other Debit or Credit Items (Describe):		0		
14.01	Retirement of Amortization	0	0		
14.02	Miscellaneous Revenues - Damages	0	0		
14.03	Transfers between 108 and 111	10,488	10,488		
15	Balance End of Year (Total of lines 1, 8, 13, 14 to 14.03)	112,774,876	112,774,876	0	0

Section B. Balances at End of Year Accounting to Functional Classifications

16	Production - Manufactured Gas				
17	Production and Gathering - Natural Gas				
18	Products Extraction - Natural Gas				
19	Underground Gas Storage				
20	Other Storage Plant				
21	Base Load LNG Terminaling and Processing Plant				
22	Transmission				
23	Distribution	112,207,012	112,207,012		
24	General	567,864	567,864		
25	TOTAL (Total of lines 16 thru 24)	112,774,876	112,774,876	0	0

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007

GAS STORED (ACCOUNT 117.1, 117.2, 117.3, 117.4, 164.1,164.2 AND 164.3)

1. If during the year adjustments were made to the stored gas inventory reported in columns (d), (f), (g), and h (such as to correct cumulative inaccuracies of gas measurements), explain in a footnote adjustment, account charged or credited.

2. Report in column (e) all encroachments due the year upon the volumes designated as base gas, column (b), and system balancing gas column (c), and gas property recordable in the plant accounts.

3. State in a footnote the basis of segregation of inventory between current and noncurrent portions. Also, state in a footnote the method used to report storage (i.e., fixed asset method or inventory method).

Line No.	Description (a)	(Account 117 1) (b)	(Account 117 2) (c)	Noncurrent (Account (117 3) (d)	(Account 117 4) (e)	Current (Account 164 1) (f)	LNG (Account 164 2) (g)	LNG (Account 164 3) (h)	Total (i)
1	Balance at Beginning of Year					48,716,378	0		48,716,378
2	Gas Delivered to Storage (contra Account)					74,665,148	0		74,665,148
3	Gas Withdrawn from Storage (contra Account)					73,743,584	0		73,743,584
4	Other Debits or Credits (Net)					0			0
5	Balance at End of Year					49,637,942	0		49,637,942
6	Mcf					8,238,790	0		8,238,790
6a	Dth					8,568,342	0		8,568,342
7	Amount per Mcf					6.02	-		6.02
7a	Amount per Dth					5.79	-		5.79

* Storage is reported on a last in first out inventory method.

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec. 31, 2007
---	---	---	--

INVESTMENTS (ACCOUNT 123, 124, AND 136)

1 Report below investments in Accounts 123, *Investments in Associated Companies*, 124, *Other Investments*, and 136, *Temporary Cash Investments*.
2 Provide a subheading for each account and list thereunder the information called for:
(a) Investment in Securities - List and describe each security owned, giving name of issuer, date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors, and included in Account 124, *Other Investments*, state number of shares, class, and series of stock. Minor investments may be grouped by classes. Investments included in Account 136, *Temporary Cash Investments*, also may be grouped by classes.
(b) Investment Advances - Report separately for each person or company the amounts of loans or investment advances that are properly includable in Account 123. Included advances subject to current repayment in Account 145 and 146. With respect to each advance, show whether the advance is a note or open account.

Line No.	Description of Investment (a)	*	Book Cost at Beginning of Year (if book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During Year (d)
2	Investments in Associated Companies			
3	(Commercial Paper, Acct 123-1XXX)		189,485	46,655
4				
5	Liquid Money Market Instruments		31,986	7,390,869
6	(Commercial Paper, Acct 136-0012)			
7				
8	Temporaray Cash Investment		1,755,465	6,140,993
9	(Hedging Account, Acct 136-1000)			
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec. 31, 2007
--	---	--	---------------------------------

INVESTMENTS (ACCOUNT 123, 124, AND 136) (Continued)

List each note, giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.

3 Designate with an asterisk in column (b) any securities, notes or accounts that were pledged, and in a footnote state the name of pledges and purpose of the pledge.

4 If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and cite Commission, date of authorization, and case or docket number.

5 Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year.

6 In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof, not including any dividend or interest adjustment includable in column (h).

Sales or Other Dispositions During Year (e)	Principal Amount or No of Shares at End of Year (f)	Book Cost at End of Year (if book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)	Line No.
		236,140			1
					2
					3
7,417,425		5,430	155,384		4
					5
					6
					7
7,052,856		843,602	19,484		8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38
					39
					40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007

Investments in Subsidiary Companies (Account 123.1)

1. Report below investments in Accounts 123.1, Investments in Subsidiary Companies
2. Provide a subheading for each account and list thereunder the the information called for below. Sub-total by company and give a total in columns (e),(f),(g) and (h)
- (a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity, and interest rate
- (b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Common Stock - Central Kentucky Transmission	7/31/2006		
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	Total Cost of Account 123.1			

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec. 31, 2007
--	---	--	---------------------------------

Investments in Subsidiaries Companies (Account 123.1) (Continued)

4. Designate in a footnote, any securities, notes or accounts that were pledged, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report in column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost), and the selling price thereof, not including interest adjustments includible in column (f).
8. Report on Line 40, column (a) the total cost of Account 123.1.

Equity in Subsidiary Earnings for Year	Revenues for Year	Amount of Investment at End of Year	Gain or Loss from Investment Disposed of	Line No.
(e)	(f)	(g)	(h)	
189,485	46,655	236,140		1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
				33
				34
				35
				36
				37
				38
				39
189,485	46,655	236,140		40

ame of Respondent	This Report is: (x) An Original () A Resubmission	Date of Report	Year Ending
Columbia Gas of Kentucky, Inc.		March 31, 2008	December 31, 2007
Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Sturdy Costs (Acct 182.2)			

PREPAYMENTS (ACCOUNT 165)

1. Report below the particulars (details) on each prepayment.

Line No.	Nature of Prepayment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	416,398
2	Prepaid Rents	0
3	Prepaid Taxes	0
4	Prepaid Interest	0
5	Miscellaneous Prepayments	132,651
6	TOTAL	549,049

Name of Respondent	This Report is: (x) An Original () A Resubmission	Date of Report	Year Ending
Columbia Gas of Kentucky, Inc.		March 31, 2008	December 31, 2007
Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Sturdy Costs (Acct 182.2)			

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss (include the date of loss, the date of Commission authorization to use Account 182 1 and period of amortization (mo, yr, to mo, yr. Add rows as necessary to report all data. (a)	Balance Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
7							
8							
9							
10							
11							
12							
13							
14							
15	TOTAL						

This Side of Page Left
Intentionally Blank

Name of Respondent Columbia Gas of Kentucky, Inc.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report March 31, 2008	Year Ending December 31, 2007
--	---	----------------------------------	----------------------------------

Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs (include in the description of costs, the date of Commission authorization to use Account 182.2 and period of amortization (mo, yr to mo, yr). Add rows as necessary to report all data. Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses. <p align="center">(a)</p>	Balance at the Beginning of Year <p align="center">(b)</p>	Total Amount of Charges <p align="center">(c)</p>	Costs Recognized During Year <p align="center">(d)</p>	WRITTEN OFF DURING YEAR		Balance at End of Year <p align="center">(g)</p>
					Account Charged <p align="center">(e)</p>	Amount <p align="center">(f)</p>	
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	TOTAL						

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year Ending Dec. 31, 2007
--	---	--	------------------------------

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show period of amortization in column (a).

3. Minor items (5 % of the Balance at End of Year for Account 182 3 or amounts less than \$250,000, whichever is less) may be grouped by classes.
4. Report separately any "Deferred Regulatory Commission Expenses " that are also reported on pages 350-351, Regulatory Commission Expenses.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Year (b)	Debits (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3	Other Postretirement Employee Benefits					
4	(amortized over 18 years - began 11/94)	1,929,652		107/926	80,273	1,849,379
5						
6	Postemployment Benefits					
7	(amortized over 19 years - began 11/94)	234,810		926	34,370	200,440
8						
9	Hedging Program	1,145,670	3,742,130	244	4,562,260	325,540
10						
11	Gas Cost Incentive Program	353,480	600,659	480/481	616,363	337,776
12				489		
13						
14	Minor Regulatory Assets					
15	Less than \$250,000 (4 items)	193,954		Various	70,821	123,133
16						
17	Rate Case Expense	10,927	3,619,591	923/928	381,817	3,248,701
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
40	Total	3,868,493	7,962,380		5,745,904	6,084,969

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year Ending Dec. 31, 2007
--	---	---	------------------------------

MISCELLANEOUS DEFERRED DEBITS (Account 186)

1. Report below the details called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show the period of amortization in column (a).
3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2	Civic Center Building Lease	450,984	-	253	56,966	394,018
3						
4						
5	Taxes, Property	2,080,000	0	408/236	2,080,000	0
6						
7						
8						
9						
10						
11	Mutual Materials	51,924	2,104,899	Various	2,087,394	69,429
12						
13	OPEB	667,820	72,061	253	739,881	0
14						
15	Customer Advances	943,297	469,687	107	65,395	1,347,589
16						
17	Other Miscellaneous					
18	Deferred Items - Less					
19	Than \$250,000 (3 Items)	195,188	0	Various	90,188	105,000
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39	Miscellaneous Work In Progress	6,922	19,622	Various	25,762	782
40	Total	4,396,135	2,666,269		5,145,586	1,916,818

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
ACCUMULATED DEFERRED INCOME TAXES (Account 190)				
<p>1. Report the information called for below concerning the respondent's accounting for deferred income taxes.</p> <p>2. At Other (Specify), include deferrals relating to other income and deductions.</p> <p>3. At lines 4 and 6, add rows as necessary to report all data. Number the additional rows in sequence 4.01, 4.02, etc. and 6.01, 6.02, etc.</p>				
Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190			
2	Electric			
3	Gas (See Other)			
4	Other (Define)			
4.01	OPEB Federal Medicare Subsidy	0	0	0
4.02	Future FIT Benefits	0	0	7,761
4.03	Regulatory Asset - Gas Cost Audit	0	0	0
4.04	Delayed Deposits	8,873	0	0
4.05	Interest on Fed. Income Tax Liability	0	0	0
4.06	Section 461 (H) - Rate Refunds	(23,020)	65,668	30
4.07	TCO Penalty Credits	156,644	0	0
4.08	Vacation Accrual	209,138	23,384	21,356
4.09	Injuries and Damages	57,155	42,214	0
4.10	Builder Incentives	0	0	0
4.11	Off System Sales	446,003	271,243	0
4.12	Customer Advances	408,471	0	175,562
4.13	Restricted Stock	3,824	1,915	48
4.14	Capitalized Inventory Costs	159,984	0	220
4.15	Capitalized Interest - Section 263(A)	0	0	0
4.16	Deferred Directors' Costs	0	0	0
4.17	SFAS 96 Adjustments	575,943	0	0
4.18	Salary Continuation/Deferred Compensation	1	0	0
4.19	CMEP	19,317	30	9,308
4.20	LIFO Tax Adjustment	3,248,091	0	7,413
4.21	Retention Agreements	1,167	0	0
4.22	Rate Base 1% Increment	10,034	0	4,349
4.23	Environmental Costs	3,023	0	0
4.24	Net Operating Loss Carryforward	0	0	0
4.25	SFAS 112	587,929	49,244	0
4.26	SFAS 106 - OPEB	1,152,885	12,265	208,392
4.27	Deferred Compensation	1	86	45,560
4.28	Deferred OPEB Contribution Deduction	0	0	155,600
4.29	Pension Restoration	(1,168)	0	746
4.30	Company Interest Rate Refunds	0	515	4
4.31	Consolidated Rate Effect of Net Operating Loss	0	0	0
5	Total (Total of lines 2 thru 4)	7,024,295	466,564	636,349
6	Other (Rounding)	0	0	0
7	Total Account 190 (Total of lines 5 thru 6)	7,024,295	466,564	636,349
8	Classification of TOTAL			
9	Federal Income Tax	5,939,141	393,720	538,514
10	State Income Tax	1,085,154	72,844	97,835
11	Local Income Tax			

ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)

4. If more space is needed, use separate pages as required. 5. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under Other.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited Account 410.2 (e)	Amounts Credited Account 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
							2
							3
							4
0	0	254-3517	1) 98,232		0	98,232	4.01
0	0		0		0	7,761	4.02
0	0		0		0	0	4.03
0	0		0		0	8,873	4.04
0	5,363		0		0	5,363	4.05
0	0		0		0	(88,658)	4.06
0	0		0		0	156,644	4.07
0	0		0		0	207,110	4.08
0	0		0		0	14,941	4.09
0	0		0		0	0	4.10
0	0		0		0	174,760	4.11
0	0		0		0	584,033	4.12
0	0		0		0	1,957	4.13
0	0		0		0	160,204	4.14
0	0		0		0	0	4.15
0	0		0		0	0	4.16
0	0		0	254-0032	2) 53,341	522,602	4.17
0	0		0		0	1	4.18
0	0		0		0	28,595	4.19
0	0		0		0	3,255,504	4.20
0	0		0		0	1,167	4.21
0	0		0		0	14,383	4.22
0	0		0		0	3,023	4.23
0	0		0		0	0	4.24
0	0		0		0	538,685	4.25
0	0		3) 196,063		4) 1,063,936	481,139	4.26
0	0		0		0	45,475	4.27
0	0	190-1979/3979	5) 133,153		0	288,753	4.28
0	0		0		0	(422)	4.29
0	0		0		0	(511)	4.30
0	0		0		0	0	4.31
0	5,363		427,448		1,117,277	6,509,614	5
0	0		0		0	0	6
0	5,363		427,448		1,117,277	6,509,614	7
							8
0	4,536		361,518		944,750	5,505,239	9
0	827		65,930		172,527	1,004,375	10
							11

NOTES

- 1) OPEB Federal Medicare Subsidy was offset in a regulatory liability.
- 2) SFAS 96 balance sheet entries.
- 3) Includes OPEB offset in Other Comprehensive Income (219-1005/3005) = \$154,293 and OPEB offset in Retained Earnings (439-20865) = \$41,770.
- 4) Includes OPEB offset in Other Comprehensive Income (219-1005/3005) = \$930,783 and a reclass to proper OPEB deferred income tax account (190-2977/4977) = \$133,153.
- 5) Reclass OPEB to proper deferred income tax account.

