

290 W. Nationwide Blvd.  
Columbus, Ohio 43215  
Direct: 614.460.5558  
Fax: 614.460.8403  
bwanchek@nisource.com



October 13, 2017

Ms. Gwen Pinson  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard, P. O. Box 615  
Frankfort, KY 40602

RECEIVED

OCT 13 2017

PUBLIC SERVICE  
COMMISSION

**Re: Columbia Gas of Kentucky, Inc.  
2017 Accelerated Main Replacement Program Filing**

Dear Ms. Pinson:

Pursuant to the Commission's Order dated December 22, 2016 in Case No. 2016-00162, Columbia Gas of Kentucky, Inc. ("Columbia") hereby encloses for filing with the Commission, an original and ten (10) copies of Columbia's 2018 annual forecasted data submitted pursuant to the requirements of the Accelerated Main Replacement Program ("AMRP") Rider contained in Columbia's tariff. By updating the rider, Columbia proposes to increase its current rates to tariff customers effective January 2, 2018 (the beginning of Columbia's January 2018 billing cycle) as follows:

Rate GSR, Rate SVGTS — Residential Service	\$2.00
Rate GSO, Rate GDS, Rate SVGTS — Commercial or Industrial	\$7.42
Rate IUS, Rate IUDS	\$62.46
Rate IS, Rate DS <sup>1</sup> , Rate SAS	\$370.37

<sup>1</sup> Excluding customers subject to Flex Provisions of Rate Schedule DS

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

Sincerely,

Brooke E. Wanchek  
Attorney for  
**COLUMBIA GAS OF KENTUCKY, INC.**

**Columbia Gas of Kentucky, Inc.**  
**Annual Adjustment to the Accelerated Main Replacement Program ("AMRP")**  
**Forecasted Period Ending December 31, 2018**  
**Table of Contents**

<b><u>Form Number</u></b>	<b><u>Description</u></b>
1.0	AMRP Rates by Rate Schedule
1.1	Revenue Requirement
1.2	Cost of Capital
2.0	Plant Additions and Depreciation
2.1	Tax Depreciation
2.2	Unrecovered Rate Case AMRP Plant
3.0	O&M Savings
4.0	Billing Determinants

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

Line No.	Rate Schedule (1)	Base Revenue as Approved PSC Case No. 2016-00162 (2)	Allocation Percent <sup>(1)</sup> (3)	Revenue Requirement (4)	Billing Determinant # of Bills <sup>(2)</sup> (5)	Monthly AMRP Rider (6)
1	Rate GSR, Rate SVGTS - Residential Service	\$51,773,587	64.996%	\$2,907,871	1,451,390	\$2.00
2	Rate GSO, Rate GDS, Rate SVGTS - Com. or Ind. Service	\$22,237,376	27.917%	\$1,248,966	168,269	\$7.42
3	Rate IUS, Rate IUDS	\$26,686	0.034%	\$1,499	24	\$62.46
4	Rate IS, Rate DS <sup>(3)</sup> , Rate SAS	\$5,618,358	7.053%	\$315,556	852	\$370.37
5	TOTAL	<u>\$79,656,007</u>	<u>100.000%</u>	<u>\$4,473,892</u>	<u>1,620,535</u>	

## Notes:

<sup>(1)</sup> Allocation percent is based on the overall base revenue distribution approved in PSC Case No. 2016-00162

<sup>(2)</sup> Billing Determinants based on projected twelve months ending December 31, 2018 bills

<sup>(3)</sup> Excluding customers subject to the Flex Provisions of Rate Schedule DS.

Columbia Gas of Kentucky, Inc.  
Annual Adjustment to the Accelerated Main Replacement Program ("AMRP")  
Forecasted AMRP Revenue Requirement for 2018

<u>Line No.</u>		<u>AMRP Investment December 31, 2018</u> (1)	<u>Reference</u> (2)
<b>Return on Investment</b>			
<b><u>Rate Base</u></b>			
1	Net AMRP Investment-Property, Plant and Equipment	32,131,874	Form 2.0
2	Cost of Removal	3,135,916	Form 2.0
3	Accumulated Reserve for Depreciation	3,402,307	Form 2.0 + Form 2.2
4	Net PP&E	38,670,097	
5	Deferred Taxes on Liberalized Depreciation	(5,811,433)	Form 2.1
6	Net Rate Base	32,858,664	Line 4 + Line 5
7	Authorized Rate of Return, Adjusted for Income Taxes	10.79%	Form 1.2
8	Required Return on AMRP Related Investment	3,546,883	Line 6 * Line 7
<b><u>Operating Expenses</u></b>			
9	Depreciation	491,793	Form 2.0
10	Property Tax <sup>(1)</sup>	426,711	Line 1 * 1.328%
11	O&M Savings FERC Account 887	-	Form 3.0
12	PSC Assessment <sup>(2)</sup>	8,505	(Sum Line 8 to 11) * (.1901%/(1-.1901%))
13	Total Operating Expenses	927,009	Sum Lines 9 to 12
14	<b><u>Total Annual Revenue Requirement</u></b>	<b><u>4,473,892</u></b>	Line 8 + Line 13

## Notes:

<sup>(1)</sup> Property taxes estimated using an effective rate of 1.328%

<sup>(2)</sup> PSC Assessment estimated using a rate of .1901%

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

<u>Line No.</u>	<u>Capital Structure</u> (1)	<u>Ratio</u> (2)	<u>Cost</u> (3)	<u>Weighted Cost</u> (4)	<u>Pre-Tax @ Effect tax of 38.90%</u> (5)
1	Short term Debt	1.26%	2.500%	0.03%	0.03%
2	Long term Debt	46.32%	5.640%	2.61%	2.61%
3	Equity	<u>52.42%</u>	9.500%	<u>4.98%</u>	<u>8.15%</u>
4	Total	100.00%		7.62%	10.79%

Columbia Gas of Kentucky, Inc.  
Annual Adjustment to the Accelerated Main Replacement Program  
2018 Plant Additions and Depreciation

