

Andy Beshear
Governor

John Lyons
Secretary
Energy and Environment Cabinet

Angie Hatton
Chair



Commonwealth of Kentucky
Public Service Commission
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Frankfort, Kentucky 40601-8294
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psc.ky.gov

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

October 5, 2026

PARTIES OF RECORD

Re: Case No. 2026-00099

Notice is given to all parties that the attached Columbia Gas of Kentucky, Inc. Informal Conference Memorandum and attendance list has been filed into the record of this proceeding.

If you have any comments you would like to make regarding the contents of the document, please do so within five days of receipt of this letter. If you have any questions, please contact Michael Crum, Staff Attorney III, at Michael.Crum@ky.gov.

Sincerely,


Justin McNeil
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case No. 2026-00099

FROM: Ashley Hatcher, Staff Attorney III

DATE: October 5, 2026

RE: Informal Conference of September 30, 2026

Pursuant to a Staff Notice issued on September 16, 2026, an informal conference (IC) was conducted on September 30, 2026. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss issues presented in this matter related to cost allocation, safety modification and replacement program (SMRP), and to walk through the attachments provided in response to Commission Staff's Third Request for Information, Item 34, and Commission Staff's First Request for Information (Staff's First Request), Item 11, Attachment A. At the IC, Columbia Gas of Kentucky, Inc., (Columbia Kentucky) gave a presentation that included information about the SMRP rider and the NiSource Service Company Billing Process. A copy of the presentation is attached to this memo.

Columbia Kentucky stated it will submit a supplemental version of Commission Staff's Fifth Request for Information, Item 5, because there are corrections needed to be made to it. During the IC, consultants for Commission Staff also requested an example of some specific situations in which costs would be allocated to the miscellaneous category, instead of one of the other defined categories. Columbia Kentucky stated they would be happy to provide an example.

There being no further discussion, the informal conference was then adjourned.

cc: Parties of Record

PSC INFORMAL CONFERENCE SIGN IN SHEET

CASE #: 2026-00099 Columbia Gas of Kentucky, Inc.

LOCATION: 211 Sower Blvd Frankfort KY

DATE: Wednesday, September 30, 2026

NAME	COMPANY
Toland Lacy	KY OAG
Kurt Boehm	KIUC
Allison Honaker	Honaker Law Office - Columbia
Julie Wozniak	Columbia Gas of Kentucky
Ashley LaRock	Columbia Gas of Kentucky
George Jordan	Columbia Gas of Kentucky
Linda Black	Columbia Gas of Kentucky
Patrick Bolton	Columbia Gas of Kentucky
Grady Cooper	Columbia Gas
Ashley Hatcher	PSC
Kayleigh Kiley	PSC
Sarah Jankowski	PSC
Miguel Huan	PSC
Connor Haney	PSC
Bentley Jarboe	PSC
Adam McLane	PSC

PSC INFORMAL CONFERENCE SIGN IN SHEET

CASE NUMBER: 2026-00099

LOCATION: Virtual

DATE: Informal Conference of September 30, 2026

Virtual Attendees

NAME	COMPANY
Elizabeth Davis	Columbia Kentucky
Ben Freiman	Columbia Kentucky
Tami Shaeffer	Columbia Kentucky
Cory Linkous	Columbia Kentucky
Greg Macias	Columbia Kentucky
Kevin Johnson	Columbia Kentucky
May Battig	Columbia Kentucky
Heather Temple	Honaker Law Office on Behalf of Columbia Kentucky
Meredith Cave	Honaker Law Office on Behalf of Columbia Kentucky
Tina Miller	Attorney General
John Defever	Attorney General
Aaron Rothschild	Attorney General
Ryan Matley	NewGen
Jade Chapman	New Gen

Justin McNeil	PSC – Executive Director
Brian Thomas	PSC - Legal
Moriah Tussey	PSC - Legal
Nick Coomer	NewGen

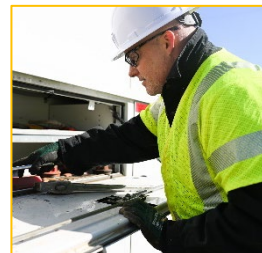


Columbia Gas of Kentucky, Inc.

