

Columbia Gas[®]
of Kentucky

A NiSource Company

200 Civic Center Drive
Columbus, Ohio 43215

October 10, 2013

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



RE: In the matter of adjustment of rates of Columbia Gas of Kentucky, Inc.,
KY PSC Case No. 2013-00167

Dear Mr. Derouen,

Enclosed for docketing with the Commission are an original and eight (8) copies of Columbia Gas of Kentucky, Inc.'s Responses to the Kentucky Public Service Commission's Data Requests Set Four. Should you have any questions about this filing, please contact me at 614-460-5558.

Very truly yours,

Brooke E. Leslie (gmc)

Brooke E. Leslie
Senior Counsel

Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing *Columbia Gas of Kentucky, Inc.'s Responses to the Public Service Commission Staff's Fourth Set of Data Requests* by U.P.S Ground, postage prepaid, to the parties on this 10th day of October, 2013.

Interstate Gas Supply, Inc.
William H. May, III
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The Equus Building
127 West Main Street
Lexington, KY 40507

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Assistant Attorney General
Office of the Attorney General
1024 Capitol Center Drive, Suite 200
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Customers, Inc.
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Brooke E. Leslie (gmc)

Brooke E. Leslie,
Senior Counsel

Attorney for
COLUMBIA GAS OF KENTUCKY, INC.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 10 2013

PUBLIC SERVICE
COMMISSION

In the matter of adjustment of rates of)
Columbia Gas of Kentucky, Inc.) Case No. 2013-00167

CERTIFICATION OF RESPONSES TO INFORMATION REQUESTS

This is to certify that I have supervised the preparation of Columbia Gas of Kentucky, Inc.'s October 10, 2013 responses to the Public Service Commission Staff's Third Set of Information Requests dated September 30, 2013 and that the responses are true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry.

Date: 10/10/13

Brooke E. Leslie (gmc)

Brooke E. Leslie
Senior Counsel
Columbia Gas of Kentucky, Inc.

KY PSC Case No. 2013-00167
Response to Staff's Data Request Set Four No. 001
Respondent: S. Mark Katko

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FOURTH REQUEST FOR INFORMATION
DATED SEPTEMBER 30, 2013

1. Refer to Volume 8, Tab C of Columbia's application, Schedule C-2.2A and the August 15, 2013 supplemental response to Item 45 of Commission Staff's First Request for Information. At the same level of detail and in the same format as in the schedule, provide an updated response to the information request showing actual data for each month of the base period, along with the total for the period (September 2012 to August 2013).

Response:

Please refer to Attachment A of this response for the updated Schedule C-2.2A that shows actual data for each month of the base period and the total for the period.

COLUMBIA GAS OF KENTUCKY, INC.
 CASE NO. 2013 - 00167
 COMPARISON OF TOTAL COMPANY ACCOUNT ACTIVITY
 BASE PERIOD: TWELVE MONTHS ENDED AUGUST 31, 2013