Line No.	Description (1)	Account Number (2)	2018 Beginning Plant Balance (3)	Depr Rates (4)	Depr on Beginning Balance (5)=(3)*(4)	2018 Additions & Retirements (6)	Current Year Depr on Adds/(Ret) (7)=(4)*(6)*50%	2018 Ending Plant Balance (8)=(6)+(3)
<b>Additions</b>								
1	Mains	376	7,725,759	1.65%	127,475	15,340,000	126,555	23,065,759
2	Plant Regulators	378	-	2.20%	-	-	-	-
3	Service Lines	380	3,993,330	3.80%	151,747	7,511,000	142,709	11,504,330
4	Meter Installations	382	55,001	2.08%	1,144	1,086,000	11,294	1,141,001
5	House Regulators	383	100,000	2.25%	2,250	63,000	709	163,000
6	GPS Devices	387	210,921	3.13%	6,602	-	-	210,921
7	Total Additions		12,085,011		289,218	24,000,000	281,267	36,085,011
<b>Retirements</b>								
1	Mains	376	(342,407)	1.65%	(5,650)	(1,088,487)	(8,980)	(1,430,894)
2	Plant Regulators	378	(1,928)	2.20%	(42)	-	-	(1,928)
3	Service Lines	380	(937,178)	3.80%	(35,613)	(1,374,911)	(26,123)	(2,312,090)
4	Meter Installations	382	(9,946)	2.08%	(207)	(196,416)	(2,043)	(206,362)
5	House Regulators	383	(1,143)	2.25%	(26)	(720)	(8)	(1,863)
6	GPS Devices	387	-	3.13%	-	-	-	-
7	Total Retirements		(1,292,602)		(41,538)	(2,660,535)	(37,154)	(3,953,137)
8	<b>Total Plant</b>		<u>10,792,409</u>		<u>247,680</u>	<u>21,339,465</u>	<u>244,113</u>	<u>32,131,874</u>
<b>Cost of Removal</b>								
9	<b>Cost of Removal</b>							
10	Mains	376	214,333			372,968		587,301
11	Plant Regulators	378	1,875			-		1,875
12	Service Lines	380	1,059,084			1,438,351		2,497,435
13	Meter Installations	382	140			49,104		49,244
14	House Regulators	383	24			36		60
15	GPS Devices	387	-			-		-
16	Total Cost of Removal		1,275,456			1,860,460		3,135,916

Notes:

(1) See Form 2.2 for detail of 2017 AMRP eligible capital additions.

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

Ln. No.	MACRS 20 Year Tax Depr Rates	Year	2017 Additions	2018 Additions	Annual Tax Depreciation	Cost of Removal	Book Depreciation	Difference	Deferred Tax @ [1] 38.9%	Accumulated Deferred Income Taxes-Fed NOL	ADIT Normalization Adjustment	Accumulated Deferred Inc. Taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1	Total Plant Additions		12,085,011	24,000,000								
2			<hr/>									
3	0.03750	1	8,409,007		8,409,007	1,275,456	59,037	9,625,426	3,434,014	(153,827)	-	3,280,187
4	0.07219	2	275,710	15,157,201	15,432,911	1,860,460	491,793	16,801,578	6,003,055	(473,451)	(2,998,358)	5,811,433
5	0.06677	3	255,009	663,233	918,242		19,673	898,569	412,771	-	-	6,224,204
6	0.06177	4	235,913	613,437	849,350		19,673	829,677	381,229	-	-	6,605,433
7	0.05713	5	218,192	567,501	785,693		19,673	766,020	352,083	-	-	6,957,516
8	0.05285	6	201,846	524,872	726,718		19,673	707,045	325,081	-	-	7,282,597
9	0.04888	7	186,684	485,550	672,234		19,673	652,561	300,135	-	-	7,582,732
10	0.04522	8	172,706	449,077	621,783		19,673	602,110	277,036	-	-	7,859,768
11	0.04462	9	170,413	415,451	585,864		19,673	566,191	260,755	-	-	8,120,523
12	0.04461	10	170,376	409,939	580,315		19,673	560,642	258,246	-	-	8,378,770
13	0.04462	11	170,413	409,847	580,260		19,673	560,587	258,223	-	-	8,636,993
14	0.04461	12	170,376	409,939	580,315		19,673	560,642	258,246	-	-	8,895,239
15	0.04462	13	170,413	409,847	580,260		19,673	560,587	258,223	-	-	9,153,462
16	0.04461	14	170,376	409,939	580,315		19,673	560,642	258,246	-	-	9,411,708
17	0.04462	15	170,413	409,847	580,260		19,673	560,587	258,223	-	-	9,669,931
18	0.04461	16	170,376	409,939	580,315		19,673	560,642	258,246	-	-	9,928,178
19	0.04462	17	170,413	409,847	580,260		19,673	560,587	258,223	-	-	10,186,401
20	0.04461	18	170,376	409,939	580,315		19,673	560,642	258,246	-	-	10,444,647
21	0.04462	19	170,413	409,847	580,260		19,673	560,587	258,223	-	-	10,702,870
22	0.04461	20	170,376	409,939	580,315		19,673	560,642	258,246	-	-	10,961,116
23	0.02231	21	85,207	409,847	495,054		19,673	475,381	217,886	-	-	11,179,002
24		22	-	204,969	204,969		19,673	185,296	84,968	-	-	11,263,971
25												
26			12,085,008	24,000,007	36,085,015	3,135,916	944,290					

Notes:

[1] Includes adjustment for state disallowance on 2017 and 2018 bonus tax depreciation as calculated on Form 2.1 pages 4 and 5.