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Capital Stock (Accounts 201 and 204)

1. Report below the details called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.
3. Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

Line No.	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par of Stated Value per Share (c)	Call Price at End of Year (d)
1	Common Stock	1,100,000	25.00	
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo. Da. Yr.) March 31, 2008	Dec. 31, 2007

Capital Stock (Accounts 201 and 204)

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative.
5. State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year.
6. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purpose of pledge.

Line No.	Outstanding per Bal. Sheet (total amt outstanding without reduction for amts held by respondent) Shares (e)	Outstanding per Bal. Sheet Amount (f)	Held by Respondent As Reacquired Stock (Acct 217) Shares (g)	Held by Respondent As Reacquired Stock (Acct 217) Cost (h)	Held by Respondent In Sinking and Other Funds Shares (i)	Held by Respondent In Sinking and Other Funds Amount (j)
1	952,248	23,806,200				
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007

Capital Stock: Subscribed, Liability for Conversion, Premium on, and Installments Received on (Accts 202, 203, 205, 206, 207, and 212)

1. Show for each of the above accounts the amounts applying to each class and series of capital stock.
2. For Account 202, Common Stock Subscribed, and Account 205, Preferred Stock Subscribed, show the subscription price and the balance due on each class at the end of year.
3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, Common Stock Liability for Conversion, or Account 206, Preferred Stock Liability for Conversion, at the end of year.
4. For Premium on Account 207, Capital Stock, designate with an asterisk in column (b), any amounts representing the excess of consideration received over stated values of stocks without par value.

Line No.	Name of Account and Description of Item	*	Number of Shares	Amount
	(a)	(b)	(c)	(d)
1	Not Applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year Ending Dec. 31, 2007
--	---	---	------------------------------

OTHER PAID-IN CAPITAL (ACCOUNTS: 208-211)

1. Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as a total of all accounts for reconciliation with the balance sheet, page 112. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) *Donations Received from Stockholders (Account 208)*--State amount and briefly explain the origin and purpose of each donation.

(b) *Reduction in Par or Stated Value of Capital Stock (Account 209)*--State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) *Gain on Resale or Cancellation of Recquired Capital Stock (Account 210)*--Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) *Miscellaneous Paid-In Capital (Account 211)*--Classify amounts included in this account according to captions that, together with brief explanations, disclose the general nature of the transactions that gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1		
2		
3	<u>Account 208 - Donations Received from Stockholders</u>	
4	None	
5		
6	<u>Account 209 - Reduction in Par or Stated Value of Capital Stock</u>	
7	None	
8		
9	<u>Account 210 - Gain on Resale or Cancellation of Recquired Capital Stock</u>	
10	None	
11		
12	<u>Account 211 - Miscellaneous Paid-in Capital</u>	
13	Excess of Book Value of Assets Acquired from Cincinnati Gas	
14	Transportation Company over the Liability Assumed	12
15		
16	Adjustments of Depreciation Reserve for Cincinnati Gas	
17	Transportation Company, Acquired Company, and Respondent	595,081
18		
19	Paid-in Capital Transferred to Kentucky Gas Transmission	
20	Corporation as of January 1, 1957	(363,441)
21		
22	Transfer Parent Company Federal Tax Savings	3,401,375
23		
24	Adjustment to Reverse Federal Benefit of NiSource De/Finance Tax Savings	
25	Allocation of APIC	1,549,717
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40	TOTAL	5,182,744

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Discount on Capital Stock (Account 213)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change.
State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	Not Applicable	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
TOTAL		

Capital Stock Expense (Account 214)

1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. Use as many rows as necessary to report all data.
2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving details of the change.
State the reason for any charge-off during the year and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	Not Applicable	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
TOTAL		

Name of Respondent	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--------------------	---	---	-------------------------------------

Securities Issued of Assumed and Securities Refunded or Retired During the Year

1. Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.

2. Provide details showing the full accounting for the total principal amount, par value, or stated value of each class and series of security issued, assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts, cite the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discount, premiums, expenses, and gains or losses were taken over onto the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

1. None
2. None
3. None
4. None
5. None

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
LONG-TERM DEBT (Account 221, 222, 223, and 224)				
<p>1. Report by Balance Sheet Account the details concerning long-term debt included in Account 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224 Other Long-Term Debt.</p> <p>2. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>3. For Advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>4. For receivers' certificates, show in column (a) the name of the court and date of court order under which such certificates were issued.</p>				
Line No.	Classes and Series of Obligation and Name of Stock Exchange (a)	Nominal Date Of Issue (b)	Date Of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)
1				
2	<u>Account 223</u>			
3	<u>Advances from Associated Companies</u>			
4	Columbia Energy Group :			
5	Installment Promissory Notes	*	*	58,055,000
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	* See Page 257-A			
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	Total			58,055,000

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
LONG-TERM DEBT (Account 221, 222, 223, and 224)(Continued)					
<p>5. In a supplemental statement, give explanatory details for accounts 223 and 224 of net changes during the year. With respect to long term advances, show for each company: (a) principal advanced during the year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.</p> <p>6. If the respondent has pledged any of its long term debt securities, give particulars (details) in a footnote, including name of the pledgee and purpose of the pledge.</p> <p>7. If the respondent has any long term securities that have been nominally issued and are nominally</p>			<p>outstanding at end of year, describe such securities in a footnote.</p> <p>8. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (f). Explain in a footnote any difference between the total of column (f) and the total Account 427, Interest on Long Term Debt and Account 430, Interest on Debt to Associated Companies.</p> <p>9. Give details concerning any long-term debt authorized by a regulatory commission but not yet issued.</p>		
INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price per \$100 at End of Year (f)	Line No.
Rate (in %) (e)	Amount (f)	Reacquired Bonds (Account 222) (g)	Sinking and Other Funds (h)		
*	3,283,236				1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39
	3,283,236				40

LONG-TERM DEBT (Accounts 221, 222, 223, and 224) (Continued)									
DATE OF ISSUE (a)	DATE OF MATURITY (b)	BALANCE BEGINNING OF YEAR (c)	PRINCIPAL ADVANCED DURING YEAR (d)	PRINCIPAL TRANSFERS AND PAYMENTS (e) *	BALANCE END OF YEAR (f)	INTEREST FOR YEAR		COMMISSION AUTHORITY	
						RATE (g)	AMOUNT (h)	FILE NUMBER (i)	DATE (j)
<u>Account 223 - Installment Promissory Notes</u>									
2007	2013	14,720,000	-	-	14,720,000	5.280%	777,216.00	CKY1	1/7/2006
2007	2016	10,750,000	-	-	10,750,000	5.410%	581,575.00	CKY2	1/5/2006
2007	2017	4,210,000	-	-	4,210,000	5.450%	229,445.00	CKY3	1/5/2006
2007	2026	12,375,000	-	-	12,375,000	5.920%	732,600.00	CKY4	1/5/2006
2007	2021	16,000,000	-	-	16,000,000	6.015%	962,400.00	CKY5	11/1/2006
TOTAL ACCOUNT 223		58,055,000	0	0	58,055,000		3,283,236		
<u>Item 9 - Schedule 257</u>									
<u>Additional Borrowing Authorized But Not Yet Issued</u>									
None									

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

1. Report under separate subheadings for Unamortized Debt Expense, Unamortized Premium on Long-Term Debt and Unamortized Discount on Long-Term, details of expense, premium or discount applicable to each class and series of long-term debt.
2. Show premium amounts by enclosing the figures in parentheses.
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.

Line No.	Designation of Long-Term Debt (a)	Principal Amount of Debt Issues (b)	Total Expense Premium or Discount (c)	Amortization Period	Amortization Period
				Date From (d)	Date To (e)
1	Not Applicable				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Unamortized Debt Expense, Premium and Discount on Long-Term Debt (Accounts 181, 225, 226)

5. Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.
6. Identify separately undisposed amounts applicable to issues which were redeemed in prior years.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debit-Credit.

Line No.	Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)
1	Not Applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				

Uamortized Loss and Gain on reacquired Debt (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, details of gain and loss, including maturity date, on reacquisition applicable to each class and series of long-term debt. If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue.
2. In column (c) show the principal amount of bonds or other long-term debt reacquired.
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts.
4. Show loss amounts by enclosing the figures in parentheses.
5. Explain in a footnote any debits and credits other than amortization debited to Account 428.1, Amortization of Loss on Reacquired Debt, or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1	Not Applicable					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M - 3 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2. If the utility is a member of a group which files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.

Line No.	Particulars (Detail) (a)	Amount (b)
1	Net Income for the Year (Page 116)	\$11,567,405
2	Reconciling Items for the Year	
3		
4	Income (Loss) Items	
5	SEE PAGE 261-A	(\$3,807,377)
6		
7		
8		
9	Expense/Deduction Items	
10	SEE PAGE 261-A	(\$2,567,428)
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	\$5,192,600
28	Show Computation of Tax:	
29	Separate Return Tax @ 35% of Line 27	1,817,416
30	2006 Books to Return	408,808
31	Reserve Study	158,803
32		
33	Net Taxes Charged	<u>2,385,027</u>

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME

FOR FEDERAL INCOME TAXES (Continued)

Income (Loss) Items

Equity Income from Subsidiaries	(46,351)
Customer Advances	462,496
Loss on Disposal of Assets	(1,192,000)
Deferred Intercompany Gains	243,243
Contributions In Aid	81,400
Choice Program Deferrals	(3,356,165)
Total	<u>(\$3,807,377)</u>

Expense/Deduction Items

Federal Income Taxes - Current	2,385,021
Federal Income Taxes - Deferred	3,688,433
State Income Taxes - Current	(157,414)
Sec 461(h) Economic Performance: Taxes	1,814,475
State Income Taxes - Deferred	760,789
Business Meals & Entertainment	33,119
Fines and Penalties	100
Pension Expense	(57,138)
Compensation: Pension Restoration Plan	1,917
SFAS 112	(126,590)
SFAS 106 OPEB	192,626
SFAS 106-2 Accounting for Medicare Prescription Act	(58,174)
Deferred OPEB Contribution Deduction	400,000
Compensation: Vacation Accrual	(58,735)
Compensation: Bonus Accrual	108,281
Tax Depreciation	(6,005,539)
Builder Incentive Plan	(22,328)
Bad Debt Expense	(98,055)
CMEF/DAP	20,913
Deferred Gas Costs	(1,413,034)
Customer Assistance Plan	197,120
Regulatory Commission Expense	(101,667)
Gas Cost Incentive Plan	15,704
Rate Case Expense	(3,105,781)
Off System Sales	(697,283)
Injuries and Damages	(108,520)
Interest Payable Contingent Taxes	13,787
Legal Liability on CDC Building	56,966
Lobbying Expenses	10,065
Rent Expense Leased Autos	400
Prepaid Assets	11,044
Property Removal	(72,000)
LIFO Tax Adjustment to Inventories	19,056
Sec 263 Inventory Capitalization	566
Capitalized Interest - Section 263A	(49,052)
Sect. 461(h) Supplier Refunds	(165,782)
Employee Stock Purchase Plan	133
Company Interest on Rate Refunds	(851)
Total	<u>(\$2,567,428)</u>

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME

FOR FEDERAL INCOME TAXES (Continued)

Reconcilement of 2007 Federal Income Taxes Payable
to Federal Income Tax Expense

Respondent is a subsidiary of the Nisource, Inc., which files a Consolidated Federal Income Tax Return.

The information required by Item 2 is not available at this time as the Consolidated Tax Return has not yet been filed.

Name of Respondent	This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES (Continued)**

Name of Group Members Filing Consolidated Federal Income Tax Return:

NiSource Inc. (DE)
 Bay State Gas Company
 Bay State GPE, Inc.
 Northern Utilities, Inc.
 Columbia Energy Group
 Columbia Atlantic Trading Corporation
 Columbia Energy Services Corporation
 Columbia Gas of Kentucky, Inc.
 Central Kentucky Transmission Company
 Columbia Gas of Maryland, Inc.
 Columbia Gas of Ohio, Inc.
 Columbia of Ohio Receivables Corporation
 Columbia Gas of Pennsylvania, Inc.
 Columbia Gas of Virginia, Inc.
 Columbia Gas Transmission Corporation
 Columbia Hardy Corporation
 Columbia Gulf Transmission Company
 NiSource Insurance Corporation Ltd
 CNS Microwave, Inc.
 Columbia Deep Water Services Company
 Columbia Remainder Corporation in Delaware
 EnergyUSA Inc. (IN)
 EnergyUSA Inc. (MA)
 EnergyUSA Commercial Energy Services, Inc.
 EnergyUSA-TPC Corp.
 NI Energy Services Transportation, Inc.
 IWC Resources Corp.
 The Darlington Water Works Company
 Harbour Water Corp.
 Indianapolis Water Company
 Irishman's Run Acquisition Corp.
 IWC Morgan Water Corp.
 Liberty Water Corp.
 Kokomo Gas and Fuel Company
 Crossroads Pipeline Company
 NiSource Capital Markets, Inc.
 NiSource Corporate Services Company

Name of Respondent	This Report is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME
FOR FEDERAL INCOME TAXES (Continued)**

Name of Group Members Filing Consolidated Federal Income Tax Return:

NiSource Development Company, Inc.
Cardinal Property Management, Inc.
JOF Transportation Company
Lake Erie Land Company
SCC Services, Inc.
NDC Douglas Properties, Inc.
South Works Power Company
NiSource Energy Technologies, Inc.
NiSource Finance Corp.
Granite State Gas Transmission, Inc.
Northern Indiana Fuel and Light Company, Inc.
Northern Indiana Trading Company
Northern Indiana Public Service Company
NIPSCO Receivables Corporation
PEI Holdings, Inc.
Whiting Clean Energy, Inc.
Whiting Leasing LLC
NiSource Retail Services, Inc.
Diamond Holding Delaware, Inc.