Line No.	Acct No.	Account Description	Actual SEP	Actual OCT	Actual NOV	Actual DEC	Actual JAN	Actual FEB	Actual MAR	Actual APR	Actual MAY	Actual JUN	Actual JUL	Actual AUG 13	TOTAL
1	403-404	DEPRECIATION AND AMORTIZATION EXPENSE	568,572	568,452	571,973	576,826	574,571	576,237	583,381	585,381	578,582	580,118	581,720	583,547	6,929,359
2	406	AMORTIZATION-GAS PLANT ACQUISITION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
3	408	TAXES OTHER THAN INCOME TAXES - PROPERTY	204,405	204,406	175,806	117,723	221,417	221,323	221,323	215,059	219,756	219,757	219,757	206,663	2,447,394
4	408	TAXES OTHER THAN INCOME TAXES - PAYROLL	37,343	37,340	76,941	49,288	47,476	50,216	42,268	37,446	60,583	44,648	39,203	38,670	561,422
5	408	TAXES OTHER THAN INCOME TAXES - OTHER	977	4,107	1,127	323	16	14	14	91	88	99	18	1,909	7,813
6	480	RESIDENTIAL REVENUE	(1,874,545)	(2,254,491)	(4,108,823)	(6,881,371)	(9,390,746)	(9,335,079)	(8,396,537)	(6,249,086)	(3,058,503)	(2,336,778)	(2,110,072)	(2,063,600)	(68,069,624)
7	481.1	COMMERCIAL REVENUE	(788,700)	(819,714)	(1,564,837)	(2,588,885)	(3,846,875)	(3,801,790)	(3,346,142)	(2,490,220)	(1,159,381)	(1,094,526)	(838,114)	(845,657)	(23,193,841)
8	481.2	INDUSTRIAL REVENUE	(96,724)	(64,547)	(120,376)	(180,750)	(170,322)	(160,480)	(148,715)	(149,648)	(72,663)	(161,004)	(149,429)	(253,625)	(1,750,283)
9	483	PUBLIC UTILITIES	(3,749)	(2,709)	(5,789)	(4,477)	(6,524)	(21,772)	(13,245)	(10,169)	(20,543)	(3,935)	(5,776)	(3,977)	(102,665)
10	487	FORFEITED DISCOUNTS	(16,624)	(17,054)	(18,682)	(30,819)	(46,245)	(67,131)	(46,726)	(67,014)	(47,182)	(30,896)	(21,573)	(20,480)	(430,425)
11	488	MISCELLANEOUS SERVICE REVENUE	(10,568)	(16,355)	(18,468)	(9,658)	(10,108)	(13,088)	(11,874)	(7,556)	(9,698)	(9,485)	(12,378)	(3,410)	(132,667)
12	489	TRANSPORTATION REVENUE	(1,195,728)	(1,462,443)	(1,950,087)	(2,176,926)	(2,613,479)	(2,450,087)	(2,116,687)	(1,444,757)	(1,263,172)	(1,179,076)	(1,119,883)	(1,192,070)	(20,155,059)
13	493	RENTAL FROM GAS PROPERTY	(1,401)	(1,401)	(1,401)	(1,402)	(1,402)	(1,402)	(20,589)	(7,797)	(7,798)	(7,797)	(7,797)	(7,797)	(67,984)
14	495	OTHER GAS REVENUE	(164,789)	(1,681,168)	(2,411,955)	(2,884,230)	(2,680,247)	(774,598)	268,702	(1,085,503)	(629,257)	(583,327)	(1,519,956)	(1,407,417)	(15,553,685)
15	717	LIQUEFIED PETROLEUM GAS EXPENSES	56	78	112	166	142	174	347	198	89	138	120	67	1,708
16	723	FUEL FOR LIQUEFIED PETROLEUM GAS PROCESS	0	0	0	0	0	0	0	0	0	0	0	0	0
17	728	LIQUEFIED PETROLEUM GAS	0	0	0	0	0	0	0	0	0	0	0	0	0
18	741	STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
19	742	PRODUCTION EQUIPMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
20	801-803	NATURAL GAS FIELD & TRANSMISSION LINE PURCHASES	3,387,103	3,132,411	4,175,871	5,061,859	5,113,883	5,930,258	3,531,933	7,110,014	13,127,363	10,394,525	6,874,976	5,975,469	73,815,665