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

Ln. No.	MACRS 20 Year Tax Depr Rates (1)	Year (2)	2017 Additions (3) (\$)	2018 Additions (4) (\$)	Annual Tax Depreciation (5) (\$)	Cost of Removal (6) (\$)	Book Depreciation (7) (\$)	Difference (8) (\$)	Deferred Tax @ 38.9% (9) (\$)	Accumulated Deferred Income Taxes-Fed NOL (10) (\$)	ADIT Normalization Adjustment (11) (\$)	Accumulated Deferred Inc. Taxes (12) (\$)
1	AMRP Plant Additions [1]		11,719,089	22,851,000								
2	Composite Tax Rate [2]		<b>68.909%</b>	<b>62.691%</b>								
3	0.03750	1	8,212,123		8,212,123	1,273,417	56,545	9,428,995	3,667,879	(149,170)	-	3,518,709
4	0.07219	2	263,032	14,645,140	14,908,172	1,811,319	472,120	16,247,371	6,320,228	(450,784)	(2,854,812)	6,533,341
5	0.06677	3	243,283	615,461	858,744		-	858,744	334,051	-	-	6,867,392
6	0.06177	4	225,065	569,252	794,317		-	794,317	308,989	-	-	7,176,381
7	0.05713	5	208,159	526,624	734,783		-	734,783	285,831	-	-	7,462,212
8	0.05285	6	192,564	487,066	679,630		-	679,630	264,376	-	-	7,726,588
9	0.04888	7	178,099	450,576	628,675		-	628,675	244,555	-	-	7,971,143
10	0.04522	8	164,764	416,730	581,494		-	581,494	226,201	-	-	8,197,344
11	0.04462	9	162,577	385,526	548,103		-	548,103	213,212	-	-	8,410,556
12	0.04461	10	162,541	380,411	542,952		-	542,952	211,208	-	-	8,621,764
13	0.04462	11	162,577	380,326	542,903		-	542,903	211,189	-	-	8,832,953
14	0.04461	12	162,541	380,411	542,952		-	542,952	211,208	-	-	9,044,161
15	0.04462	13	162,577	380,326	542,903		-	542,903	211,189	-	-	9,255,350
16	0.04461	14	162,541	380,411	542,952		-	542,952	211,208	-	-	9,466,558
17	0.04462	15	162,577	380,326	542,903		-	542,903	211,189	-	-	9,677,747
18	0.04461	16	162,541	380,411	542,952		-	542,952	211,208	-	-	9,888,955
19	0.04462	17	162,577	380,326	542,903		-	542,903	211,189	-	-	10,100,144
20	0.04461	18	162,541	380,411	542,952		-	542,952	211,208	-	-	10,311,352
21	0.04462	19	162,577	380,326	542,903		-	542,903	211,189	-	-	10,522,541
22	0.04461	20	162,541	380,411	542,952		-	542,952	211,208	-	-	10,733,749
23	0.02231	21	81,289	380,326	461,615		-	461,615	179,568	-	-	10,913,317
24		22		190,205	190,205		-	190,205	73,990	-	-	10,987,307
25					-		-	-	-	-	-	10,987,307
26			11,719,084	22,850,998	34,570,088	3,084,737	528,665					

Notes:

[1] Plant additions eligible for repairs tax deduction.

[2] Composite rate including repairs (35.22%) and mixed services 263A (4.01%) and bonus tax (50% for 2017 and 40% for 2018) deductions.

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

Ln. No.	MACRS 20 Year Tax Depr Rates	Year	2017 Additions	2018 Additions	Annual Tax Depreciation	Cost of Removal	Book Depreciation	Difference	Deferred Tax @ 38.9%	Accumulated Deferred Income Taxes-Fed NOL	ADIT Normalization Adjustment	Accumulated Deferred Inc. Taxes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
1	Plant Additions [1]		365,922	1,149,000								
2	Tax MSC 263A %		52.005%	42.406%								
3	0.03750	1	196,884		196,884	2,039	2,492	196,431	76,412	(4,658)	-	71,754
4	0.07219	2	12,678	512,061	524,739	49,140	19,673	554,206	215,586	(22,666)	(143,546)	121,127
5	0.06677	3	11,726	47,772	59,498		19,673	39,825	15,492	-	-	136,619
6	0.06177	4	10,848	44,185	55,033		19,673	35,360	13,755	-	-	150,374
7	0.05713	5	10,033	40,877	50,910		19,673	31,237	12,151	-	-	162,525
8	0.05285	6	9,282	37,806	47,088		19,673	27,415	10,664	-	-	173,189
9	0.04888	7	8,585	34,974	43,559		19,673	23,886	9,292	-	-	182,481
10	0.04522	8	7,942	32,347	40,289		19,673	20,616	8,020	-	-	190,501
11	0.04462	9	7,836	29,925	37,761		19,673	18,088	7,036	-	-	197,537
12	0.04461	10	7,835	29,528	37,363		19,673	17,690	6,881	-	-	204,418
13	0.04462	11	7,836	29,521	37,357		19,673	17,684	6,879	-	-	211,297
14	0.04461	12	7,835	29,528	37,363		19,673	17,690	6,881	-	-	218,178
15	0.04462	13	7,836	29,521	37,357		19,673	17,684	6,879	-	-	225,057
16	0.04461	14	7,835	29,528	37,363		19,673	17,690	6,881	-	-	231,938
17	0.04462	15	7,836	29,521	37,357		19,673	17,684	6,879	-	-	238,817
18	0.04461	16	7,835	29,528	37,363		19,673	17,690	6,881	-	-	245,698
19	0.04462	17	7,836	29,521	37,357		19,673	17,684	6,879	-	-	252,577
20	0.04461	18	7,835	29,528	37,363		19,673	17,690	6,881	-	-	259,458
21	0.04462	19	7,836	29,521	37,357		19,673	17,684	6,879	-	-	266,337
22	0.04461	20	7,835	29,528	37,363		19,673	17,690	6,881	-	-	273,218
23	0.02231	21	3,918	29,521	33,439		19,673	13,766	5,355	-	-	278,573
24		22		14,764	14,764		19,673	(4,909)	(1,910)	-	-	276,663
25					-		19,673	(19,673)	(7,653)	-	-	269,010
26			365,922	1,149,005	1,514,927	51,179	435,298					

Notes:

[1] Plant additions not eligible for repairs tax deduction.