This Side of Page Left
Intentionally Blank

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars(details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or

accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner

Line No.	Kind Of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)
1	Federal Taxes: Income: 2005	-	
2	2006	1,660,751	
3	2007	-	
4			
5			
6			
7			
8	Unemployment: 2006	12	
9	2007	0	
10			
11	FICA: 2006	-	
12	2007	-	
13			
14	Excise: 2007	-	
15			
16	TOTAL (Continued on Page 262-A)		

Line No.	DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)			
	Electric (Account 408.1 409.1) (j)	Gas (Account 408.1 409.1) (j)	Other Utility Departments (Account 408.1 409.1) (k)	Other Income and Deductions (Account 408.2 409.2) (l)
1		39,000		-
2		484,012		44,599
3		373,420		1,443,990
4		-		-
5		-		-
6		-		-
7				
8		(12)		
9		5,156		
10				
11		-		-
12		449,379		
13				
14		3,506		-
15				
16	TOTAL (Continued on Page 262-A)			

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column(a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll

deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (See page 262-D) (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
39,000	-	-	39,000		1
528,611	1,723,531	(346,028)	119,803		2
1,817,410	3,260,000	(7,106)	(1,449,696)		3
			-		4
			-		5
					6
					7
(12)	-	-	-		8
7,706	6,138	-	1,568		9
					10
-	-	-	-		11
605,853	605,853		-		12
					13
3,506	3,506	-	-		14
					15
(Continued on Page 263-A)					16

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (See Page 263-D) (p)	Line No.	
			-	1	
			-	2	
			-	3	
			-	4	
			-	5	
			-	6	
			-	7	
			-	8	
			2,550	9	
			-	10	
			156,474	11	
			-	12	
			-	13	
			-	14	
			-	15	
(Continued on Page 263-A)					16

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars(details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or

accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner

Line No.	Kind Of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)
31	State Taxes (Cont'd) Property:	2004	12,209
32		2005	120,911
33		2006	1,861,294
34		2007	2,080,000
35		2008	-
36			
37	Sales and Use:	2006	1,586
38		2007	-
39			
40	Unemployment:	2006	12
41		2007	-
42	Capital Stock & Franchise:	2006	-
43		2007	-
44			
45	TOTAL (Continued on Page 262-C)		

Line No.	DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)			
	Electric (Account 408.1 409.1) (i)	Gas (Account 408.1 409.1) (j)	Other Utility Departments (Account 408.1 409.1) (k)	Other Income and Deductions (Account 408.2 409.2) (l)
31				-
32				-
33		(15,551)		-
34		1,909,702		-
35				-
36				-
37				-
38		444		-
39				-
40		(12)		-
41		3,582		-
42		6,291		-
43		968		-
44				-
45	TOTAL (Continued on Page 262-C)			

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column(a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll

deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (See page 262-D) (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
-	-	-	-		17
3,002,074	5,599,028	(353,134)	(1,289,325)		18
-	-	-			19
(222,175)	(520,958)	14,418	22,174		20
90,268	510,951	(11,959)	(432,642)		21
-	-	-	-		22
-	-	-	-		23
-	-	-	-		24
-	-	-	-		25
-	-	-	-		26
-	-	-	-		27
-	-	-	-		28
-	-	-	-		29
(Continued on Page 263-B)					30

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (See Page 263-D) (p)	Line No.
			-	17
			-	18
			159,024	19
			-	20
			-	21
			-	22
			-	23
			-	24
			-	25
			-	26
			-	27
			-	28
			-	29
(Continued on Page 263-B)				30

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column(a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll

deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (See page 262-D) (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
-	8,657	-	3,552		31
-	95,345	-	25,566		32
(15,551)	1,727,594	-	118,149		33
(170,298)	193,725	-	1,715,977		34
1,842,000	-	-	1,842,000		35
					36
-	1,586	-	-		37
10,927	10,297	-	630		38
					39
(12)	-		-		40
5,470	5,082		388		41
6,291	3,323	(2,968)	-		42
968	968	-	-		43
			-		44
					45

(Continued on Page 263-C)

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (See Page 263-D) (p)	Line No.
			-	31
			-	32
			(2,080,000)	33
			1,842,000	34
				35
			-	36
			10,483	37
				38
			1,888	39
			-	40
			-	41
			-	42
			-	43
			-	44
				45

(Continued on Page 263-C)

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars(details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or

accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.

3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4. List the aggregate of each kind of tax in such manner

Line No.	Kind Of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)
46			
47	Total State Taxes	3,784,985	-
48			
49	Other: Adjustment Due to Rounding	-	
50			
51			
52			
53			
54			
55	TOTAL TAXES	5,445,748	-

Line No.	DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)			
	Electric (Account 408.1 409.1)	Gas (Account 408.1 409.1)	Other Utility Departments (Account 408.1 409.1)	Other Income and Deductions (Account 408.2 409.2)
	(i)	(j)	(k)	(l)
46				
47	-	1,510,174	-	263,343
48				
49		-		6
50		-		
51				
52				
53				
54				
55	TOTAL TAXES	2,864,635	-	1,751,938

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

that the total tax for each State and subdivision can readily be ascertained.

5. If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year, identifying the year in column(a).

6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll

deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Show in columns (i) thru (p) how the taxed accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant, show the number of the appropriate balance sheet plant account or subaccount.

9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

10. Items under \$250,000 may be grouped.

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (See page 262-D) (f)	BALANCE AT END OF YEAR		Line No.
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	
1,547,888	2,036,570	(509)	3,295,794	-	46
-	-	-	-	-	47
-	-	-	-	-	48
-	-	-	-	-	49
-	-	-	-	-	50
-	-	-	-	-	51
-	-	-	-	-	52
-	-	-	-	-	53
-	-	-	-	-	54
4,549,962	7,635,598	(353,643)	2,006,469	-	55

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Extraordinary Items (Account 409.3) (m)	Other Utility Opn. Income (Account 408.1, 409.1) (n)	Adjustment to Ret. Earnings (Account 439) (o)	Other (See Page 263-D) (p)	Line No.
-	-	-	(225,629)	46
-	-	-	-	47
-	-	-	-	48
-	-	-	-	49
-	-	-	-	50
-	-	-	-	51
-	-	-	-	52
-	-	-	-	53
-	-	-	-	54
-	-	-	(66,605)	55

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

Detail of Schedule 263, Column (f)

<u>Description</u>	<u>Amount</u>
Federal Taxes	
Income Taxes	
Parent Company Tax Savings-Accrual to Return - Line 2	\$ (348,550)
Federal Fuels Tax Credit - Line 2	\$ (14)
Non-Qualified Stock Options - Line 2	\$ 2,536
Federal Fuels Tax Credit - Line 3	\$ (1,323)
Non-Qualified Stock Options - Line 3	\$ (4,931)
Restricted Stock Dividends - Line 3	\$ (852)
Total Federal Tax Adjustments - Page 263-A, Line 19	\$ (353,134)
State Taxes:	
Income Taxes	
Transfer overpayment from prior to current year - Line 21	\$ 7,041
Transfer overpayment from prior to current year - Line 21	\$ 3,864
Transfer to Underpaid 2006 Capital Stock - Line 21	\$ 2,968
Non-Qualified Stock Options - Line 21	\$ 545
Transfer overpayment from prior year state income tax - Line 22	\$ (7,041)
Transfer overpayment from prior year state income tax - Line 22	\$ (3,864)
Non-Qualified Stock Options - Line 22	\$ (899)
Restricted Stock Dividends - Line 22	\$ (155)
	<u>\$ 2,459</u>
Capital Stock Taxes	
Transfer from State Income to Underpaid 2006 Capital Stock - Line 42	\$ (2,968)
Total State Adjustments - Page 263-C, Line 47	\$ (509)
Rounding Adjustments - Page 263-C, Line 49	\$ 0
Total Adjustments - Page 263-C, Line 55, Column (f)	\$ (353,643)

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

Detail of Schedule 263, Column (p)

Kind of Tax	Account Charged	Amount
Federal Taxes: Unemployment	107	2,360
	108	136
	146	93
	163 - 182	(149)
	183	3
	186	1
	234	106
Total Page 263, Line 9		2,550
F.I.C.A.	107	149,222
	108	8,628
	146	5,780
	163 - 182	(13,886)
	183	170
	186	(50)
	234	6,610
Total Page 263, Line 12		156,474
State Taxes: Deferred Property Tax Expense		
Amortize 2007 estimate to exp	186	(2,080,000)
Establish estimated 2008 liab	186	1,842,000
Total Page 263-B, Lines 34-35		(238,000)
Use Tax, Prior Year	VARIOUS	0
Use Tax, Current Year	VARIOUS	10,483
Total Page 263-B, Line 38		10,483
Unemployment	107	1,629
	108	94
	146	62
	163 - 182	31
	234	72
Total Page 263-B, Line 41		1,888
Total Federal and State Taxes, Page 263-C, Line 55		(66,605)

Name of Respondent		This Report Is:	Date of Report	Year Ending
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo. Da. Yr.) March 31, 2008	Dec. 31, 2007
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)				
1. Describe and report the amount of other current and accrued liabilities at the end of year.		2. Minor items (less than \$250,000) may be grouped under appropriate title.		
Line No.	Item (a)	Balance at End of Year (b)		
1	Accrued Vacations/Payroll	867,013		
2	Exchange Gas	21,279,727		
3	Unclaimed Funds	107,688		
4	Dental Assistance Plan	20,074		
5	Medical Plan	80,919		
6	Post Employee Benefits	131,075		
7	Customer A/R Credit Balances	8,147,877		
8	Enviormental Expenses	17,336		
9	Wages Payable	510,083		
10	Off System Sales-Unbilled	449,253		
11	Other Miscellaneous and Accrued Liabilities (5 items)	229,031		
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	TOTAL	31,840,076		

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr.) March 31, 2008	Year Ending Dec. 31, 2007
--	---	---	------------------------------

OTHER DEFERRED CREDITS (Account 253)

1. Report below the details called for concerning other deferred credits

2. For any deferred credits being amortized, show the period of amortization.

3. Minor items (less than \$250,000) may be grouped by classes.

Line No.	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		CREDITS	Balance at End of Year (f)
			Contra Account (c)	Amount (d)	Amount (e)	
1	Other Post Retirement Benefits	7,067,230	186/253	16,478,823	9,411,593	0
2	Post Employment Benefits Non-Current	1,568,488	242/926	137,615		1,430,873
3	Civic Center Building Lease	450,983	186	56,967		394,016
4	Nicole Energy Reserve	402,683	144			402,683
5	Other Miscellaneous and Deferred Credits	0	Various	-		0
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	Total	9,489,384		16,673,405	9,411,593	2,227,572

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization. 2. For Other, include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric			
3	Gas (See Other)			
4	Other (Define)			
4.01	Gas Depreciation	15,449,679	2,391,410	47,252
4.02	Gas Depreciation- 30% Bonus	3,735,470	60	13,130
4.03	Gas Depreciation - State Nonconforming Bonus	(633,673)	37,514	171
4.04	Property Removal Costs	420,684	27,655	12,881
4.05	Loss on ACRS Property Retired	4,689,555	458,324	233,066
4.06	Contribution in Aid of Construction	(1,304,408)	118	35,595
4.07	Builder Incentive	(65,447)	8,688	0
4.08	Capitalized interest - Section 263(A)	186,082	62,548	1,090
4.09	Software Costs	(7,446)	0	0
4.10	SFAS 96 Adjustments	(2,108,191)	0	0
4.11	Rate Base 1% Increment	376,077	68,620	766
4.12	RRA '93 1% Offset	117,523	0	362
4.13				
5	Total (Total of lines 2 thru 4)	20,855,905	3,054,937	344,313
6	Other (Rounding)	0	0	0
7	Total Account 282 (Total of lines 5 thru 6)	20,855,905	3,054,937	344,313
8	Classification of TOTAL			
9	Federal Income Tax	18,034,470	2,531,608	292,087
10	State Income Tax	2,821,435	523,329	52,226
11	Local Income Tax			

NOTES

Liberalized Depreciation is based on the declining balance method and is applied to all classes of property. Effective January 1, 1968, Respondent adopted "Flow Through" Accounting for Liberalized Depreciation in accordance with Public Service Commission of Kentucky Order issued December 16,1968, in Case No. 3196.