21	804	OTHER GAS PURCHASES	21,299	48,501	103,254	(14,602)	91,982	272,912	351,427	98,100	134,782	74,811	24,552	23,639	1,230,657
22	805	OTHER GAS PURCHASES	382,554	(2,504,835)	(3,912,415)	(2,833,978)	(3,661,015)	(861,211)	(1,529,725)	(2,229,709)	(1,210,165)	(588,615)	(22,804)	(550,873)	(19,622,891)
23	806	EXCHANGE GAS	842,463	2,482,122	1,239,182	(1,508,530)	(3,148,130)	(3,831,310)	(3,161,996)	1,085,748	(1,639,157)	866,188	4,591,852	3,485,198	1,303,610
24	807	PURCHASED GAS EXPENSE - BROKERAGE FEE	1,882	1,870	2,558	1,944	1,944	1,792	1,115	568	376	841	1,167	1,144	17,520
25	808	PURCHASED GAS EXPENSE	31,714	31,871	41,904	33,915	32,964	32,475	33,779	32,769	33,510	32,587	33,852	35,336	406,476
26	808	GAS WITHDRAWN FROM STORAGE	(3,823,741)	(991,990)	2,771,922	6,523,244	12,100,872	7,765,990	8,293,153	487,608	(7,808,265)	(8,776,606)	(8,945,246)	(6,529,347)	1,058,204
27	812	TOTAL GAS USED IN OPERATIONS	(2,516)	(2,133)	(3,243)	(4,986)	(13,361)	(13,978)	(12,005)	(9,556)	(4,936)	(3,283)	(2,460)	(2,063)	(74,620)
28	813	EXCHANGE FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
29	870	SUPERVISION AND ENGINEERING	51,184	125,745	11,435	87,253	95,846	66,568	(17,754)	79,204	174,314	24,452	101,627	16,490	816,364
30	871	DISTRIBUTION LOAD DISPATCHING	1,610	2,731	1,869	2,381	9,439	1,513	1,329	1,748	673	3,508	179	1,175	28,155
31	874	MAINS AND SERVICES EXPENSES	201,148	190,506	314,758	324,315	201,335	267,717	315,121	202,170	182,421	281,198	169,611	286,678	2,936,878
32	876	MEASURING AND REGULATION STA. EXPENSE - GEN.	18,754	20,917	11,537	15,126	16,999	16,999	24,097	13,337	9,542	14,794	12,890	19,463	177,350
33	876	MEASURING AND REGULATION STA. EXPENSE - IND.	7,299	7,600	4,007	5,513	3,902	4,138	6,329	4,051	1,967	5,506	3,981	4,125	58,418
34	878	METERS AND HOUSE REGULATOR EXPENSE	100,068	127,345	155,616	103,664	140,865	133,356	173,803	115,031	103,225	104,138	106,382	141,058	1,504,551
35	879	CUSTOMER INSTALLATIONS EXPENSE	111,541	137,726	146,753	130,360	128,558	121,515	153,541	133,463	131,876	162,082	118,473	162,383	1,638,271
36	880	OTHER EXPENSE	72,423	74,691	93,982	86,248	92,665	94,924	134,313	87,867	89,668	124,333	91,847	114,800	1,159,962
37	881	TELECOMMUNICATION EXPENSE - ENGINEERING	5,832	5,427	11,071	8,223	5,577	7,934	4,541	5,715	5,048	4,842	5,112	5,220	78,154
38	885	SUPERVISION AND ENGINEERING	951	1,082	984	1,112	1,262	1,516	1,175	1,310	1,170	1,098	1,076	1,192	13,909
39	886	STRUCTURES AND IMPROVEMENTS	8,360	15,842	12,594	82,425	11,148	17,350	19,775	12,774	9,517	16,111	14,966	52,492	273,344
40	887	MAINS	98,900	89,279	112,799	215,523	93,264	66,851	141,734	95,676	122,561	147,348	150,619	142,650	1,477,205
41	889	MEASURING AND REGULATION STA. EXPENSE - GEN.	26,453	30,480	(4,097)	8,519	6,461	10,262	22,868	24,066	18,830	20,716	26,288	21,286	212,132
42	890	MEASURING AND REGULATION STA. EXPENSE - IND.	6,026	7,247	(4,250)	5,078	4,461	5,521	6,793	3,588	5,322	4,681	5,424	5,424	57,312