Application of Columbia Gas of Kentucky, Inc. for a General Adjustment of Rates, Approval of Depreciation Study and Other General Relief

September 30, 2026 Informal Technical Conference

Case Number 2026-00099



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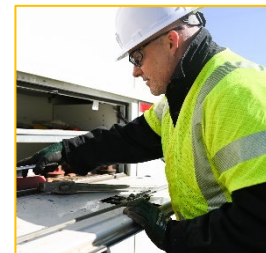


Agenda

- **Introductions** (Allyson Honaker)
- **Safety Modification and Replacement Program (SMRP) Rider** (Judy Cooper)
- **NCSC Billing Process** (George Jonda)



Safety Modification and Replacement Program (SMRP) Rider



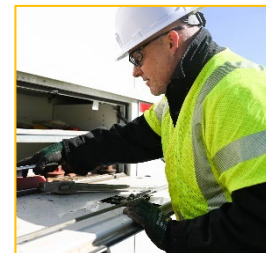
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NCSC Billing Process



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NCSC Billing Process Agenda

- NiSource Corporate Services Company (“NCSC”) Overview
- Basis & Billing Pool Definitions
- NCSC Allocation Bases
- NCSC Allocation – Billing Pool
- NCSC Cost Allocation Controls
- NCSC Direct & Allocated O&M Expense
- Calculation Example - Basis 10 – Number of Retail Customers
- Hypothetical Example
- Internal Labor Time Reporting Example

NiSource Corporate Services Company (“NCSC”) Overview

Shared Services Model

A subsidiary of NiSource Inc. providing a range of services to the individual operating companies. NCSC also coordinates allocation and billing of services and charges from NCSC and third-party vendors at cost.

Regulatory Oversight

NCSC is regulated by the Public Utility Holding Company Act of 2005, and as such files a Form 60 with FERC on an annual basis. NCSC bills NiSource operating companies based on the Service Agreement.

NCSC Functions include, but are not limited to:

Centralized Functions

- Communications
- Finance (Accounting, Tax, SEC Reporting, Treasury)
- Human Resources
- Information Technology (IT)
- Legal
- Regulatory Support
- Supply Chain

Operations Support Functions

- Asset Risk & Knowledge Management
- Customer Care Centers (Call Centers)
- Customer Operations
- Damage Prevention Strategy
- Emergency Management
- Facilities & Real Estate
- Field & Design Engineering
- Fleet
- Gas Control & Gas Systems Planning
- Integration Center (Work Scheduling)
- Occupational Safety
- Standards & Compliance
- Training Development & Execution

Basis & Billing Pool Definitions

- **Basis**

- The service agreement details the services available to clients and the methods of charging for those services. NCSC allocates costs directly to clients whenever practicable, with remaining shared costs allocated using established bases of allocation filed annually with the FERC. These bases are designed to distribute costs to benefitting affiliates using measurable drivers such as fixed assets, operating expenses, customer counts, transaction volumes, employees, or other relevant activity measures. NCSC collaborates with department sponsors and project leaders to ensure costs are allocated consistently and equitably to the affiliates that benefit from the services provided.

- **Billing Pool**

- Within each basis of allocation, billing pool codes are used to identify the companies to be charged for allocated services. Each billing pool code specifies the applicable companies and corresponding allocation percentages. Employees are expected to select the billing pool code that most accurately reflects the companies benefitting from the services provided.

NCSC Allocation Bases

NiSource Corporate Services Company allocates costs using the following bases of allocation, previously approved by the SEC and filed annually with FERC. Statistical data is updated on a semi-annual basis or as needed.

BASIS 1

GROSS FIXED ASSETS AND TOTAL OPERATING EXPENSES (BILLING POOL STARTS WITH “A”)

Fifty percent of total charges is allocated on the relation of the affiliate’s gross fixed assets to the total gross fixed assets of all benefited affiliates; the remaining 50% on the relation of its total operating expenses to those of all benefited affiliates. All companies may be included.

BASIS 2

GROSS FIXED ASSETS (BILLING POOL STARTS WITH “B”)

Charges are allocated to each benefited affiliate on the relation of its total gross fixed assets to the sum of the total gross fixed assets of all benefited affiliates. All companies may be included.

BASIS 3

NUMBER OF METERS SERVICED (BILLING POOL STARTS WITH “C”)

Allocated on the relation of an affiliate’s meters serviced to the total meters serviced of all benefited affiliates. Used only by Columbia Gas of Virginia, Kentucky, Ohio, Pennsylvania and Maryland.

BASIS 4

NUMBER OF ACCOUNTS PAYABLE INVOICES PROCESSED (BILLING POOL STARTS WITH “D”)

Allocated on the relation of an affiliate’s accounts payable invoices processed (interface invoices excluded) to the total AP invoices processed of the benefited affiliates. All companies may be included.