Basis for determining Tax Depreciation:

Vintage Year	Tax Return Method	Tax Deprec. Rate	Rate (Book) Treatment	Deferral
Pre-1954	S. L.	Book	Flow Through	(Deferral of Excess BK S/L over DDB fully turned around in 1986 for 1954-67) Excess DDB ADR over DDB Book Excess ACRS over Book S/L Excess MACRS over Book S/L
1954-1967	DDB	Book	Flow Through	
1968-1973	DDB	Book	Flow Through	
1974-1980	DDB	ADR	Deferral	
1981-1986	ACRS	ACRS	Deferral	
1987-1998	MACRS	MACRS	Deferral	

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (Account 282) (Continued)

3. Add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, 4.01, 4.01 and 6.01, 6.02, etc. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited Account 410.2 (e)	Amounts Credited Account 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
							2
							3
							4
0	0	282-2953	1) 1,962		0	17,791,875	4.01
0	0		0		0	3,722,400	4.02
0	0		0		0	(596,330)	4.03
0	0		0	282-2953	1) 303	435,761	4.04
0	0		0	282-2953	1) 5,491	4,920,304	4.05
0	0		0	282-2953	1) 111	(1,339,774)	4.06
0	0		0		0	(56,759)	4.07
0	0		0		0	247,540	4.08
0	0		0		0	(7,446)	4.09
0	0	254-3516	2) 23,678	254-3516	2) 48,098	(2,083,771)	4.10
0	0	282-2205/11/31/3	1) 3,943		0	-439,988	4.11
0	0		0		0	117,161	4.12
							4.13
0	0		29,583		54,003	23,590,949	5
0	0		0		0	0	6
0	0		29,583		54,003	23,590,949	7
							8
0	0		13,734		54,003	20,314,260	9
0	0		15,849		0	3,276,689	10
							11

NOTES

1) 1% Increment/Offset for the writeup of deferred accounts to 35%.

2) SFAS 96 balance sheet entries.

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. For Other, include deferrals relating to other income and deductions.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Gas (See Other)			
4	Other (Define)			
4.01	Capitalized Interest - AFUDC Equity	0	0	0
4.02	Property Taxes	(42,090)	78	708,949
4.03	Unbilled Revenue	0	0	0
4.04	Unrecovered Gas Costs	(1,264,857)	1,855,218	0
4.05	Capitalized Interest Tax Savings	0	0	0
4.06	Deferred Intercompany Gains	0	5,270	304,906
4.07	Interest Income - Prior Years	0	0	0
4.08	Customer Assistance Plan	(277,638)	0	76,680
4.09	Legal Liability on Civic Center Bldg.	136,104	0	22,160
4.10	Rate Case Costs	58,935	1,247,697	0
4.11	Retirement Income Plan	(279,773)	22,227	1
4.12	Gas Cost Incentive Plan	137,504	0	6,109
4.13	Uncollectible Accounts	(164,636)	38,143	0
4.14	Prepaid Assets	217,876	0	4,296
4.15	Software Costs	0	0	0
4.16	Intercompany Gain	853,348	0	0
4.17	Capitalized Inventory	0	0	0
4.18	Accelerated Charitable Contributions	136,154	0	0
4.19	Federal Effect of Net Operating Loss Carryforward	0	0	0
4.20	Consolidated Rate Effect of Net Operating Loss	0	0	0
4.21				
5	Total (Total of lines 2 thru 4)	(489,073)	3,168,633	1,123,101
6	Other (Rounding)	0	(1)	0
7	Total Account 283 (Total of lined 5 thru 6)	(489,073)	3,168,632	1,123,101
8	Classification of TOTAL			
9	Federal Income Tax	(282,017)	2,675,374	945,347
10	State Income Tax	(207,056)	493,258	177,754
11	Local Income Tax			

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283) (Continued)

3. Add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, 4.01, 4.01 and 6.01, 6.02, etc. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited Account 410.2 (e)	Amounts Credited Account 411.2 (f)	DEBITS		CREDITS			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
							1
							2
							3
							4
0	0		0		0	0	4.01
0	0		0		0	(750,961)	4.02
0	0		0		0	0	4.03
0	0		0		0	590,361	4.04
0	0		0		0	0	4.05
0	0		0		0	(299,636)	4.06
0	0		0		0	0	4.07
0	0		0		0	(354,318)	4.08
0	0		0		0	113,944	4.09
0	0		0		0	1,306,632	4.10
0	0	439-20865	1) 5,558	219-1003/3003	2) 519,444	256,339	4.11
0	0		0		0	131,395	4.12
0	0		0		0	(126,493)	4.13
0	0		0		0	213,580	4.14
0	0		0		0	0	4.15
0	44,599		0		0	808,749	4.16
0	0		0		0	0	4.17
0	0		0		0	136,154	4.18
0	0		0		0	0	4.19
0	0		0		0	0	4.20
							4.21
0	44,599		5,558		519,444	2,025,746	5
0	0		0		0	2	6
0	44,599		5,558		519,444	2,025,748	7
							8
0	44,599		4,701		439,324	1,838,037	9
0	0		857		80,120	187,711	10
							11

NOTES

- 1) A portion of Retirement Income Plan was offset in Retained Earnings.
- 2) A portion of Retirement Income Plan was offset in Other Comprehensive Income.

This Side of Page Left
Intentionally Blank

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year Ending Dec. 31, 2007
--	---	---	------------------------------

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
 2. For any regulatory liabilities being amortized, show period of amortization in column (a)
 3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000 whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Account Credited (c)	Amount (d)		
1						
2	Regulatory Effect of					
3	Adopting SFAS No. 96	2,684,134	190	96,358	18,598	2,606,374
4						
5	SFAS 158 Measurement	0		571,100	1,760,760	1,189,660
6						
7	Reclassification of Regulatory	713,720		2,502,431	2,699,551	910,840
8	Assets With Negative Balances					
9						
10						
11	EAP Program (Hedging Acct.)	51,090		2,312,580	2,328,090	66,600
12						
13	OPEB MED SUB	0		106,755	359,280	252,525
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45	Total	3,448,944		5,589,224	7,166,279	5,025,999

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
GAS OPERATING REVENUES					
1. Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.			3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480 - 495		
2. Revenues in columns (b) and (c) include transition costs from upstream pipelines.					
Line No	Title of Account (a)	REVENUES for Transition Costs and Take - or - Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480-484 Sales				
2	485 Intracompany Transfers				
3	487 Forfeited Discounts				
4	488 Miscellaneous Service Revenues				
5	489.1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
6	489.2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
7	489.3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
8	489.4 Revenues from Storing Gas of Others				
9	490 Sales of Prod. Ext. from Natural Gas				
10	491 Revenues from Natural Gas Proc by Others				
11	492 Incidental Gasoline and Oil Sales				
12	493 Rent from Gas Property				
13	494 Interdepartmental Rents				
14	495 Other Gas Revenues				
15	Subtotal:				
16	496 (Less) Provision for Rate Refunds				
17	TOTAL:				

Name of Respondent	This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007

GAS OPERATING REVENUES (CONTINUED)

4. If increases or decreases from previous year are not derived from previously reported figures, explain any inconsistencies in a footnote

6. Report the revenue from transportation services that are bundled with storage services as transportation service revenue.

5. On Page 108, include information on major changes during the year, new service, and important rate increases or decreases

OTHER REVENUES		TOTAL OPERATING REVENUES		DTH OF NATURAL GAS	
Amount for Current Year	Amount for Prior Year	Amount for Current Year	Amount for Prior Year	Amount for Current Year	Amount for Prior Year
(f)	(g)	(h)	(i)	(l)	(k)
126,982,468	149,024,189	126,982,468	149,024,189	11,567,184	11,279,554
270,230	416,217	270,230	416,217		
125,481	155,599	125,481	155,599		
15,317,171	14,622,732	15,317,171	14,622,732	23,051,905	23,915,493
18,055,430	253,892	18,055,430	253,892	-	-
160,750,780	164,472,629	160,750,780	164,472,629	34,619,089	35,195,047
				-	-
160,750,780	164,472,629	160,750,780	164,472,629	34,619,089	35,195,047

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)

1. Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (I.e. state in which gas enters respondent's system).
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.

Line No.	Rate Schedule and Zone of Receipt (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	Not Applicable				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Name of Respondent	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--------------------	---	---	---------------------------------

Revenues from Transportation of Gas of Others Through Gathering Facilities (Account 489.1)

3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e).
4. Delivered Dth of gas must not be adjusted for discounting.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

1. Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule. Total by Zone of Delivery and for all zones. If respondent does not have separate zones, provide totals by rate schedule.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e).

Line No.	Zone of Delivery Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	Not Applicable				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Revenues from Transportation of Gas of Others Through Transmission Facilities (Account 489.2)

4. Delivered Dth of gas must not be adjusted for discounting.
5. Each incremental rate schedule and each individually certified rate schedule must be separately reported.
6. Where transportation services are bundled with storage services, report total revenues but only transportation Dth.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Revenues from Storing Gas of Others (Account 489.4)

1. Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total.
2. Revenues for penalties including penalties for unauthorized overruns must be reported on page 308.
3. Other revenues in columns (f) and (g) include reservation charges, deliverability charges, injection and withdrawal charges, less revenues reflected in columns (b) through (e).

Line No.	Rate Schedule (a)	Revenues for Transition Costs and Take-or-Pay	Revenues for Transition Costs and Take-or-Pay	Revenues for GRI and ACA	Revenues for GRI and ACA
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	Not Applicable				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

Revenues from Storing Gas of Others (Account 489.4)

4. Dth of gas withdrawn from storage must not be adjusted for discounting
5. Where transportation services are bundled with storage services, report only Dth withdrawn from storage.

Line No.	Other Revenues	Other Revenues	Total Operating Revenues	Total Operating Revenues	Dekatherm of Natural Gas	Dekatherm of Natural Gas
	Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007

OTHER GAS REVENUES (ACCOUNT 495)

1. For transactions with annual revenues of \$250,000 or more, describe, for each transaction, commissions on sales of distribution of gas of others, compensation for minor or incidental services provided for others, penalties, profit or loss on sales of materials and supplies, sale of steam, water, or electricity, miscellaneous royalties, revenues from hydration, other processing of gas of others, and gains on settlements of imbalance receivables. Separately report revenues from cash-out penalties.

Line No.	Description of Transaction (a)	Amount (in dollars) (b)
1	Off System Sales	14,236,687
2	Unbilled Revenue	3,391,000
3	Miscellaneous - Other Gas Revenues	427,745
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	TOTAL	18,055,432

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007

GAS OPERATION AND MAINTENANCE EXPENSES

1. Report operation and maintenance expenses. If the amount for previous year is not derived from previously reported figures, explain in footnotes.

2. Provide in footnotes the sources of the index used to determine the price for gas supplied by shippers as reflected on line 74.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. PRODUCTION EXPENSES		
2	A. Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)*	728	930
4	B. Natural Gas Production		
5	B1. Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Well Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (Total of lines 7 thru 17)		
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Measuring and Regulating Station Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Total of lines 20 thru 28)		
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)		

*(SEE PAGE 317A)

Name of Respondent		This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Supplemental Schedule				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
1	1. PRODUCTION EXPENSES			
2	A. Manufactured Gas Production			
3	Liquefied Petroleum Gas - AIR			
4	Operation			
5	717 Liquefied Petroleum Gas Expense	728	912	
6	723 Fuel For Liquefied Petroleum Gas Process			
7	728 Liquefied Petroleum Gas			
8	736 Rents			
9	Total Operation	728	912	
10	Maintenance			
11	741 Structures and Improvements			
12	742 Production Equipment	0	18	
13	TOTAL Maintenance	0	18	
14	TOTAL Manufactured Gas Production Expenses	728	930	

Name of Respondent	This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2. Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility-Credit		
46	783 Rents		
47	TOTAL Operation (Total of Lines 33 thru 46)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering		
50	785 Maintenance of Structures and Improvements		
51	786 Maintenance of Extraction and Refining Equipment		
52	787 Maintenance of Pipe Lines		
53	788 Maintenance of Extracted Products Storage Equipment		
54	789 Maintenance of Compressor Equipment		
55	790 Maintenance of Gas Measuring and Regulating Equipment		
56	791 Maintenance of Other Equipment		
57	TOTAL Maintenance (Total of lines 49 thru 56)		
58	TOTAL Products Extraction (Total of lines 47 and 57)		

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Current Year (b)	Amount for Previous Year (c)
59	C. Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration and Development (Total of lines 61 thru 64)		
66	D. Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases		
69	800.1 Natural Gas Well Head Purchases, Intracompany Transfers		
70	801 Natural Gas Field Line Purchases	1,215,351	1,251,233
71	802 Natural Gas Gasoline Plant Outlet Purchases		
72	803 Natural Gas Transmission Line Purchases	119,230,610	97,608,636
73	804 Natural Gas City Gate Purchases	2,070,207	4,065,214
74	804.1 Liquefied Natural Gas Purchases		
75	805 Other Gas Purchases (excluding 805.1)		
76	805.1 Purchases Gas Costs Adjustments	(7,585,334)	27,010,319
77	TOTAL Purchased Gas (Total of lines 68 thru 76)	114,930,834	129,935,402
78	806 Exchange Gas	(2,314,946)	(15,389,499)
79	Purchased Gas Expenses		
80	807.1 Well Expense-Purchased Gas		
81	807.2 Operation of Purchased Gas Measuring Stations		
82	807.3 Maintenance of Purchased Gas Measuring Stations		
83	807.4 Purchased Gas Calculations Expenses		
84	807.5 Other Purchased Gas Expenses	26,563	25,990
85	Total Purchased Gas Expenses (Total of lines 80 thru 84)	26,563	25,990