**Columbia Gas of Kentucky, Inc.**  
**Calculation of State Disallowance on Bonus Tax Depreciation for 2017 Additions**

**AMRP Form 2.1**  
**Page 4 of 5**

<u>Ln.</u>	<u>Year</u>	<u>State Tax Depr</u>	<u>State ADIT</u>		<u>Fed Benefit</u>	<u>Total</u>	<u>Cumulative</u>
			<u>State vs. Fed</u>	<u>on Disallowed</u>			
	<u>(1)</u>	<u>(2)</u>	<u>Tax Depr</u>	<u>Bonus</u>	<u>ADIT</u>	<u>ADIT Adj</u>	<u>ADIT Adj</u>
			<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>
1	2017	453,188	7,955,819	477,349	(167,072)	310,277	310,277
2	2018	872,417	(596,707)	(35,802)	12,531	(23,272)	287,005
3	2019	806,916	(551,907)	(33,114)	11,590	(21,524)	265,481
4	2020	746,491	(510,578)	(30,635)	10,722	(19,913)	245,568
5	2021	690,417	(472,225)	(28,333)	9,917	(18,417)	227,152
6	2022	638,693	(436,847)	(26,211)	9,174	(17,037)	210,115
7	2023	590,715	(404,031)	(24,242)	8,485	(15,757)	194,357
8	2024	546,484	(373,778)	(22,427)	7,849	(14,577)	179,780
9	2025	539,233	(368,820)	(22,129)	7,745	(14,384)	165,396
10	2026	539,112	(368,736)	(22,124)	7,743	(14,381)	151,015
11	2027	539,233	(368,820)	(22,129)	7,745	(14,384)	136,631
12	2028	539,112	(368,736)	(22,124)	7,743	(14,381)	122,251
13	2029	539,233	(368,820)	(22,129)	7,745	(14,384)	107,867
14	2030	539,112	(368,736)	(22,124)	7,743	(14,381)	93,486
15	2031	539,233	(368,820)	(22,129)	7,745	(14,384)	79,102
16	2032	539,112	(368,736)	(22,124)	7,743	(14,381)	64,721
17	2033	539,233	(368,820)	(22,129)	7,745	(14,384)	50,337
18	2034	539,112	(368,736)	(22,124)	7,743	(14,381)	35,957
19	2035	539,233	(368,820)	(22,129)	7,745	(14,384)	21,573
20	2036	539,112	(368,736)	(22,124)	7,743	(14,381)	7,192
21	2037	269,617	(184,410)	(11,065)	3,873	(7,192)	(0)
22	Total	12,085,011	(3)	(0)	0	(0)	-

**Columbia Gas of Kentucky, Inc.**  
**Calculation of State Disallowance on Bonus Tax Depreciation for 2018 Additions**

<u>Ln.</u>	<u>Year</u>	<u>State Tax Depr</u>	<u>State ADIT</u>			<u>Total ADIT Adj</u>	<u>Cumulative ADIT Adj</u>
			<u>State vs. Fed Tax Depr</u>	<u>on Disallowed Bonus</u>	<u>Fed Benefit ADIT</u>		
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>
1	2018	900,000	14,257,201	855,432	(299,401)	556,031	556,031
2	2019	1,732,560	(1,069,327)	(64,160)	22,456	(41,704)	514,327
3	2020	1,602,480	(989,043)	(59,343)	20,770	(38,573)	475,754
4	2021	1,482,480	(914,979)	(54,899)	19,215	(35,684)	440,070
5	2022	1,371,120	(846,248)	(50,775)	17,771	(33,004)	407,067
6	2023	1,268,400	(782,850)	(46,971)	16,440	(30,531)	376,535
7	2024	1,173,120	(724,043)	(43,443)	15,205	(28,238)	348,298
8	2025	1,085,280	(669,829)	(40,190)	14,066	(26,123)	322,174
9	2026	1,070,880	(660,941)	(39,656)	13,880	(25,777)	296,398
10	2027	1,070,640	(660,793)	(39,648)	13,877	(25,771)	270,627
11	2028	1,070,880	(660,941)	(39,656)	13,880	(25,777)	244,850
12	2029	1,070,640	(660,793)	(39,648)	13,877	(25,771)	219,079
13	2030	1,070,880	(660,941)	(39,656)	13,880	(25,777)	193,302
14	2031	1,070,640	(660,793)	(39,648)	13,877	(25,771)	167,532
15	2032	1,070,880	(660,941)	(39,656)	13,880	(25,777)	141,755
16	2033	1,070,640	(660,793)	(39,648)	13,877	(25,771)	115,984
17	2034	1,070,880	(660,941)	(39,656)	13,880	(25,777)	90,207
18	2035	1,070,640	(660,793)	(39,648)	13,877	(25,771)	64,436
19	2036	1,070,880	(660,941)	(39,656)	13,880	(25,777)	38,660
20	2037	1,070,640	(660,793)	(39,648)	13,877	(25,771)	12,889
21	2038	535,440	(330,471)	(19,828)	6,940	(12,888)	0
22	Total	24,000,000	7	0	(0)	0	-

**Columbia Gas of Kentucky, Inc.**  
**Annual Adjustment to the Accelerated Main Replacement Program**  
**Development of AMRP Plant Excluded From Base Rates**