BASIS 7

GROSS DEPRECIABLE PROPERTY AND TOTAL OPERATING EXPENSE (BILLING POOL STARTS WITH “G”)

Fifty percent of total charges is allocated on the relation of the affiliate’s total operating expenses to the total of all benefited affiliates; the remaining 50% on the relation of its gross depreciable property to that of all benefited affiliates.

BASIS 8

GROSS DEPRECIABLE PROPERTY (BILLING POOL STARTS WITH “H”)

Charges are allocated to each benefited affiliate on the relation of its total depreciable property to the sum of the total depreciable property of all benefited affiliates. All companies may be included.

Reference:

- Direct Testimony George B. Jonda (p. 13-14)
- Standard Filing Requirement: 807 KAR 5:001 16-(7)(u)

NCSC Allocation Bases

BASIS 9

AUTOMOBILE UNITS (BILLING POOL STARTS WITH “I”)

Allocated on the relation of an affiliate's automobile units to the total automobile units of all benefited affiliates. All companies may be included.

BASIS 10

NUMBER OF RETAIL CUSTOMERS (BILLING POOL STARTS WITH “J”)

Allocated on the relation of an affiliate's retail customers to the total retail customers of all benefited affiliates. All companies may be included.

BASIS 11

NUMBER OF REGULAR EMPLOYEES (BILLING POOL STARTS WITH “K”)

Allocated on the relation of an affiliate's regular employees to the total regular employees of all benefited affiliates. All companies may be included.

BASIS 13

FIXED ALLOCATION (BILLING POOL STARTS WITH “M”)

Charges are allocated to each benefited affiliate on the basis of fixed percentages set on an individual project basis. All companies may be included.

BASIS 14

NUMBER OF TRANSPORTATION CUSTOMERS (BILLING POOL STARTS WITH “N”)

Allocated on the relation of an affiliate's transportation customers to the total of all benefited affiliates. Used only by Columbia Gas of Virginia, Kentucky, Ohio, Pennsylvania and Maryland.

BASIS 20

DIRECT COSTS (BILLING POOL STARTS WITH “T”)

Charges are allocated to each benefited affiliate on the relation of its:

- Direct costs billed by NCSC to total direct costs billed by NCSC.
- Direct costs billed by the Information Technology business segment to all direct costs billed by that segment.
- Direct costs billed by the Legal Department to all direct costs billed by the Legal Department.

Reference:

- Direct Testimony George B. Jonda (p. 13-14)
- Standard Filing Requirement: 807 KAR 5:001 16-(7)(u)

NCSC Cost Allocation – Billing Pool

Billing pools determine the allocation of NCSC costs, in accordance with the Service Agreement. Statistical percentages within each billing pool are updated at least twice per year and are subject to management and internal audit review.

There are two ways to bill costs: **Direct** and **Allocated**. When applicable, costs are allocated and billed by percentage split to all business units benefiting from the expense.

Direct

Direct billing should be used whenever possible. It allows a user to bill a single company directly for the costs incurred.

Example billing pools

0032 – CKY

0034 – COH

0035 – CMD

0037 – CPA

0038 – CGV

0058 – NiSource Inc.

0059 – NIPSCO Common

0089 – NIPSCO Electric

0090 – NIPSCO Gas

Allocated

Allocated billing pools let a user charge multiple companies and should be used only when direct billing is not feasible.
Key consideration: which company or companies benefit from the work performed.

Example billing pools

00AC – 5 Columbia Companies

00AV – 6 Operating Companies

Reference:

- Direct Testimony George B. Jonda (p. 10-14)
- 00AV includes the 5 Columbia Companies and NIPSCO

NCSC Cost Allocation Controls

Automated Controls

Within the PeopleSoft accounting software, system controls allow certain departments, or groups of departments, to use only billing pools that allocate to companies benefiting from the services provided.

A department that supports only the operating affiliates may use only billing pools that include the operating affiliates. If an individual attempts to use a different billing pool, the related accounting systems prompt an immediate error and do not allow data to be input.

Example: Departments that only support the Columbia Gas Operating Companies cannot use a billing pool that allocates to NIPSCO Electric.

Automated Controls – Capital

Capital work orders set up for a specific Operating Company (e.g., Columbia Gas of Kentucky) can receive only direct billed costs for that Operating Company.

Capital shared work orders contain combo edit rules where only a specified billing pool or pools can be used.

Example: Information Technology projects allocated to more than one Operating Company have a single billing pool that is used when allocating project costs.

Calculation Example - Basis 10 – Number of Retail Customers

Compilation: charges are allocated to each benefited affiliate on the basis of its number of retail customers to the total retail customers of all benefited affiliates.