COLUMBIA GAS OF KENTUCKY, INC.
 CASE NO. 2013 - 00167
 COMPARISON OF TOTAL COMPANY ACCOUNT ACTIVITY
 BASE PERIOD: TWELVE MONTHS ENDED AUGUST 31, 2013

Line No.	Acct No.	Account Description	Actual SEP	Actual OCT	Actual NOV	Actual DEC	Actual JAN	Actual FEB	Actual MAR	Actual APR	Actual MAY	Actual JUN	Actual JUL	Actual AUG 13	TOTAL
1	882	SERVICES	17,245	23,210	51,156	(53,517)	30,208	24,478	54,693	(24,939)	48,610	34,337	37,082	6,582	249,145
2	883	METERS AND HOUSE REGULATORS	20,045	12,046	6,811	23,232	7,947	10,504	11,780	17,370	13,348	20,076	20,076	15,892	177,321
3	884	OTHER EQUIPMENT	37,922	22,010	31,871	51,189	27,805	23,002	32,394	20,946	19,152	24,581	22,790	20,804	334,466
4	901	SUPERVISION	434	585	583	646	732	607	509	552	704	503	503	579	6,960
5	902	METER READING EXPENSES	126,360	125,001	124,903	121,664	124,003	121,770	129,137	126,815	124,592	123,856	124,326	129,993	1,502,410
6	903	CUSTOMER RECORDS & COLLECTIONS - UTILITY SERVICES	232,826	235,710	280,853	228,080	241,500	287,147	277,100	245,850	243,688	244,432	237,070	260,935	3,015,191
7	904	UNCOLLECTIBLE ACCOUNTS	10,888	25,286	(7,403)	115,532	133,338	117,736	103,531	8,856	45,055	35,834	4,110	40,342	633,106
8	905	MISCELLANEOUS CUSTOMER ACCOUNT EXPENSES	195	75	194	125	125	88	137	28	183	153	198	102	1,602
9	907	SUPERVISION	740	11,206	951	1,056	12,262	5,891	857	832	1,128	1,567	1,222	948	38,760
10	908	CUSTOMER ASSISTANCE EXPENSES	145,709	129,267	148,759	277,803	51,777	174,463	170,974	161,624	111,604	42,061	71,859	92,484	1,578,383
11	909	INFORMATIONAL AND INSTR. ADVERT. EXPENSES	(2,133)	0	0	29,619	0	0	0	9,572	4,999	41,180	41,180	(5,158)	78,079
12	910	MISCELLANEOUS CUSTOMER ACCOUNT EXPENSE	22,902	27,570	30,315	19,542	28,610	36,886	23,968	27,510	27,452	26,222	24,300	25,941	321,217
13	911	SUPERVISION	0	0	0	0	0	0	0	0	0	0	0	0	0
14	912	DEMONSTRATING AND SELLING EXPENSES	2,647	7,959	4,756	3,874	3,075	5,556	9,095	5,794	4,582	4,716	4,926	2,756	59,566
15	913	ADVERTISING EXPENSE	2,867	1,750	15,658	6,889	0	5,017	4,186	5,745	2,711	1,389	1,750	668	48,630
16	921	OFFICE SUPPLIES ADMINISTRATIVE & GENERAL	34,464	38,164	32,655	48,864	49,539	61,514	34,818	33,267	34,818	36,613	41,339	35,559	482,067
17	920	ADMINISTRATIVE AND GENERAL SALARIES	81,829	85,446	213,231	83,584	89,771	92,870	66,959	84,006	78,095	87,298	85,077	114,286	1,162,353
18	921	OFFICE SUPPLIES CUSTOMER ACCOUNTS	9	12	19	19	53	56	48	39	20	14	10	9	298
19	921	OFFICE SUPPLIES CUSTOMER SERVICE	121	121	176	282	773	665	534	279	189	142	142	119	4,113
20	923	OUTSIDE SERVICES EMPLOYED	824,807	760,174	986,478	807,631	710,283	810,144	864,485	842,127	848,852	860,459	758,793	925,114	10,099,346
21	924	PROPERTY INSURANCE PREMIUMS	7,071	7,343	7,343	7,062	7,343	7,343	7,343	7,343	7,343	7,469	7,537	7,529	87,767
22	925	INJURIES AND DAMAGES	53,053	63,566	75,817	104,409	66,596	63,817	67,733	28,470	70,005	58,988	51,939	55,960	760,348