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808.1 Gas Withdrawn from Storage-Debit	73,743,584	56,870,711
87	(Less) 808.2 Gas Delivered to Storage-Credit	74,665,148	53,227,552
88	809.1 Withdrawals of Liquefied Natural Gas for Processing-Debit	-	-
89	(Less) 809.2 Deliveries of Natural Gas for Processing-Credit	-	-
90	Gas used in Utility Operation-Credit		
91	810 Gas Used for Compressor Station Fuel-Credit		
92	811 Gas Used for Products Extraction-Credit		
93	812 Gas Used for Other Utility Operations-Credit	126,090	101,772
94	TOTAL Gas Used in Utility Operations-Credit (Total of lines 91 thru 93)	126,090	101,772
95	813 Other Gas Supply Expenses	65,132	0
96	TOTAL Other Gas Supply Exp.(Total of lines 77,78,85,86 thru 89, 94,95)	111,659,929	118,113,279
97	TOTAL Production Expenses (Total of lines 3,30,58,65, and 96)	111,660,657	118,114,209
98	2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
99	A. Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering	-	-
102	815 Maps and Records	-	-
103	816 Wells Expenses	-	-
104	817 Lines Expense	-	-
105	818 Compressor Station Expenses	-	-
106	819 Compressor Station Fuel and Power	-	-
107	820 Measuring and Regulating Station Expenses	-	-
108	821 Purification Expenses	-	-
109	822 Exploration and Development	-	-
110	823 Gas Losses	-	-
111	824 Other Expenses	-	-
112	825 Storage Well Royalties	-	-
113	826 Rents	-	-
114	TOTAL Operation (Total of lines 101 thru 113)	-	-

Name of Respondent		This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
115	Maintenance			
116	830 Maintenance Supervision and Engineering			
117	831 Maintenance of Structures and Improvements			
118	832 Maintenance of Reservoirs and Wells			
119	833 Maintenance of Lines			
120	834 Maintenance of Compressor Station Equipment			
121	835 Maintenance of Measuring and Regulating Station Equipment			
122	836 Maintenance of Purification Equipment			
123	837 Maintenance of Other Equipment			
124	TOTAL Maintenance (Total of lines 116 thru 123)			
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)			
126	B. Other Storage Expenses			
127	Operation			
128	840 Operation Supervision and Engineering			
129	841 Operation Labor and Expenses			
130	842 Rents			
131	842.1 Fuel			
132	842.2 Power			
133	842.3 Gas Losses			
134	TOTAL Operation (Total of lines 128 thru 133)			
135	Maintenance			
136	843.1 Maintenance Supervision and Engineering			
137	843.2 Maintenance of Structures and Improvements			
138	843.3 Maintenance of Gas Holders			
139	843.4 Maintenance of Purification Equipment			
140	843.5 Maintenance of Liquefaction Equipment			
141	843.6 Maintenance of Vaporizing Equipment			
142	843.7 Maintenance of Compressor Equipment			
143	843.8 Maintenance of Measuring and Regulating Equipment			
144	843.9 Maintenance of Other Equipment			
145	TOTAL Maintenance (Total of lines 136 thru 144)			
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)			

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C. Liquefied Natural Gas Terminating and Processing Expenses		
148	Operation		
149	844.1 Operation Supervision and Engineering		
150	844.2 LNG Processing Terminal Labor and Expenses		
151	844.3 Liquefaction Processing Labor and Expenses		
152	844.4 Liquefaction Transportation Labor and Expenses		
153	844.5 Measuring and Regulating Labor and Expenses		
154	844.6 Compressor Station Labor and Expenses		
155	844.7 Communication System Expenses		
156	844.8 System Control and Load Dispatching		
157	845.1 Fuel		
158	845.2 Power		
159	845.3 Rents		
160	845.4 Demurrage Charges		
161	(less) 845.5 Wharfage Receipts-Credit		
162	845.6 Processing Liquefied or Vaporized Gas by Others		
163	846.1 Gas Losses		
164	846.2 Other Expenses		
165	TOTAL Operation (Total of lines 149 thru 164)		
166	Maintenance		
167	847.1 Maintenance Supervision and Engineering		
168	847.2 Maintenance of Structures and Improvements		
169	847.3 Maintenance of LNG Processing Terminal Equipment		
170	847.4 Maintenance of LNG Transportation Equipment		
171	847.5 Maintenance of Measuring and Regulating Equipment		
172	847.6 Maintenance of Compressor Station Equipment		
173	847.7 Maintenance of Communication Equipment		
174	847.8 Maintenance of Other Equipment		
175	TOTAL Maintenance (Total of lines 167 thru 174)		
176	TOTAL Liquefied Nat Gas Terminating and Proc Exp (Total of lines 165 and 175)		
177	TOTAL Natural Gas Storage (Total of lines 125, 146, and 176)		

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3. TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering		
181	851 System Control and Load Dispatching		
182	852 Communication System Expenses		
183	853 Compressor Station Labor and Expenses		
184	854 Gas for Compressor Station Fuel		
185	855 Other Fuel and Power for Compressor Stations		
186	856 Mains Expenses		
187	857 Measuring and Regulating Station Expenses		
188	858 Transmission and Compression of Gas by Others		
189	859 Other Expenses		
190	860 Rents		
191	TOTAL Operation (Total of lines 180 thru 190)		
192	Maintenance		
193	861 Maintenance Supervision and Engineering		
194	862 Maintenance of Structures and Improvements		
195	863 Maintenance of Mains		
196	864 Maintenance of Compressor Station Equipment		
197	865 Maintenance of Measuring and Regulating Station Equipment		
198	866 Maintenance of Communication Equipment		
199	867 Maintenance of Other Equipment		
200	TOTAL Maintenance (Total of lines 193 thru 199)		
201	TOTAL Transmission Expenses (Total of lines 191 and 200)		
202	4. DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering	493,905	224,229
205	871 Distribution Load Dispatching	25,392	26,568
206	872 Compressor Station Labor and Expenses		
207	873 Compressor Station Fuel and Power		

Name of Respondent		This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
208	874 Mains and Services Expenses	1,784,864	1,703,053	
209	875 Measuring and Regulating Station Expenses-General	152,470	180,486	
210	876 Measuring and Regulating Station Expenses-Industrial	35,955	35,452	
211	877 Measuring and Regulating Station Expenses-City Gas Check Station	-	-	
212	878 Meter and House Regulator Expenses	1,387,362	1,513,798	
213	879 Customer Installations Expenses	1,154,479	1,056,272	
214	880 Other Expenses	1,407,072	1,525,712	
215	881 Rents	107,889	119,242	
216	TOTAL Operation (Total of lines 204 thru 215)	6,549,388	6,384,810	
217	Maintenance			
218	885 Maintenance Supervision and Engineering	143,461	154,549	
219	886 Maintenance of Structures and Improvements	104,408	111,180	
220	887 Maintenance of Mains	1,217,663	1,258,775	
221	888 Maintenance of Compressor Station Equipment	-	-	
222	889 Maintenance of Measuring and Regulating Station Equipment-General	143,154	139,891	
223	890 Maintenance of Meas. And Reg. Station Equipment-Industrial	120,197	98,973	
224	891 Maintenance of Meas. And Reg. Station Equip-City Gate Check Station	-	-	
225	892 Maintenance of Services	453,798	343,171	
226	893 Maintenance of Meters and House Regulators	116,988	139,404	
227	894 Maintenance of Other Equipment	166,391	104,663	
228	TOTAL Maintenance (Total of lines 218 thru 227)	2,466,060	2,350,606	
229	TOTAL Distribution Expenses (Total of lines 216 and 228)	9,015,448	8,735,417	
230	5. CUSTOMER ACCOUNTS EXPENSES			
231	Operation			
232	901 Supervision	6,983	6,460	
233	902 Meter Reading Expenses	1,245,284	1,107,953	
234	903 Customer Records and Collection Expenses	942,360	1,284,044	

Name of Respondent		This Report Is:	Date of Report (Mo.Da.Yr.)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
GAS OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
235	904 Uncollectible Accounts	1,181,041	1,594,284	
236	905 Miscellaneous Customer Accounts Expenses	824	4,836	
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)	3,376,492	3,997,577	
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
239	Operation			
240	907 Supervision	39,083	31,928	
241	908 Customer Assistance Expenses	158,365	142,618	
242	909 Informational and Instructional Expenses	-	-	
243	910 Miscellaneous Customer Service and Informational Expenses	24,200	45	
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)	221,648	174,591	
245	7. SALES EXPENSES			
246	Operation			
247	911 Supervision	-	-	
248	912 Demonstrating and Selling Expenses	13,861	-	
249	913 Advertising Expenses	-	-	
250	916 Miscellaneous Sales Expenses	-	-	
251	TOTAL Sales Expenses (Total of lines 247 thru 250)	13,861	-	
252	8. ADMINISTRATIVE AND GENERAL EXPENSES			
253	Operation			
254	920 Administrative and General Salaries	262,556	528,567	
255	921 Office Supplies and Expenses	400,421	266,695	
256	(Less) 922 Administrative Expenses Transferred-Credit	-	2	
257	923 Outside Services Employed	7,946,166	9,891,684	
258	924 Property Insurance	134,560	197,475	
259	925 Injuries and Damages	731,932	831,034	
260	926 Employee Pensions and Benefits	1,583,964	1,804,266	
261	927 Franchise Requirements	-	-	
262	928 Regulatory Commission Expenses	288,669	281,551	
263	(Less) 929 Duplicate Charges-Credit	-	-	
264	930.1 General Advertising Expenses	-	-	
265	930.2 Miscellaneous General Expenses	42,277	37,457	
266	931 Rents	9,785	(375,324)	
267	TOTAL Operation (Total of lines 254 thru 266)	11,400,330	13,463,403	
268	Maintenance			
269	935 Maintenance of General Plant	401	394	
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)	11,400,731	13,463,797	
271	TOTAL Gas O & M Expenses (Total of lines 97,177,201,229,237,244,251 and 270)	135,688,837	144,485,593	

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year of Report Dec. 31, 2007
--	---	--	---------------------------------

EXCHANGE AND IMBALANCE TRANSACTIONS

1. Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no-notice service. Also, report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no-notice quantities for exchange.

If respondent does not have separate zones, provide totals by rate schedule. Minor transactions (less than 100,000 Dth) may be grouped.

Line No.	Zone/Rate Schedule (a)	Gas Received from Others		Gas Delivered to Others	
		Amount (b)	DTH (c)	Amount (d)	DTH (e)
1	Off System Sales	-		(1,478,742)	(509,936)
2	Transportation Imbalances with Pipelines				
3	Transportation Imbalances with End Users	(836,204)	134,539		
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	TOTAL	(836,204)	134,539	(1,478,742)	(509,936)

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year Ending Dec. 31, 2007
---	---	--	-------------------------------------

GAS USED IN UTILITY OPERATIONS

1. Report below details of credits during the year to Accounts 810, 811, and 812
 2. If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account, list separately in column (c) the MCF of gas used, omitting entries in column (d)

Line No	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas		Manufactured Gas	
			Gas Used (DTH) (c)	Amount of Credit (in dollars) (d)	Gas Used (DTH) (e)	Amount of Credit (f)
1	810 Gas Used for Compressor Station Fuel - Credit					
2	811 Gas Used for Products Extraction - Credit					
3	Gas Shrinkage and Other Usage in Respondent's Own Processing					
4	Gas Shrinkage, etc for Respondent's Gas Processed by Others					
5	812 Gas Used for Other Utility Operations - Credit (Report separately for each principal use. Group minor uses.)					
6	Heat for Building and Other Uses:	874				
		875	3,441	29,234		
		880	10,729	91,142		
		921	673	5,714		
		236		-		
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
	TOTAL		14,843	126,090		

Name of Respondent	This Report Is: (X) An Original () A Resubmission	Date of Report March 31, 2008	Year of Report Dec. 31, 2007
COLUMBIA GAS OF KENTUCKY, INC			

Transmission and Compression of Gas by Others (Account 858)

1. Report below the details concerning gas transported or compressed for respondent by others equalling more than 1,000,000 Dth and amounts of payments for such services during the year. Minor items (less than 1,000,000)Dth may be grouped. Also, include in column © amounts paid as transition costs to an upstream pipeline.
2. In column (a) give name of companies, point of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
3. Designate associated companies with an asterisk in column (b).

Line No	Name of Company and Description of Services Performed <i>(a)</i>	*	Amount of Payment (in dollars) <i>(c)</i>	Dth of Gas Delivered <i>(d)</i>
1				
2	Not Applicable			
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	Total			

Name of Respondent	This Report Is:	Date of Report	Year Ending
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007

Other Gas Supply Expenses (Account 813)

1. Report other gas supply expenses by descriptive titles that clearly indicate the nature of each such expense. Show maintenance expenses, revaluation of monthly encroachments recorded in Account 117.4 and losses or settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purposes to which any expenses relate. List separately items of \$250,000 or more.