**Test Year 12/31/17 AMRP Investment Summary**

Line No.	Month (A)	Number of Months (B)	AMRP CapEx (C)	Rate Case Projected CapEx (D)	13 Mo. Avg Rate Case Projections (1) (E)	Actual Retirements (F)	Rate Case Projected Retirements (G)	13 Mo. Avg Rate Case Projections (1) (H)	Actual Cost of Removal (I)	Rate Case Projected Cost of Removal (J)	13 Mo. Avg Rate Case Projections (1) (K)	Depreciation Difference (2) (L)
1	Jan-17	12	202,765	787,036	726,495	(205,891)	(94,444)	(87,179)	(30,462)	(28,611)	(26,410)	(746)
2	Feb-17	11	912,845	420,451	355,766	(186,941)	(50,454)	(42,692)	(242,178)	(15,243)	(12,898)	(821)
3	Mar-17	10	610,308	512,097	393,921	(85,354)	(61,451)	(47,270)	(102,824)	(18,585)	(14,296)	226
4	Apr-17	9	775,273	741,213	513,147	(117,000)	(88,945)	(61,577)	(107,563)	(26,940)	(18,651)	928
5	May-17	8	860,609	1,199,444	738,119	(123,423)	(143,933)	(88,574)	(86,050)	(43,650)	(26,862)	1,433
6	Jun-17	7	1,602,481	1,657,675	892,594	(99,877)	(198,921)	(107,111)	(152,240)	(60,361)	(32,502)	2,405
7	Jul-17	6	823,855	1,657,675	765,081	(147,315)	(198,921)	(91,810)	(258,600)	(60,361)	(27,859)	3,275
8	Aug-17	5	2,151,785	2,917,811	1,122,235	(271,822)	(350,138)	(134,668)	(126,063)	(106,314)	(40,890)	3,996
9	Sep-17	4	2,850,121	2,849,075	876,638	(237,734)	(341,889)	(105,197)	(110,303)	(103,808)	(31,941)	6,202
10	Oct-17	3	3,061,042	2,917,811	673,341	(237,734)	(350,138)	(80,801)	(110,303)	(106,314)	(24,534)	9,797
11	Nov-17	2	2,850,121	1,772,233	272,651	(237,734)	(212,668)	(32,718)	(110,303)	(64,538)	(9,929)	13,967
12	Dec-17	1	2,850,121	1,772,233	136,326	(237,734)	(212,668)	(16,359)	(110,303)	(64,538)	(4,964)	18,372
13			19,551,326	19,204,754	7,466,315	(2,188,559)	(2,304,570)	(895,957)	(1,547,192)	(699,263)	(271,736)	59,037
					Net Plant Additions Not Included in Base Rates - Jan 2017 - Dec 2017 (2)				Actual Depreciation Reserve - Retirements and Cost of Removal	Rate Case 13-Mo. Avg Depreciation Reserve - Retirements and Cost of Removal	Depreciation Reserve Not Included in Base Rates - Jan 2017 - Dec 2017 (2)	
14	Rate Year Summary		17,362,767	6,570,358	10,792,409				(3,735,751)	(1,167,693)	(2,568,058)	

**Test Year 12/31/17 AMRP - Mains Gas Plant Account 376**

Line No.	Month (A)	Number of Months (B)	Actual AMRP CapEx (C)	Rate Case Projected CapEx (D)	13 Mo. Avg Rate Case Projections (1) (E)	Actual Retirements (F)	Rate Case Projected Retirements (G)	13 Mo. Avg Rate Case Projections (1) (H)	Actual Cost of Removal (I)	Rate Case Projected Cost of Removal (J)	13 Mo. Avg Rate Case Projections (1) (K)	Depreciation Difference (2) (L)
1	Jan-17	12	202,765	443,119	409,033	(144,500)	(53,174)	(49,084)	(28,920)	(7,976)	(7,362)	(207)
2	Feb-17	11	265,790	237,719	201,147	(115,673)	(28,526)	(24,137)	(76,799)	(4,279)	(3,621)	(433)
3	Mar-17	10	91,930	289,069	222,361	(3,618)	(34,688)	(26,683)	(1,566)	(5,203)	(4,002)	(526)
4	Apr-17	9	250,848	417,444	289,000	(2,295)	(50,093)	(34,680)	(1,836)	(7,514)	(5,202)	(603)
5	May-17	8	327,909	674,194	414,889	(12,563)	(80,903)	(49,786)	(4,486)	(12,135)	(7,468)	(642)
6	Jun-17	7	825,284	930,943	501,277	(3,713)	(111,713)	(60,153)	(3,277)	(16,757)	(9,023)	(414)
7	Jul-17	6	301,451	930,943	429,666	(8,665)	(111,713)	(51,560)	(1,665)	(16,757)	(7,734)	(211)
8	Aug-17	5	1,439,639	1,637,005	629,617	(53,989)	(196,441)	(75,554)	(39,460)	(29,466)	(11,333)	302
9	Sep-17	4	2,054,098	1,598,492	491,844	(125,235)	(191,819)	(59,021)	(32,964)	(28,773)	(8,853)	1,902
10	Oct-17	3	2,054,098	1,637,005	377,770	(125,235)	(196,441)	(45,333)	(32,964)	(29,466)	(6,800)	4,028
11	Nov-17	2	2,054,098	995,131	153,097	(125,235)	(119,416)	(18,372)	(32,964)	(17,912)	(2,756)	6,359
12	Dec-17	1	2,054,098	995,131	76,549	(125,235)	(119,416)	(9,186)	(32,964)	(17,912)	(1,378)	8,872
13			11,922,008	10,786,195	4,196,249	(845,956)	(1,294,343)	(503,549)	(289,865)	(194,150)	(75,532)	18,426
					Net Plant Additions Not Included in Base Rates - Jan 2017 - Dec 2017 (2)				Actual Depreciation Reserve - Retirements and Cost of Removal	Rate Case 13-Mo. Avg Depreciation Reserve - Retirements and Cost of Removal	Depreciation Reserve Not Included in Base Rates - Jan 2017 - Dec 2017 (2)	
14	Rate Year GPA 376 Summary		11,076,052	3,692,700	7,383,352				(1,135,821)	(579,081)	(556,740)	

**Notes:**

<sup>(1)</sup> Recovered through base rates in Case No. 2016-00162

<sup>(2)</sup> AMRP spend not recovered through base rates and eligible for recovery through 2017 AMRP