23	926	EMPLOYEE PENSIONS AND BENEFITS	200,129	169,485	402,952	198,162	140,785	145,364	1,285,180	92,793	92,737	160,880	109,561	75,070	3,077,618
24	927	FRANCHISE REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
25	928	REGULATORY COMMISSION EXPENSE	24,700	24,703	17,288	17,288	17,288	17,288	17,288	17,288	17,288	17,288	17,288	(4,493)	200,501
26	929	DUPLICATE CHARGES	0	0	0	0	0	0	0	0	0	0	0	0	0
27	930	MISCELLANEOUS GENERAL	(467)	9,589	(2,381)	(2,381)	(2,381)	8,327	(38,677)	(3,829)	(14,537)	(14,537)	(2,170)	(14,537)	(77,981)
28	931	RENTS	720	1,132	869	873	919	924	840	846	854	854	827	0	9,658
29	935	MAINTENANCE OF GENERAL PLANT - ADMINISTRATIVE & GENERAL	225	0	0	0	0	0	0	0	0	0	0	0	225
30	935	MAINTENANCE OF GENERAL PLANT - CUSTOMER SERVICE & INFORMATION	0	0	0	0	0	0	0	0	0	0	0	0	0
31	935	MAINTENANCE OF GENERAL PLANT - CUSTOMER ACCOUNTS	0	0	0	0	0	0	0	0	0	0	0	0	0
32		OPERATING (INCOME) LOSS	53,120	(709,036)	(1,675,085)	(3,689,578)	(4,851,070)	(3,668,681)	(1,235,752)	(1,610,504)	(137,315)	131,165	81,066	243,146	(17,070,644)
33	409 - 411	FEDERAL INCOME TAXES	(97,658)	218,134	511,534	1,097,825	1,543,271	1,127,906	316,020	474,125	(22,906)	(117,068)	(125,697)	(195,996)	4,729,490
34	409 - 411	STATE INCOME TAXES	(14,836)	(144,461)	96,263	183,981	282,533	210,983	83,397	87,554	(3,091)	(20,263)	(21,906)	(34,691)	705,461
35		NET OPERATING (INCOME) LOSS	(59,376)	(635,363)	(1,067,288)	(2,407,772)	(3,025,266)	(2,330,792)	(837,335)	(1,048,925)	(163,312)	(6,166)	(66,537)	12,459	(11,630,693)
36	417	NON-UTILITY REVENUE	(9,525)	(14,786)	(43,425)	(65,093)	(95,934)	(95,706)	(84,305)	(61,163)	(15,370)	(7,570)	(7,945)	5,483	(485,350)
37	418	INCOME FROM INVESTMENT IN SUBSIDIARY	(1,722)	5,437	(2,459)	(3,656)	(3,598)	(3,598)	(3,598)	1,655	(3,533)	(3,166)	(2,616)	(961)	(30,473)
38	419	INTEREST AND DIVIDEND INCOME	(30,071)	(44,125)	(157,555)	(25,383)	(63,526)	(52,228)	(64,235)	(48,281)	(37,196)	(42,909)	(85,623)	(42,783)	(674,915)
39	421	MISC. NON-OPERATING INCOME	(148,798)	(185,626)	(132,527)	(170,268)	(165,319)	(110,217)	(76,347)	(203,303)	(201,961)	(192,770)	(105,958)	(89,106)	(1,771,788)
40	426	OTHER MISC. DEDUCTIONS	27,612	27,784	35,576	17,496	17,496	31,611	30,478	32,078	18,157	29,577	21,008	22,576	355,276
41	430	INTEREST EXPENSE - PARENT COMPANY DEBT AND OTHERS	382,968	395,733	382,967	395,733	421,540	386,340	427,734	413,935	427,734	413,935	427,734	427,734	4,804,085
42	431	CONTINGENT TAXES, RATE REFUNDS AND CUSTOMER DEPOSIT	200	206	1,138	3,421	383	374	20,498	371	343	339	328	328	38,699
43	432	AFUDC	(1,047)	(5,231)	1,172	(639)	(2,509)	(3,109)	(6,244)	(6,244)	(7,172)	(7,924)	(10,523)	(51,453)	
44		NET (INCOME) LOSS	160,241	(456,001)	(971,844)	(2,212,395)	(2,896,797)	(2,177,057)	(619,504)	(886,827)	19,046	194,282	172,478	325,205	(9,361,172)