Line No	Description (a)	Amount (in dollars) (b)
1	Intercompany Off-System Exchange Activity	65,132
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	Total	

This Side of Page Left
Intentionally Blank

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.		This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year Ending Dec. 31, 2007
MISCELLANEOUS GENERAL EXPENSES (Account 930.2)				
1. Provide the information requested below on miscellaneous general expenses.		2. For Other Expenses, show the (a) purpose, (b) recipient and (c) amount of such items. List separately amounts of \$250,000 or more however, amounts less than \$250,000 may be grouped if the number of items so grouped is shown.		
Line No	Description (a)	Amount (in dollars) (b)		
1	Industry association dues	34,458		
2	Experimental and general research expenses a. Gas Research Institute (GRI) b. Other			
3	Publishing and distributing information and reports to stockholders, trustee, registrar, and transfer agent fees and expenses, and other expenses of servicing outstanding securities of the respondent			
4	Other expenses	7,819		
5	Directors' Fees: Attending Board of Directors Meetings			
6	Incentive and Special Payouts	0		
7				
8				
9				
10				
11				
12				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25	TOTAL	42,277		

Name of Respondent Columbia Gas of Kentucky, Inc.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year Ending Dec. 31, 2007
---	---	--	------------------------------

**DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2, 404.3, 405)
(Except Amortization of Acquisition Adjustments)**

1 Report in Section A the amounts of depreciation expense, depletion and amortization for the accounts indicated and classified according to the plant functional groups shown

2 Report in Section B column (b) all depreciation or amortizable plant balances to which rates are applied and show a composite total (If more desirable, report by plant account, subaccount or functional classifications other than those pre-printed in column (a) Indicate in a footnote the manner in which column (b) balances are

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404.1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404.2) (d)
1	Intangible plant	0		
2	Production plant, manufactured gas	0		
3	Production and gathering plant, natural gas	0		
4	Products extraction plant	0		
5	Underground gas storage plant	0		
6	Other storage plant	0		
7	Base load LNG terminaling and processing plant	0		
8	Transmission plant	0		
9	Distribution plant	4,943,088		
10	General plant	48,826		
11	Common plant - gas	0		
12	TOTAL	4,991,914	0	0

Name of Respondent Columbia Gas of Kentucky, Inc.	This Report is:	Date of Report (Mo, Da, Yr) March 31, 2008	Year Ending Dec. 31, 2007
	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

**DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Accounts 403, 404.1, 404.2, 404.3, 405)
(Except Amortization of Acquisition Adjustments)**

obtained. If average balances are used, state the method of averaging used. For column (c) report available information for each plant functional classification listed in column (a). If composite depreciation accounting is used, report available information called for in columns (b) and (c) on this basis. Where the unit-of-production method is used

to determine depreciation charges, show in a footnote any revisions made to estimated gas reserves.

3. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state in a footnote the amounts and nature of the provisions and the plant items to which related.

Section A. Summary of Depreciation, Depletion, and Amortization Charges

Amortization of Other Limited-term Gas Plant (Account 404.3) (e)	Amortization of Other Gas Plant (Account 405) (f)	Total (b to f) (g)	Functional Classification (a)	Line No.
166,574		166,574	Intangible plant	1
		0	Production plant, manufactured gas	2
		0	Production and gathering plant, natural gas	3
		0	Products extraction plant	4
		0	Underground gas storage plant	5
		0	Other storage plant	6
		0	Base load LNG terminaling and processing plant	7
		0	Transmission plant	8
9,310		4,952,398	Distribution plant	9
248,699		297,525	General plant	10
		0	Common plant - gas	11
424,583	0	5,416,497	TOTAL	12

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year Ending
Columbia Gas of Kentucky, Inc.	<input checked="" type="checkbox"/> An Original	March 31, 2008	Dec. 31, 2007
	<input type="checkbox"/> A Resubmission		

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)

4 Add rows as necessary to completely report all data. Number the additional rows in sequence as 2.01, 2.02, 3.01, 3.02, etc.

Section B, Factors Used in Estimating Depreciation Charges

Line No.	Functional Classification (a)	Depreciation Plant Base (thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore		
3	Onshore		
4	Underground Gas Storage Plant		
5	Transmission Plant		
6	Offshore		
7	Onshore		
8	General Plant	131,515	0.23%
9	Liquefied Petroleum Gas - Air Plant	0	0
10	Distribution Plant	250,189	1.98%
11			
12			
13			
14			
15	Total	381,703	1.38%

Notes to Depreciation, Depletion and Amortization of Gas Plant

Straight-line depreciation accruals are computed monthly by applying one-twelfth of the annual depreciation rate to the balance of the property account at the beginning of each month. Depreciation rates cannot be fixed solely on the basis of statistical studies. While statistical studies based upon past experience have value in making judgments, management must also consider current or anticipated changes in operating conditions, gas supply, physical conditions, technological breakthroughs and short and long-range construction projects.

Name of Respondent	This Report Is:	Date of Report	Year Ending
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts.

(a) *Miscellaneous Amortization* (Account 425) - Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) *Miscellaneous Income Deductions* - Report the nature, payee and amount of other income deductions for the year as required by Accounts 426 1, *Donations*; 426 2, *Life Insurance*; 426 3, *Penalties*; 426 4, *Expenditures for Certain Civic, Political and Related Activities*; and 426 5, *Other Deductions*, of the Uniform System of Accounts.

Amounts less than \$250,000 may be grouped by classes within the above accounts.

(c) *Interest on Debt to Associated Companies* (Account 430) - For each associated company that incurred interest on debt during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) *Other Interest Expense* (Account 431) - Report details including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	ACCOUNT 425	---
2	MISCELLANEOUS AMORTIZATIONS	
3		
4	ACCOUNT 426	
5	CONTRIBUTIONS	119,304
6	ENERGY ASSISTANCE PROGRAM	16,248
7	SHAREHOLDER PORTION OF ENERGY ASSISTANCE PROGRAM	174,996
8	MARK TO MARKET OPTIONS	53,204
9	OTHER	17,445
10		
11		
12	TOTAL ACCOUNT 426	381,197
13		
14	ACCOUNT 430	
15	MONEY POOL	5,762
16	INSTALLMENT PROMISSORY NOTES (SEE PAGES 257-A)	3,283,236
17		
18	TOTAL ACCOUNT 430	3,288,998
19		
20	ACCOUNT 431	
21	RATE REFUNDS	2,328
22	CUSTOMER DEPOSITS	190,422
23	INTEREST EXPENSE	18,624
24		
25		
26		
27		
28	TOTAL ACCOUNT 431	211,374
29		
30		
31		
32		
33		
34		
35		

Name of Respondent Columbia Gas of Kentucky, Inc.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year Ending Dec 31, 2007
--	---	---	-----------------------------

REGULATORY COMMISSION EXPENSES (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.

2. In columns (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No	Description <i>(Furnish name of regulatory commission or body, the docket number and a description of the case)</i>	Assessed by Regulatory Commission	Expenses of Utility	Total Expenses to date	Deferred in Account 182 3 at Beginning of Year
	(a)	(b)	(c)	(d)	(e)
1					
2	Public Service Commission of Kentucky				
3					
4	Assessment Fees Based on Revenue	288,669		288,669	
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	TOTAL	288,669	0	288,669	-

	Name of Respondent Columbia Gas of Kentucky, Inc.		This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) March 31, 2008		Year Ending Dec 31, 2007	
REGULATORY COMMISSION EXPENSES (Continued)								
3. Show in Column (k) any expenses incurred in prior years that are being amortized. List in Column (a) the period of amortization. 4. Identify separately all annual charge adjustments (ACA).					5. List in column (f), (g), and (h) expenses incurred during the year which were charges currently to income, plant or other accounts. 6. Minor items (less than \$250,000) may be grouped.			
EXPENSES INCURRED DURING YEAR					AMORTIZED DURING THE YEAR			
Line No	CHARGED CURRENTLY TO				Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)
	Department (t)	Account No (g)	Amount (h)					
1								
2								
3								
4	Gas	928	288,669					
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25			288,669					

Name of Respondent		This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY		(X) An Original () A Resubmission	March 31, 2008	Dec. 31, 2007
DISTRIBUTION OF SALARIES AND WAGES				
Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used. When reporting detail of other accounts, enter as many rows as necessary numbered sequentially starting with 74.01, 74.02, etc.				
Line No	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	0		
4	Transmission	0		
5	Distribution	0		
6	Customer Accounts	0		
7	Customer Service and Informational	0		
8	Sales	0		
9	Administrative and General	0		
10	TOTAL Operation (Enter Total of lines 3 thru 9)	0		
11	Maintenance			
12	Production	0		
13	Transmission	0		
14	Distribution	0		
15	Administrative and General	0		
16	TOTAL Maintenance (Enter Total of lines 12 thru 15)	0		
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)	0		
19	Transmission (Total of lines 4 and 13)	0		
20	Distribution (Total of lines 5 and 14)	0		
21	Customer Accounts (line 6)	0		
22	Customer Service and Informational (Transcribe from line 7)	0		
23	Sales (line 8)	0		
24	Administrative and General (Total of lines 9 and 15)	0		
25	TOTAL Operation (Total of lines 18 thru 24)	0	0	0
26	Gas			
27	Operation			
28	Production - Manufactured Gas	0		
29	Production - Natural Gas (Including Exploration and Development)			
30	Other Gas Supply	24,237		
31	Storage, LNG Terminaling and Processing	0		
32	Transmission	0		
33	Distribution	3,564,549		
34	Customer Accounts	725,653		
35	Customer Service and Informational	104,136		
36	Sales	2,155		
37	Administrative and General	262,559		
38	TOTAL Operation (Total of lines 28 thru 37)	4,683,289		
39	Maintenance			
40	Production - Manufactured Gas	0		
41	Production - Natural Gas (Including Exploration and Development)			
42	Other Gas Supply			
43	Storage, LNG Terminaling and Processing	0		
44	Transmission	0		
45	Distribution	1,002,775		
46	Administrative and General	0		
47	TOTAL Maintenance (Total of lines 40 thru 46)	1,002,775		

Name of Respondent		This Report Is:		Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007
DISTRIBUTION OF SALARIES AND WAGES (Continued)					
Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)	
	Gas (Continued)				
48	Total Operation and Maintenance				
49	Production - Manufactured Gas (Lines 28 and 40)	0	-	0	
50	Production - Natural Gas (Including Expl. and Dev.) (Lines 29 and 41)	-	-	-	
51	Other Gas Supply (Lines 30 and 42)	24,237	-	24,237	
52	Storage, LNG Terminaling and Processing (Lines 31 and 43)	-	-	-	
53	Transmission (Lines 32 and 44)	-	-	-	
54	Distribution (Lines 33 and 45)	4,567,324	57,574	4,624,898	
55	Customer Accounts (Line 34)	725,653	4,489	730,142	
56	Customer Service and Informational (Line 35)	104,136	-	104,136	
57	Sales (Line 36)	2,155	-	2,155	
58	Administrative and General (Lines 37 and 46)	262,559	1,430	263,989	
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	5,686,064	63,493	5,749,557	
60	Other Utility Departments				
61	Operation and Maintenance				
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	5,686,064	63,493	5,749,557	
63	Utility Plant				
64	Construction (By Utility Departments)				
65	Electric Plant	-	-	-	
66	Gas Plant	2,096,243	24,771	2,121,014	
67	Other	-	-	-	
68	TOTAL Construction (Total of Lines 65 thru 67)	2,096,243	24,771	2,121,014	
69	Plant Removal (By Utility Departments)				
70	Electric Plant	-	-	-	
71	Gas Plant	152,809	2,127	154,936	
72	Other	746,592	-	746,592	
73	TOTAL Plant Removal (Total of lines 70 thru 72)	899,401	2,127	901,528	
74	Other Accounts (Specify):				
75					
76					
77					
78					
79					
80					
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					
91					
92					
93					
94					
95	TOTAL Other Accounts	0	-	0	
96	TOTAL SALARIES AND WAGES	8,681,708	90,391	8,772,099	

Name of Respondent	This Report Is:	Date of Report	Year Ending
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original	(Mo. Da. Yr.)	
	<input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1. Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate, management, construction, engineering, research, financial, valuation, legal, accounting, purchasing, advertising, labor relations, and public relations, rendered for the respondent under written or oral arrangement, for which aggregate payments were made during the year to any corporation partnership, organization of any kind, or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250,000, including payments for legislative services, except those which should be reported in Account 426 4 *Expenditures for Certain Civic, Political and Related Activities*
 (a) Name of person or organization rendering services
 (b) Total charges for the year

2. Designate associated companies with an asterisk in column (b).

Line No	Description (a)	(b)	Amount (in dollars) (c)
1	Nisource Corporate Service, Co.	*	
2	801 E. 86th Avenue		
3	Merrillville, IN 46410		
4			
5	Agrees to furnish at such times, and for such periods and in such manner, as the		
6	respondent may, from time to time desire, accounting and statistical, auditing,		
7	budget, cash management, communications and telecontrol, corporate, electronic		
8	data processing, employee relations, environmental affairs, financial services,		
9	insurance, office space, officers, operation and planning, public relations,		
10	tax, transportation and other services, the description of which is included in		
11	the service agreement.		
12			
13	Actual costs from the service corporation include a reasonable compensation for		
14	necessary capital procured through the issuance of capital stock.		
15			
16	Total Charges For The Year: <u>ACCOUNT</u>		
17			
18	107		538,807
19	182		90,586
20	426		2
21	870		193,412
22	874		18,398
23	878		-
24	880		6,903
25	903		-
26	923		9,934,798
27	924		<u>4,520</u>
28			
29	TOTAL		<u><u>10,787,426</u></u>
30			
31			
32	Service Agreement effective November 1, 1962 may be terminated upon not less		
33	than thirty days written notice.		
34			
35			
36			
37			
38			
39			

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	(1) <input checked="" type="checkbox"/> An Original	(Mo. Da. Yr.)	(Mo. Da. Yr.)
	(2) <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007

CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES (Continued)

2. ANNUAL PAYMENTS OVER \$250,000

<u>Payee Name</u>	<u>Type of Service & Basis</u>	<u>Account</u>	<u>Amount</u>
CJ Hughes Construction Co. Inc. P. O. Box 7305 Huntington , WV 25776	Pipeline Construction & Maintenance	WM	1,498
		107	797,026
		108	12,935
		874	3,549
		887	54,722
		892	3,978
		Total	\$ 873,708
Citibank P. O. Box 6575 The Lakes , Nv 88901-6575	Banking	107	0
		184	828,063
		870	0
		885	0
		Total	\$ 828,063
Damage Prevention Specialists	Consultant Services	874	338,433
			0
			0
		Total	\$ 338,433
KU Solutions 220 West Main Street Louisville, KY 40202	Consultant Services	902	863,903
		Total	\$ 863,903
Stanley Pipeline , Inc. 5425 Paris Road Winchester , Ky. 40391		107	1,553,994
		108	95,491
		874	21,197
		875	945
		878	420
		879	2,820
		887	243,404
		889	270
		892	55,181
		894	945
		Total	1,974,667
Surveys & Analysis 538 Hartford Turnpike Shrewsbury, MA 01545	Field Operations	107	-
		186	-
		874	150,713
		879	111,505
		887	19,074
		892	80
		Total	\$ 281,372
Page Total			5,160,146

Name of Respondent	This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.	(1) <input checked="" type="checkbox"/> An Original	(Mo. Da. Yr.)	
	(2) <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES (Continued)			
2. ANNUAL PAYMENTS OVER \$250,000			
<u>Payee Name</u>	<u>Type of Service & Basis</u>	<u>Account</u>	<u>Amount</u>
The Fishel Co	Consultant Services	107	1,832,319
Corporate Processing Department		108	64,599
Columbus , Oh. 43271-0746		183	116,112
		184	1,477
		186	-
		871	-
		874	21,771
		875	-
		878	-
		879	5,002
		880	2,504
		885	467
		887	230,038
		889	12,399
		890	16,085
		892	86,136
		893	160
		894	-
		Total	\$ 2,389,069
Grand Total			7,549,215

This Side of Page Left
Intentionally Blank

Name of Respondent Columbia Gas of Kentucky, Inc.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) March 31, 2008	Year Ending Dec. 31, 2007
---	---	--	------------------------------

Compressor Stations

1. Report below details concerning compressor stations. Use the following subheadings: field compressor stations, products extraction compressor stations, underground storage compressor stations, compressor stations, distribution compressor stations, and other compressor stations.