**Columbia Gas of Kentucky, Inc.**  
**Annual Adjustment to the Accelerated Main Replacement Program**  
**Development of AMRP Plant Excluded From Base Rates**

**Test Year 12/31/17 AMRP - Services Gas Plant Account 380**

Line No.	Month	Number of Months	Actual AMRP CapEx	Rate Case Projected CapEx	13 Mo. Avg Rate Case Projections (1)	Actual Retirements	Rate Case Projected Retirements	13 Mo. Avg Rate Case Projections (1)	Actual Cost of Removal	Rate Case Projected Cost of Removal	13 Mo. Avg Rate Case Projections (1)	Depreciation Difference (2)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1	Jan-17	12	-	343,917	317,462	(59,289)	(41,270)	(38,095)	-	(20,635)	(19,048)	(536)
2	Feb-17	11	635,163	182,732	154,619	(70,166)	(21,928)	(18,554)	(165,125)	(10,964)	(9,277)	(393)
3	Mar-17	10	514,412	223,028	171,560	(80,460)	(26,763)	(20,587)	(101,258)	(13,382)	(10,294)	734
4	Apr-17	9	512,040	323,769	224,148	(113,703)	(38,852)	(26,898)	(105,727)	(19,426)	(13,449)	1,500
5	May-17	8	526,252	525,250	323,231	(109,791)	(63,030)	(38,788)	(81,564)	(31,515)	(19,394)	2,028
6	Jun-17	7	773,120	726,732	391,317	(95,580)	(87,208)	(46,958)	(148,963)	(43,604)	(23,479)	2,764
7	Jul-17	6	516,148	726,732	335,415	(136,811)	(87,208)	(40,250)	(256,856)	(43,604)	(20,125)	3,425
8	Aug-17	5	671,925	1,280,806	492,618	(217,062)	(153,697)	(59,114)	(86,603)	(76,848)	(29,557)	3,592
9	Sep-17	4	778,584	1,250,583	384,795	(111,681)	(150,070)	(46,175)	(77,298)	(75,035)	(23,088)	4,146
10	Oct-17	3	778,584	1,280,806	295,571	(111,681)	(153,697)	(35,469)	(77,298)	(76,848)	(17,734)	5,310
11	Nov-17	2	778,584	777,102	119,554	(111,681)	(93,252)	(14,346)	(77,298)	(46,626)	(7,173)	6,843
12	Dec-17	1	778,584	777,102	59,777	(111,681)	(93,252)	(7,173)	(77,298)	(46,626)	(3,587)	8,705
13			7,263,396	8,418,559	3,270,066	(1,329,586)	(1,010,227)	(392,408)	(1,255,288)	(505,113)	(196,204)	38,118
14	Rate Year GPA 380 Summary		Actual Net Plant Additions	Rate Case 13-Month Average Net Plant Additions	Net Plant Additions Not Included in Base Rates - Jan 2017 - Dec 2017 (2)				Actual Depreciation Reserve - Retirements and Cost of Removal	Rate Case 13-Mo. Avg Depreciation Reserve - Retirements and Cost of Removal	Depreciation Reserve Not Included in Base Rates - Jan 2017 - Dec 2017 (2)	
			5,933,810	2,877,658	3,056,152				(2,584,874)	(588,612)	(1,996,262)	

**Test Year 12/31/17 AMRP - Plant Regulators Plant Account 378**

Line No.	Month	Number of Months	Actual AMRP CapEx	Rate Case Projected CapEx	13 Mo. Avg Rate Case Projections (1)	Actual Retirements	Rate Case Projected Retirements	13 Mo. Avg Rate Case Projections (1)	Actual Cost of Removal	Rate Case Projected Cost of Removal	13 Mo. Avg Rate Case Projections (1)	Depreciation Difference (2)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1	Jan-17	12	-	-	-	(1,595)	-	-	(1,542)	-	-	(1)
2	Feb-17	11	-	-	-	(254)	-	-	(254)	-	-	(3)
3	Mar-17	10	-	-	-	-	-	-	-	-	-	(3)
4	Apr-17	9	-	-	-	-	-	-	-	-	-	(3)
5	May-17	8	-	-	-	-	-	-	-	-	-	(3)
6	Jun-17	7	-	-	-	-	-	-	-	-	-	(3)
7	Jul-17	6	-	-	-	(79)	-	-	(79)	-	-	(3)
8	Aug-17	5	-	-	-	-	-	-	-	-	-	(4)
9	Sep-17	4	-	-	-	-	-	-	-	-	-	(4)
10	Oct-17	3	-	-	-	-	-	-	-	-	-	(4)
11	Nov-17	2	-	-	-	-	-	-	-	-	-	(4)
12	Dec-17	1	-	-	-	-	-	-	-	-	-	(4)
13			-	0	0	(1,928)	0	0	(1,875)	0	0	(39)
14	Rate Year GPA 378 Summary		Actual Net Plant Additions	Rate Case 13-Month Average Net Plant Additions	Net Plant Additions Not Included in Base Rates - Jan 2017 - Dec 2017 (2)				Actual Depreciation Reserve - Retirements and Cost of Removal	Rate Case 13-Mo. Avg Depreciation Reserve - Retirements and Cost of Removal	Depreciation Reserve Not Included in Base Rates - Jan 2017 - Dec 2017 (2)	
			(1,928)	0	(1,928)				(3,803)	0	(3,803)	

**Notes:**

- (1) Recovered through base rates in Case No. 2016-00162
- (2) AMRP spend not recovered through base rates and eligible for recovery through 2017 AMRP

**Columbia Gas of Kentucky, Inc.**  
**Annual Adjustment to the Accelerated Main Replacement Program**  
**Development of AMRP Plant Excluded From Base Rates**