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FOURTH REQUEST FOR INFORMATION
DATED SEPTEMBER 30, 2013

1. Refer to the response to Item 9.a. of Commission Staffs Third Request for Information ("Staff's Third Request"). Of the amounts shown in the table included in the response as Columbia's allocation of the expense and capital spent to implement the "NiFiT project," provide the amounts that are included in the test year ending December 31, 2014.

Response:

The forecasted test period includes \$211,700 in O&M expense related to the NiFiT project.

The forecasted test period includes \$1,082,544 of NiFiT capital going into service in July of 2014. As a result of the thirteen month average rate base methodology, the net plant related to NiFiT capital is \$495,819 (\$499,636 of plant and \$3,817 of accumulated reserve).

Additionally, the forecasted test period includes \$49,616 in Amortization expense related to the NiFiT capital.

KY PSC Case No. 2013-00167
Response to Staff's Data Request Set Four No. 003
Respondent: William A. Gresham

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FOURTH REQUEST FOR INFORMATION
DATED SEPTEMBER 30, 2013

3. Refer to the response to Item 19.b. of Staff's Third Request. For purposes of calculating the Weather Normalization Adjustment factor, confirm that, following a final Order of the Commission in this proceeding, normal Heating Degree Days will be re-set to the definition of weather used in the billing determinants used to establish the base rates in this case.

Response:

Yes, following a final Order of the Commission in this proceeding, Columbia's WNA adjustment will use normal Heating Degree Days with the definition of weather used in the billing determinants used to establish the base rates in this case.

KY PSC Case No. 2013-00167
Response to Staff's Data Request Set Four No. 004
Respondent(s): John Spanos, Chad Notestone

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FOURTH REQUEST FOR INFORMATION
DATED SEPTEMBER 30, 2013

4. Refer to the attachment to Columbia's response to Item 23 of Staff's Third Request and the attachment to its response to Item 92 of the first information request of the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"). In the format used in the attachment to the Staff Request, provide the test-period depreciation expense that results from substituting the rates based on the Average Service Life method, from the attachment to the response to AG 1-92, for the current rates shown in the attachment to the response to Staff's Item 23.

Response:

Please see Attachment A.

COLUMBIA GAS OF KENTUCKY, INC.