2. For column (a), indicate the production areas where such stations are used. Group relatively small field compressor stations by production areas. Show the number of stations grouped. Identify any station held under a title other than full ownership. State in a footnote the name of owner or co-owner, the nature of respondent's title, and the percentage of ownership if jointly owned.

Line No.	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1	Not Applicable			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
25				

Name of Respondent		This Report Is:	Date of Report	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo.Da.Yr.) March 31, 2008	Dec. 31, 2007
GAS STORAGE PROJECTS				
1.Report injections and withdrawals of as for all storage projects used by respondent.				
Line No.	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	Storage Operations (In DTH)			
1	Gas Delivered to Storage			
2	January	(22,087)	-	(22,087)
3	February	68,359	-	68,359
4	March	1,172,832	-	1,172,832
5	April	1,220,835	-	1,220,835
6	May	1,625,593	-	1,625,593
7	June	1,740,233	-	1,740,233
8	July	1,720,454	-	1,720,454
9	August	778,728	-	778,728
10	September	1,364,312	-	1,364,312
11	October	233,553	-	233,553
12	November	21,121	-	21,121
13	December	13,454	-	13,454
14	TOTAL (Enter Total of Lines 2 Thru 13)	9,937,387	-	9,937,387
15	Gas Withdrawn from Storage			
16	January	3,024,165	-	3,024,165
17	February	2,937,223	-	2,937,223
18	March	1,085,358	-	1,085,358
19	April	142,517	-	142,517
20	May	14,289	-	14,289
21	June	0	-	-
22	July	0	-	-
23	August	7,812	-	7,812
24	September	(867)	-	(867)
25	October	69,037	-	69,037
26	November	961,052	-	961,052
27	December	1,574,150	-	1,574,150
28	TOTAL (Enter Total of Lines 16 Thru 27)	9,814,736	-	9,814,736

Name of Respondent COLUMBIA GAS OF KENTUCKY, INC.	This Report Is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) March 31, 2008	Year Ending Dec. 31, 2007
--	---	---	------------------------------

Gas Storage Projects

1. On line 4, enter the total storage capacity certified by FERC.
2. Report total amount in Dth or other unit, as applicable on lines 2, 3, 4, 7. If quantity is converted from Mcf to Dth, provide conversion factor in a footnote.

Line No.	Item (a)	Total Amount (b)
	STORAGE OPERATIONS	
1	Top of Working Gas End of Year	
2	Cushion Gas (Including Native Gas)	
3	Total Gas in Reservoir (Total of line 1 and 2)	
4	Certified Storage Capacity	
5	Number of Injection - Withdrawal Wells	
6	Number of Observation Wells	
7	Maximum Days' Withdrawal from Storage	
8	Date of Maximum Days' Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at "Ship Rail"	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	"Boil Off" Vaporization Loss	

Name of Respondent	This Report Is:	Date of Report (Mo.Da.Yr.)	Year Ending
COLUMBIA GAS OF KENTUCKY, INC.	<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007

Transmission Lines

1. Report below, by state, the total miles of transmission lines of each transmission system operated by respondent at end of year.
2. Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk, in column (b) and in a footnote state the name of owner, or co-owner, nature of respondent's title, and percent ownership if jointly owned.
3. Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line, or any portion thereof, has been retired in the books of account, or what disposition of the line and its book costs are contemplated.
4. Report the number of miles of pipe to one decimal point.

Line No.	Designation (Identification) of Lines or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

Name of Respondent COLUMBIA GAS OF KENTUCKY	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report March 31, 2008	Year of Report Dec. 31, 2007
---	---	---	--

Transmission System Peak Deliveries

1. Report below the total transmission system deliveries of gas (in Dth), excluding deliveries to storage, for the period of system peak deliveries indicated below, during the twelve months embracing the heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report, March 31, which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6.01, 6.02, etc.

Line No	Description (a)	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
	Section A: Single Day Peak Deliveries			
1				
2	Volumns of Gas Transported			
3	No-Notice Transportation			
4	Other Firm Transportation			
5	Interruptible Transportation			
6				
7	TOTAL			
8	Volumns of Gas Withdrawn from Storage under Storage Contract			
9	No-Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12				
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Peak			
17				
18	TOTAL			
19	Section B: Consecutive Three-Day Peak Deliveries			
20				
21	Volumns of Gas Transported			
22	No-Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25				
26	TOTAL			
27	Volumns of Gas Withdrawn from Storage under Storage Contract			
28	No-Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31				
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Peak			
36				
37	TOTAL			

Name of Respondent Columbia Gas of Kentucky, Inc.	This Report is: <input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) March 31, 2008	Year of Report Dec. 31, 2007
--	---	---	---------------------------------

AUXILIARY PEAKING FACILITIES

1. Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.

2. For column (c), for underground storage projects, report the delivery capacity on February 1 of the heating season overlapping the year-end for which this report is submitted. For other facilities, report the rated maximum daily delivery capacities.

3. For column (d), include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use, unless the the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Mcf (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?	
					Yes (e)	No (f)
1			*Nothing To Report			
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						

Name of Respondent		This Report Is:	Date of Report (Mo, Da, Yr)	Year of Report
COLUMBIA GAS OF KENTUCKY, INC.		<input checked="" type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	March 31, 2008	Dec. 31, 2007
GAS ACCOUNT - NATURAL GAS				
<p>1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent.</p> <p>2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.</p> <p>3. Enter in column (c) the Mcf as reported in the schedules indicated for the items of receipts and deliveries.</p> <p>4. Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed.</p> <p>5. If the respondent operates two or more systems which are not interconnected, submit separate pages for this purpose. Use copies of pages 520.</p> <p>6. Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline</p>		<p>transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities, but not through any of the interstate portion of the reporting pipeline, and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline.</p> <p>7. Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline, during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year, (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year, and (3) contract storage quantities.</p> <p>8. Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure. Add additional rows as necessary to report all data, numbered 14.01, 14.02, etc.</p>		
01 NAME OF SYSTEM				
Line No.	Item (a)	Ref Page No. (b)	Amount of Dth (c)	
2	GAS RECEIVED			
3	Gas Purchases (Accounts 800-805)		14,611,770	
4	Gas of Others Received for Gathering (Account 489.1)	303	-	
5	Gas of Others Received for Transmission (Account 489.2)	305	-	
6	Gas of Others Received for Distribution (Account 489.3)	301	-	
7	Gas of Others Received for Contract Storage (Account 489.4)	307	-	
8	Exchanged Gas Received from Others (Account 806)	328	134,539	
9	Gas Received as Imbalances (Account 806)	328	-	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	-	
11	Other Gas Withdrawn from Storage	512	9,814,736	
12	Gas Received from Shippers as Compressor Station Fuel		-	
13	Gas Received from Shippers as Lost and Unaccounted for		-	
14	Other Receipts (Specify)		-	
15	Total Receipts (Total of Lines 3 thru 14)		24,561,045	
16	GAS DELIVERED			
17	Gas Sales (Accounts 480-484)	301	11,567,184	
18	Deliveries of Gas Gathered for Others (Account 489.1)	303	-	
19	Deliveries of Gas Transported for Others (Account 489.2)	305	-	
20	Deliveries of Gas Distributed for Others (Account 489.3)	301	23,051,905	
21	Deliveries of Contract Storage Gas (Account 489.4)	307	-	
22	Exchange Gas Delivered to Others (Account 806)	328	-	
23	Gas Delivered as Imbalances (Account 806)	328	509,936	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	-	
25	Other Gas Delivered to Storage	512	9,937,387	
26	Gas Used for Compressor Station Fuel	509	-	
27	Other Deliveries (Specify):		-	
27.01	Unbilled Gas Sales		160,919	
27.02	Off System Sales		2,118,300	
27.03	Natural Gas Used by Respondent	331	14,843	
27.04	Municipal Free and Line Damage		(2,943)	
28	Total Deliveries (Total of Lines 17 thru 27.04)		47,357,531	
29	GAS UNACCOUNTED FOR			
30	Production System Losses		-	
31	Gathering System Losses		-	
32	Transmission System Losses		-	
33	Distribution System Losses		228,141	
34	Storage System Losses		-	
35	Other Losses (Specify)		-	
36	Total Unaccounted for (Total of Lines 30 thru 35)		228,141	
37	Total Deliveries & Unaccounted For (Total of Lines 28 and 36)		47,585,672	

Name of Respondent	This Report Is:	Date of Report	Year of Report
Columbia Gas of Kentucky , Inc.	(1) X An Original (2) A Resubmission	March 31, 2008	December 31, 2007

SYSTEM MAPS

1. Furnish 5 copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production, gathering, transportation, and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

2. Indicate the following information on the maps:

- (a) Transmission lines-colored in red, if they are not otherwise clearly indicated.
- (b) Principal pipeline arteries of gathering systems.
- (c) Sizes of pipe in principal pipelines shown on map.
- (d) Normal directions of gas flow-indicated by arrows.
- (e) Location of natural gas fields or pools in which the respondent produces or purchases natural gas.
- (f) Locations of compressor stations,

products, extraction plants, stabilization plants, important purification plants, underground storage areas, recycling areas, etc.

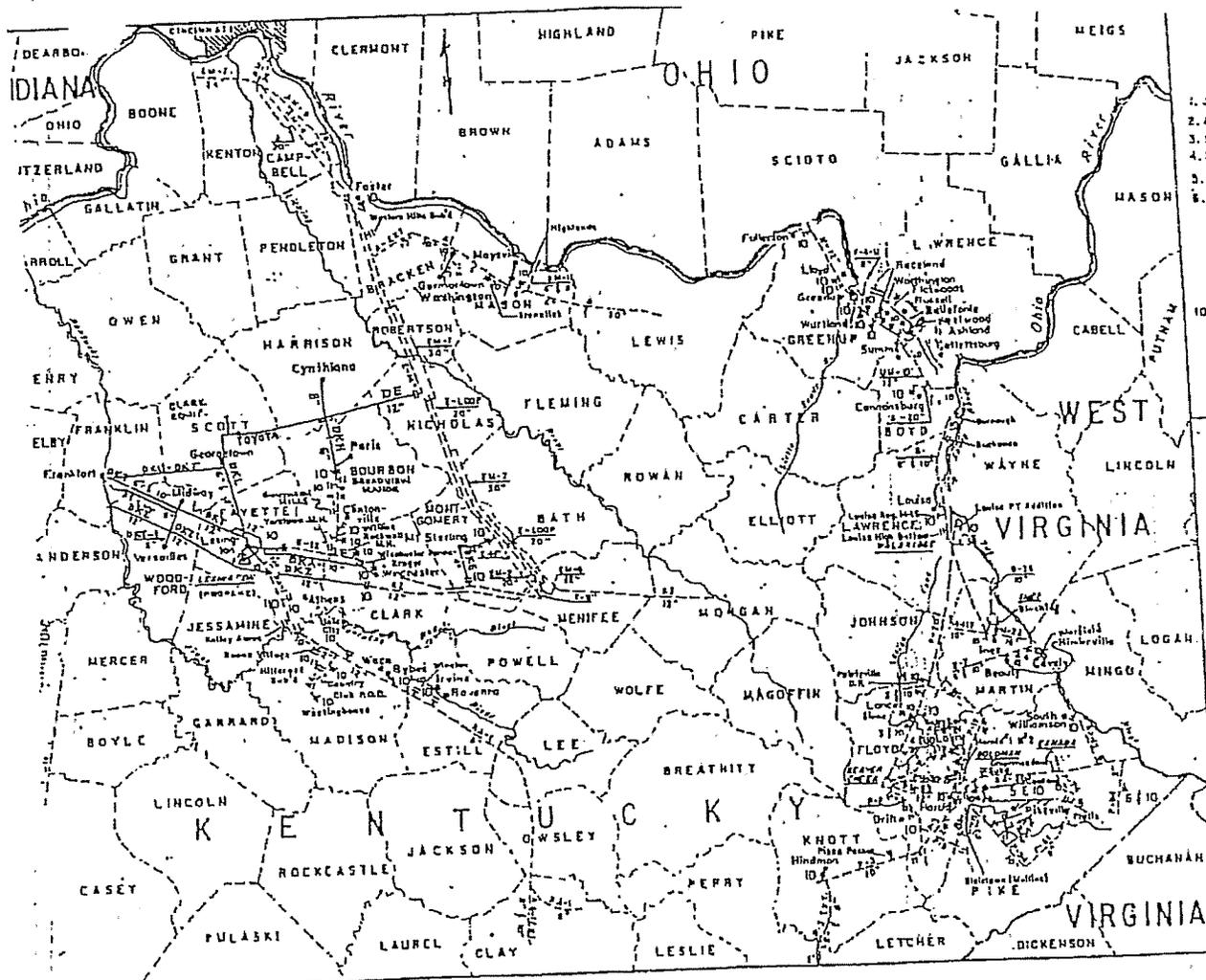
(g). Important main line interconnections with other natural gas companies, indicating in each case whether gas is received or delivered and name of connecting company.