**Test Year 12/31/17 AMRP - Meter Installations Plant Account 382**

Line No.	Month	Number of Months	Actual AMRP CapEx	Rate Case Projected CapEx	13 Mo. Avg Rate Case Projections (1)	Actual Retirements	Rate Case Projected Retirements	13 Mo. Avg Rate Case Projections (1)	Actual Cost of Removal	Rate Case Projected Cost of Removal	13 Mo. Avg Rate Case Projections (1)	Depreciation Difference (2)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1	Jan-17	12	-	-	-	(376)	-	-	-	-	-	(0)
2	Feb-17	11	4,788	-	-	(782)	-	-	-	-	-	3
3	Mar-17	10	3,883	-	-	(1,120)	-	-	-	-	-	9
4	Apr-17	9	1,149	-	-	(973)	-	-	-	-	-	11
5	May-17	8	4,974	-	-	(954)	-	-	-	-	-	15
6	Jun-17	7	2,114	-	-	(546)	-	-	-	-	-	20
7	Jul-17	6	5,345	-	-	(1,674)	-	-	-	-	-	24
8	Aug-17	5	1,464	-	-	(721)	-	-	-	-	-	28
9	Sep-17	4	7,821	-	-	(700)	-	-	(35)	-	-	35
10	Oct-17	3	7,821	-	-	(700)	-	-	(35)	-	-	47
11	Nov-17	2	7,821	-	-	(700)	-	-	(35)	-	-	60
12	Dec-17	1	7,821	-	-	(700)	-	-	(35)	-	-	72
13			55,001	0	0	(9,946)	0	0	(140)	0	0	323
					Net Plant Additions							
					Rate Case 13-Month	Not Included in Base						
			Actual Net Plant	Average Net Plant	Rates - Jan 2017 -				Actual Depreciation	Rate Case 13-Mo.	Depreciation	
			Additions	Additions	Dec 2017 (2)				Reserve -	Avg Depreciation	Reserve Not	
									Retirements and	Retirements and	Included in Base	
									Cost of Removal	Cost of Removal	Rates - Jan 2017 -	
									Cost of Removal	Cost of Removal	Dec 2017 (2)	
14	Rate Year GPA 382 Summary		45,055	0	45,055				(10,086)	0	(10,086)	

**Test Year 12/31/17 AMRP - House Regulators Plant Account 383**

Line No.	Month	Number of Months	Actual AMRP CapEx	Rate Case Projected CapEx	13 Mo. Avg Rate Case Projections (1)	Actual Retirements	Rate Case Projected Retirements	13 Mo. Avg Rate Case Projections (1)	Actual Cost of Removal	Rate Case Projected Cost of Removal	13 Mo. Avg Rate Case Projections (1)	Depreciation Difference (2)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1	Jan-17	12	-	-	-	(131)	-	-	-	-	-	(0)
2	Feb-17	11	7,104	-	-	(66)	-	-	-	-	-	6
3	Mar-17	10	83	-	-	(156)	-	-	-	-	-	13
4	Apr-17	9	11,236	-	-	(29)	-	-	-	-	-	23
5	May-17	8	1,474	-	-	(115)	-	-	-	-	-	35
6	Jun-17	7	1,963	-	-	(38)	-	-	-	-	-	38
7	Jul-17	6	911	-	-	(86)	-	-	-	-	-	41
8	Aug-17	5	38,757	-	-	(50)	-	-	-	-	-	78
9	Sep-17	4	9,618	-	-	(118)	-	-	(6)	-	-	123
10	Oct-17	3	9,618	-	-	(118)	-	-	(6)	-	-	141
11	Nov-17	2	9,618	-	-	(118)	-	-	(6)	-	-	159
12	Dec-17	1	9,618	-	-	(118)	-	-	(6)	-	-	176
13			100,000	0	0	(1,143)	0	0	(24)	0	0	833
					Net Plant Additions							
					Rate Case 13-Month	Not Included in Base						
			Actual Net Plant	Average Net Plant	Rates - Jan 2017 -				Actual Depreciation	Rate Case 13-Mo.	Depreciation	
			Additions	Additions	Dec 2017 (2)				Reserve -	Avg Depreciation	Reserve Not	
									Retirements and	Retirements and	Included in Base	
									Cost of Removal	Cost of Removal	Rates - Jan 2017 -	
									Cost of Removal	Cost of Removal	Dec 2017 (2)	
14	Rate Year GPA 383 Summary		98,857	0	98,857				(1,167)	0	(1,167)	

**Notes:**

<sup>(1)</sup> Recovered through base rates in Case No. 2016-00162

<sup>(2)</sup> AMRP spend not recovered through base rates and eligible for recovery through 2017 AMRP

**Columbia Gas of Kentucky, Inc.**  
**Annual Adjustment to the Accelerated Main Replacement Program**  
**Development of AMRP Plant Excluded From Base Rates**

**Test Year 12/31/17 AMRP - GPS Devices Plant Account 387**

Line No.	Month	Number of Months	Actual AMRP CapEx	Rate Case Projected CapEx	13 Mo. Avg Rate Case Projections (1)	Actual Retirements	Rate Case Projected Retirements	13 Mo. Avg Rate Case Projections (1)	Actual Cost of Removal	Rate Case Projected Cost of Removal	13 Mo. Avg Rate Case Projections (1)	Depreciation Difference (2)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
1	Jan-17	12	-	-	-	-	-	-	-	-	-	-
2	Feb-17	11	-	-	-	-	-	-	-	-	-	-
3	Mar-17	10	-	-	-	-	-	-	-	-	-	-
4	Apr-17	9	-	-	-	-	-	-	-	-	-	-
5	May-17	8	-	-	-	-	-	-	-	-	-	-
6	Jun-17	7	-	-	-	-	-	-	-	-	-	-
7	Jul-17	6	-	-	-	-	-	-	-	-	-	-
8	Aug-17	5	-	-	-	-	-	-	-	-	-	-
9	Sep-17	4	-	-	-	-	-	-	-	-	-	-
10	Oct-17	3	210,921	-	-	-	-	-	-	-	-	275
11	Nov-17	2	-	-	-	-	-	-	-	-	-	550
12	Dec-17	1	-	-	-	-	-	-	-	-	-	550
13			210,921	0	0	-	0	0	0	0	0	1,375
14	Rate Year GPA 387 Summary		210,921	0	210,921				0	0	0	