PROPOSED ANNUAL ACCRUAL VS. PROFORMA DEPRECIATION EXPENSE
CALCULATED UTILIZING THE 13 MONTH AVERAGE BALANCE RELATED TO GAS PLANT AS OF DECEMBER 31, 2014

Depreciable Group (1)	13-Month Ave. Balance Period Ending December 31, 2014 (2)	13-Month Ave. Book Reserve Period Ending December 31, 2014 (3)	Proposed		ASL Accrual Rate (6)	Proforma Depreciation Expense (7)=(2)*(6)
			Rate (4)	Amount (5)=(2)*(4)		
391.12 Information Systems Fully Accrued Amortized						
Total Account 391.12	617,268	384,043	20.00	123,454	19.95	123,145
392.2 Transportation Equipment - Trailers	128,576	30,706	7.33	9,425	6.72	8,640
Tools, Shop and Garage Equipment						
394 Equipment	2,422,649	1,198,735	4.00	96,906	4.00	96,906
394.11 CNG Facilities	335,308	335,308	7.85	26,322	6.99	23,438
Total 394	2,757,957	1,534,043	4.50	123,228		120,344
395 Laboratory Equipment	9,782	6,915	5.00	489	5.00	489
396 Power Operated Equipment	258,255	192,828	5.98	15,444	4.72	12,190
398 Miscellaneous Equipment Fully Accrued Amortized						
Total Account 398	192,820	40,739	6.67	12,861	6.67	12,861
TOTAL GENERAL PLANT	5,119,291	2,992,593	6.80	343,026		335,794
TOTAL DEPRECIABLE PLANT	350,942,618	137,117,275	3.08	11,017,626		8,405,730
AMORTIZABLE PLANT					**	
303 Misc. Intangible Plant	4,186,371	1,799,586	**		**	
375.71 Structures and Improvements - Leaseholds	145,860	63,872	**		**	
TOTAL AMORTIZABLE PLANT	4,332,231	1,863,458		0		0
NONDEPRECIABLE PLANT AND ACCOUNTS NOT STUDIED						
301 Organization	521					
304 Land	7,678					
374.1 Land	206					
374.2 Land	878,534	(19)				
387.2 Other Equip.-Odorization		(59,912)				
394.13 Tools, Shop, & Gar Eq-Und Tank Cleanup		37,937				
TOTAL NONDEPRECIABLE PLANT AND ACCOUNTS NOT STUDIED	886,939	(21,994)				
TOTAL GAS PLANT	356,161,788	138,958,740		11,017,626		8,405,730

** Accrual rate based on individual asset amortization.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S FOURTH REQUEST FOR INFORMATION
DATED SEPTEMBER 30, 2013

1. Refer to the Direct Testimony of Glenn A. Watkins, filed on behalf of the AG, pages 41-51.
 - a. Provide a detailed explanation supporting the need for flex rates for customers A, C, and E. The explanation should include information provided through customer affidavits of the realistic threat of cost-effective physical bypass of Columbia's system.
 - b. Explain how Columbia implements the provisions of its Alternative Fuel Displacement Service ("AFDS") Rate Schedule with regard to customers with the ability to physically bypass Columbia's system through connection to an interstate pipeline, as opposed to customers with the ability to use an alternate energy source.
 - c. State whether the AFDS Rate Schedule should be revised so that it reflects Columbia's current practices with regard to flex rates for physical bypass candidates.

Response:

A. Customer A's proximity to an interstate pipeline makes it a bypass candidate. Based on Columbia's experience with and knowledge of the circumstances with this customer, an investment in bypass infrastructure is something it has undertaken before at other facility location(s), is a doable project with high risk to Columbia, and would be considered by the customer to be a long term investment decision.

Customer C is located near an interstate pipeline, but of greater concern, is a local source of gas adjacent to its property. This places Columbia in the position of needing to compete directly with both sources of gas.

Customer E has had installed and operable coal capability to serve the heating demand for which Columbia has been in competition. Though Columbia has reviewed the bypass threats for this customer, it is the customer's coal burning capability which has driven the flexed rates.

B. Columbia does not currently serve any customers pursuant to the AFDS Rate Schedule. In order to utilize the AFDS Rate Schedule customers must be served under the GS, IS, or IUS Rate Schedule. Customers A, C, and E are served under the DS Rate Schedule.

C. Columbia does not see a need at this time to revise the AFDS Rate Schedule.