(h). Principal communities in which respondent renders local distribution service.

3. In addition, show on each map: graphic scale to which map is drawn; date as of which the map represents the facts it purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.

4. Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

SEE ATTACHED



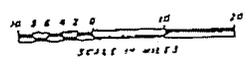
MAJOR DELIVERY POINTS FOR SALE AND PURCHASE OF NATURAL GAS	
SALE TO	LOCATION
1. JOHNSON COUNTY GAS COMPANY	JOHNSON COUNTY, KENTUCKY
2. LAUXIER ROAD GAS COMPANY	FLOYD COUNTY, KENTUCKY
3. MIKE LITTLE GAS COMPANY, INC.	FLOYD COUNTY, KENTUCKY
4. MARTIN GAS COMPANY	PIKE COUNTY, KENTUCKY
5. THE CITY OF PIKEVILLE	PIKE COUNTY, KENTUCKY
6. PHELPS GAS COMPANY, INC.	PIKE COUNTY, KENTUCKY

PURCHASE FROM	
10. COLUMBIA GAS TRANSMISSION CORPORATION	BOURBON, BOYD, BRACKEN, FAYETTE, FLOYD, GREENUP, LAWRENCE, MADISON, WILMOT, AND PIKE COUNTIES

MAP OF
COLUMBIA GAS OF KENTUCKY, I
 SHOWING
 MAJOR FACILITIES AND DELIVERY POINTS
 FOR SALE AND PURCHASE OF NATURAL GAS

- LEGEND —
- COMMUNITY SERVED RETAIL PIPELINE
 - ▲ PROPANE PLANT
 - ||— INTERCONNECTION

MAJOR SUPPLIER'S FACILITIES
 COLUMBIA GAS TRANSMISSION CORPORATION
 PIPELINE
 COMPRESSOR STATION



DECEMBER 31, 1994

REVISED: 03-20-00

Name of Respondent Columbia Gas of Kentucky, Inc.	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo.Da.Yr.) 03/31/2008	Year of Report Dec. 31, 2007
FOOTNOTE DATA			

Schedule Page: 209 Line No.: 121 Column: g
 Total Gas Plant in Service - This schedule does not include capital leases totaling \$0 at December 31, 2007

Schedule Page: 355 Line No.: 72 Column: b
 Other Accounts (Specify)

Preliminary Survey and Investigation	(975)
Vacation and Non-Productive Time Transferred	(1,723)
Other Miscellaneous	<u>749,290</u>
Total	746,592

This Side of Page Left
Intentionally Blank

INDEX

Accrued and prepaid taxes	262-263
Accumulated provision for depreciation of gas utility plant	219
utility plant (summary)	200-201
Advance to associated companies	222
Associated companies	
advances from	256
advances to	222-223
control over respondent	102
corporations controlled by respondent	103
investment in	222-223
service contracts charges	357
Attestation 1	
Balance Sheet, comparative	110-113
Bonds	256-257
Capital Stock	250-251
discount	254
expense	254
premiums	252
reacquired	251
subscribed	252
Cash flows, statement of	120-121
Changes – important during the year	108
Compressor Stations	508-509
Construction	
overhead procedures, general description of	218
work in progress – other utility departments	200-201
Contracts, service charges	357
Control	
corporations controlled by respondent	103
over respondent	102
security holders and voting powers	107
CPA Certification, this report form	i
Current and accrued	
liabilities, miscellaneous	268
Deferred	
credits, other	269
debits, miscellaneous	233
income taxes, accumulated	234-235
income taxes, accumulated-other property	274-275
income taxes, accumulated-other	276-277
regulatory expenses	350-351
Definitions, this report form	iv
Depletion	
amortization and depreciation of gas plant	336-338
and amortization of producing natural gas land and land rights	336-338
Depreciation	
gas plant	336-338
gas plant in service	219
Discount on Capital Stock	254
Dividend appropriations	118-119
Earnings, retained	118-119
Exchange and imbalance transactions	328
Expenses, gas operation and maintenance	320-325
Extraordinary property losses	230
Filing Requirements, this report form	i-ii
Footnote Data	551-552
Gas account – natural	520

Gas	
exchanged, natural	328
received	328
stored underground	220
used in utility operations, credit plant in service	331 204-209
Gathering revenues	302-303
General description of construction overhead procedures	218
General information	101
Income	
deductions -- details	256-259,
340	
statement of, for year	114-116
Installments received on capital stock	252
Interest	
on debt to associated companies	340
on long-term from investment, advances, etc.	256-257
Instructions for filing the FERC Form No. 2	i-iii
Investment	
in associated companies	222-223
other 222-223	
subsidiary companies	224-225
securities disposed of during year	222-223
temporary cash	222-223
Law, excerpts applicable to this report form	iv
List of Schedules, this report form	2-3
Legal proceedings during year	108
Long-term debt	256-257
assumed during year	255
retained during year	255
Management and engineering contracts	357
Map, system	522
Miscellaneous general expense	335
Notes	
Payable, advances from associated companies	256-257
to balance sheet	122
to financial statement	122
to statement of income for the year	122
Operating	
expenses -- gas	317-325
revenues -- gas	300-301
Other	
donations received from stockholders	253
gains on resale or cancellation of reacquired capital stock	253
miscellaneous paid-in capital	253
other supplies expense	334
paid-in capital	253
reduction in par or stated value of capital stock	253
regulatory assets	232
regulatory liabilities	278
Peak deliveries, transmission system,	518
Peaking facilities, auxiliary	519
Plant -- gas	
construction work in progress	216
held for future use	214
leased from others	212
leased to others	213
Plant --Utility	
accumulated provisions (summary)	200-201
leased to others, income from	213

Premium on capital stock	252
Prepaid taxed	262-263
Prepayments	230
Professional services, charges for	357
Property losses, extraordinary	230
Reacquired	
capital stock	250-251
long-term debt	256-257
Receivers' certificate	256-257
Reconciliation of reported net income with taxable income from Federal income taxes	261
Regulatory commission expenses	350-351
Regulatory commission expenses -- deferred	232
Retained earnings	
appropriated	118-119
statement of	118-119
unappropriated	118-119
Revenues	
from storing gas of others	306-307
from transportation of gas through gathering facilities	302-303
from transportation of gas through transmission facilities	304-305
gas operating	300
Salaries and wages, distribution of	354-355
Sales	300-301
Securities	
disposed of during year	222-223
holders and voting powers	107
investment in associated companies	222-223
investment, others	222-223
issued or assumed during year	255
refunded or retired during year	255
registered on a national exchange	250-251, 256-257
Stock liability for conversion	252
Storage	
of natural gas, underground	512-513
revenues	306-307
Taxes	
accrued and prepaid	262-263
charged during the year	262-263
on income, deferred -- accumulated	222-223, 234-235
reconciliation of net income for	261
Transmission	
and compression of gas by others	332
lines	514
revenues	304-305
system peak deliveries	518
Unamortized	
debt discount and expense	258-259
loss and gain on reacquired debt	260
premium on debt	258-259
Underground	
storage of natural gas, expense, operating data, plant	512-513
Unrecovered plant and regulatory study costs	230

Supplemental Gas Information
Revenues, Customers and MCF/DTH Sales

		For Reporting Year 2007		
		Revenue	DTH of Natural Gas Sold	Customers
480	Residential	<u>80,273,427</u>	<u>7,181,381</u>	<u>98,835</u>
481	Commercial & Industrial Sales			
	Small (or Commercial)	<u>44,494,027</u>	<u>4,176,266</u>	<u>11,079</u>
	Large (or Industrial)	<u>2,053,090</u>	<u>189,226</u>	<u>110</u>
482	Other Sales To Public Authorities	<u>-</u>	<u>-</u>	<u>-</u>
484	Interdepartmental Sales	<u>-</u>	<u>-</u>	<u>-</u>
	TOTAL Sales to Ultimate Customers	<u>126,820,544</u>	<u>11,546,873</u>	<u>110,024</u>
483	Sales for Resale	<u>161,924</u>	<u>20,311</u>	<u>2</u>
	TOTAL Natural Gas Service	<u>126,982,468</u>	<u>11,567,184</u>	<u>110,026</u>

**ADDITIONAL INFORMATION TO BE FURNISHED WITH
ANNUAL REPORT
December 31, 2007**

GAS PURCHASES

(ACCOUNTS 800, 801, 802, 803, 804, 804.1, 805, 805.1, 805.2)

Name of Seller and Acct No.	Gas Purchased - Mcf	Cost of Gas
Various Appalachian Companies - Account 801	154,958	1,215,351
Various Local Companies	-	-
Various Non-Local Companies	13,926,251	104,075,930
Pipeline Expenses - Transp.	(244,051)	11,986,890
Pipeline Expenses - Storage	(242,870)	3,167,790
Total Account 803	13,439,330	119,230,610
Various Local Companies	239,513	2,070,207
Various Non-Local Companies	-	-
City Gate Gas Purchases - Account 804	239,513	2,070,207
Propane Expenses	-	-
Miscellaneous Purchases	-	-
Deferred Purchased Gas Adj. - Account 805	-	(7,585,334)
	-	(7,585,334)
Total	13,833,801	114,930,834

PUBLIC SERVICE COMMISSION OF KENTUCKY
PRINCIPAL PAYMENT AND INTEREST INFORMATION
FOR THE YEAR ENDING DECEMBER 31, 2007

1. Amount of Principal Payment during calendar year \$ -
2. Is Principal current? (Yes) N/A (No) _____
3. Is Interest current? (Yes) N/A (No) _____

SERVICES PERFORMED BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are your financial statements examined by a Certified Public Accountant?
YES _____ NO X*

If yes, which service is performed?

Audit _____
Compilation _____
Review _____

Please enclose a copy of the accountant's report with annual report.

* Deloitte Touche Tohmatsu audits The Columbia Energy Group of which Respondent is a subsidiary (see page 102).

**COLUMBIA GAS OF KENTUCKY, INC.
CHECKLIST FOR THE ANNUAL REPORT
OF A AND B GAS COMPANIES**

To be Completed and Returned With Annual Report

Page No.	Line No.		Page No.	Line No.	Yes	No	If No, Explain Why
		<u>BALANCE SHEET</u>					
110	2	agrees with	200	13 less 11	x		
110	3	agrees with	200	11	x		
110	5	agrees with	200	14 & 33	x		
110	6	agrees with	200	15	x		
110	11	agrees with	122-123	-	x		
110	12	agrees with	220	5 (b)	x		
110	14	agrees with	220	5 (d)	x		
110	15	agrees with	220	5 (e)	x		
110	19	agrees with	222-223	-	x		
110	20	agrees with	222-223	-	x		
111	46	agrees with	227	-	x		
111	52	agrees with	220	-	x		
111	53	agrees with	220	-	x		
111	54	agrees with	230	Acct. 165	x		
111	67	agrees with	230	Acct. 182.1	x		
111	68	agrees with	230	Acct. 182.2	x		
111	69	agrees with	232	Acct. 182.3	x		
111	74	agrees with	233	Acct. 186	x		
111	78	agrees with	234-235	Acct. 190	x		
112	2	agrees with	251	(f)	x		
112	3	agrees with	251	(f)	x		
112	4	agrees with	252	-	x		
112	5	agrees with	252	-	x		

**COLUMBIA GAS OF KENTUCKY, INC.
CHECKLIST FOR THE ANNUAL REPORT
OF A AND B GAS COMPANIES**

To be Completed and Returned With Annual Report

Page No.	Line No.		Page No.	Line No.	Yes	No	If No, Explain Why
		<u>BALANCE SHEET</u>					
		<u>Continued</u>					
112	6	agrees with	252	-	x		
112	7	agrees with	253	40 (b)	x		
112	8	agrees with	252	(d)	x		
112	9	agrees with	254	Acct. 213	x		
112	10	agrees with	254	Acct. 214	x		
112	11	agrees with	119	19	x		
112	12	agrees with	119	24	x		
112	13	agrees with	251	Acct. 217	x		
112	17	agrees with	256	(d)	x		
112	18	agrees with	257	Acct. 222	x		
112	19	agrees with	256	Acct. 223	x		
112	30	agrees with	256	Acct. 224	x		
113	43	agrees with	263-C	Acct. 236 (g)		x	2 rounding
113	49	agrees with	268	45 (b)	x		
113	60	agrees with	269	45 (f)	x		
113	61	agrees with	278	45 (f)	x		
113	62	agrees with	260	Acct. 257	x		
		<u>INCOME STATEMENT</u>					
114	2	agrees with	300-301	17(h)	x		
114	4 + 5 (c)	agrees with	325	271(b)	x		
114	6 (c)	agrees with	336	12 (b)	x		
114	8 (c)	agrees with	337	12 (e)	x		
114	14+15+16 (c)	agrees with	262-C	60 (j)	x		
114	17 (c)	agrees with	234+274+276	7 (c)	x		
114	18 (c)	agrees with	234+274+276	7 (d)	x		