Notes:  
<sup>(1)</sup> Recovered through base rates in Case No. 2016-00162  
<sup>(2)</sup> AMRP spend not recovered through base rates and eligible for recovery through 2017 AMRP

Columbia Gas of Kentucky, Inc.  
Annual Adjustment to the Accelerated Main Replacement Program  
Calculation of O&M Savings

FERC Account 887

Projected 2018 O&M Account 887 Costs  
2017 O&M Account 887 per Case No. 2016-00162  
Projected O&M Savings

(\$)  
2,886,706  
2,886,706

-

**Columbia Gas of Kentucky**  
**AMRP Rider Billing Determinants by Rate Schedule**  
**For the Twelve Months Ending December 31, 2018**

**Form 4.0**

<u>Rate Schedule</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
GSR - Residential	101,818	102,005	101,980	101,460	100,893	100,239	99,775	99,501	99,337	99,622	100,663	101,671	1,208,964
SVGTS - Residential	20,416	20,454	20,449	20,345	20,231	20,102	20,008	19,952	19,920	19,977	20,185	20,387	242,426
GSO - Commercial or Industrial	10,533	10,555	10,538	10,486	10,423	10,354	10,311	10,274	10,250	10,256	10,355	10,472	124,807
GDS - Commercial or Industrial	27	27	27	27	27	27	27	27	27	27	27	27	324
SVGTS - Commercial or Industrial	3,579	3,549	3,533	3,509	3,479	3,681	3,672	3,656	3,639	3,628	3,615	3,598	43,138
IUS, IUDS	2	2	2	2	2	2	2	2	2	2	2	2	24
IS, DS	71	71	71	71	71	71	71	71	71	71	71	71	852
SAS	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>136,446</b>	<b>136,663</b>	<b>136,600</b>	<b>135,900</b>	<b>135,126</b>	<b>134,476</b>	<b>133,866</b>	<b>133,483</b>	<b>133,246</b>	<b>133,583</b>	<b>134,918</b>	<b>136,228</b>	<b>1,620,535</b>

TARIFF PAGES

**AMRP RIDER  
ACCELERATED MAIN REPLACEMENT PROGRAM RIDER**

**APPLICABILITY**

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

**CALCULATION OF ACCELERATED MAIN REPLACEMENT RIDER REVENUE REQUIREMENT**

The AMRP Rider Revenue Requirement includes the following:

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

**ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS**

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

Rider AMRP will be updated annually in order to reflect the expected impact on the Company's revenue requirements of forecasted net plant additions and subsequently adjusted to true up the actual costs with the projected costs. A filing to update the projected costs for the upcoming calendar year will be submitted annually by October 15 to become effective with meter readings on and after the first billing cycle of January. The allocation of the program costs shall be based on the revenue distribution approved by the Commission. Company will submit a balancing adjustment annually by March 31 to true-up the actual costs, as offset by operations and maintenance expense reductions, during the most recent twelve months ended December with the projected program costs for the same period. The balancing adjustment true-up to the rider will become effective with meter readings on and after the first billing cycle of June.

The charges for the respective gas service schedules effective January 2, 2018 are:

Rate GSR, Rate SVGTS - Residential Service	\$ 2.00	
Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service	\$ 7.42	
Rate IUS, Rate IUDS	\$ 62.46	
Rate IS, Rate DS <sup>1/</sup> , Rate SAS	\$ 370.37	

<sup>1/</sup> - Excluding customers subject to Flex Provisions of Rate Schedule DS

DATE OF ISSUE      October 13, 2017  
DATE EFFECTIVE     January 2, 2018  
ISSUED BY            *Herbert A. Miller, Jr.*  
TITLE                    President

**AMRP RIDER  
ACCELERATED MAIN REPLACEMENT PROGRAM RIDER**

**APPLICABILITY**

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

**CALCULATION OF ACCELERATED MAIN REPLACEMENT RIDER REVENUE REQUIREMENT**

The AMRP Rider Revenue Requirement includes the following:

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

**ACCELERATED MAIN REPLACEMENT PROGRAM FACTORS**

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

Rider AMRP will be updated annually in order to reflect the expected impact on the Company's revenue requirements of forecasted net plant additions and subsequently adjusted to true up the actual costs with the projected costs. A filing to update the projected costs for the upcoming calendar year will be submitted annually by October 15 to become effective with meter readings on and after the first billing cycle of January. The allocation of the program costs shall be based on the revenue distribution approved by the Commission. Company will submit a balancing adjustment annually by March 31 to true-up the actual costs, as offset by operations and maintenance expense reductions, during the most recent twelve months ended December with the projected program costs for the same period. The balancing adjustment true-up to the rider will become effective with meter readings on and after the first billing cycle of June.

The charges for the respective gas service schedules effective ~~December 27, 2016~~ January 2, 2018 are:

Rate GSR, Rate SVGTS - Residential Service	\$ <u>0.002.00</u>	R
Rate GSO, Rate GDS, Rate SVGTS - Commercial or Industrial Service	\$ <u>0.007.42</u>	R
Rate IUS, Rate IUDS	\$ <u>0.0062.46</u>	R
Rate IS, Rate DS <sup>1/</sup> , Rate SAS	\$ <u>0.00370.37</u>	R

<sup>1/</sup> - Excluding customers subject to Flex Provisions of Rate Schedule DS

DATE OF ISSUE            ~~January 6, 2017~~ October 13, 2017  
 DATE EFFECTIVE        ~~December 27, 2016~~ January 2, 2018  
 ISSUED BY                /s/ Herbert A. Miller, Jr.  
 TITLE                        President

~~Issued pursuant to an Order of the Public Service Commission in Case No. 2016-00162 dated December 22, 2016~~