Numerator

Total retail customers of the Operating Company

Denominator

Total retail customers of the Operating Companies included in the billing pool

Business Unit	Business Unit Acronym	Retail Customers	JC	JD	JE	JK	JL	JN	JP	JQ	JT	JU
00032	CKY	137,423.00	5.78%	5.70%	3.64%	32.05%	4.07%	4.19%	6.49%	7.12%	6.59%	15.12%
	Total	3,776,565.00	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Retail Customer Denominator		2,375,913	2,409,576	3,776,565	428,745	3,380,133	3,282,201	2,118,254	1,929,593	2,084,591	908,728

				00032	00034	00035	00037	00038	00059
Basis Allocation Description (simplified)	Basis	Billing Pool	Billing Pool Description	CKY	COH	CMD	CPA	CGV	NIP
Basis 10 - Retail Customers	10	JC	CKY, COH, CPA, CGV	X	X		X	X	
	10	JD	Columbia Gas Dist Co's	X	X	X	X	X	
	10	JE	Columbia Gas Dist Co's, NIP	X	X	X	X	X	X
	10	JK	CKY, CGV	X				X	
	10	JL	Columbia Gas Dist Co's, NIP	X	X	X	X	X	X
	10	JN	Columbia Gas Dist Co's, NIP-G	X	X	X	X	X	X
	10	JP	CKY, COH, CMD, CPA	X	X	X	X		
	10	JQ	CKY, COH, CGV	X	X			X	
	10	JT	CKY, COH, CPA	X	X		X		
	10	JU	CKY, CMD, CPA, CGV	X		X	X	X	

Hypothetical Example Invoice

The guidance provided by NCSC accounting helps end users select the billing pool for labor, expenses and third-party invoices. Below is a hypothetical invoice allocated using accounting guidance, with hypothetical allocation percentages.

Hypothetical Example Invoice

Invoice amount
\$10,000

Description
Regulatory Services for COH and CKY

Billing pool selected
00AQ

Allocation percentages
70% COH / 30% CKY

Allocation of invoice

\$7,000 Columbia Gas of Ohio

\$3,000 Columbia Gas of Kentucky

\$10,000 Total invoice

Selecting the Billing Pool

1

Service Category Driven by Department

Dept 0036400 – Rates and Regulatory Services → Regulatory Services

2

Allocation Basis Selection

Follow accounting guidance regarding appropriate allocation basis.

Basis 1 – Gross fixed assets and total operating expenses

3

Billing Pool Selection

Follow accounting guidance regarding appropriate billing pool within that basis based on companies supported.

Billing pool 00AQ – CKY, COH

Internal Labor Time Reporting Example

1 Employee reviews weekly support

2 Direct charge time to companies when clear

3 Recommended Basis/Appropriate Billing Pool

4 Bill non-direct time to the billing pool

NCSC Accounting Guidance

Choose your department

0080100 – Regulatory Accounting

Service category is

Regulatory Services

Recommended basis

Basis 1 – Gross fixed assets and total operating expenses

Recommended billing pools

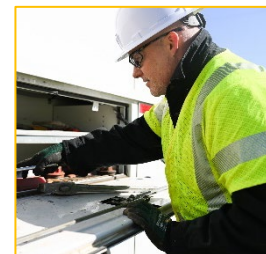
Select the billing pool that best represents the companies benefiting from the goods or services

Weekly Time Reported – NCSC Employee

Row labels	8/10	8/11	8/12	8/13	8/14	Total
NCSC Employee	11.5	9	9	8	9	46.5
0032 Columbia Gas of Kentucky	1	2	1	1.5	1	6.5
0034 Columbia Gas of Ohio	8	3	6	4	7	28
0035 Columbia Gas of Maryland		0.5				0.5
0038 Columbia Gas of Virginia	2	1	1	2	1	7
00AD Columbia Gas Dist Co's	0.5	2.5	1	0.5		4.5
Grand total	11.5	9	9	8	9	46.5



Appendix – Additional NCSC Basis Information



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NCSC Direct & Allocated O&M Expense Billed to Columbia

Historical Years: 2023, 2024 & 2025

Table GJ-1			
Basis	2023	2024	2025
Direct Billed	\$ 4,891,995	\$ 6,050,574	\$ 5,355,726
Basis 01	2,334,854	2,655,904	2,858,028
Basis 02	3,621	7,809	3,433
Basis 03	1,204	87	695
Basis 04	20,380	22,997	13,810
Basis 07	118,677	139,058	90,617
Basis 08	3	1	10
Basis 09	19,526	29,232	25,038
Basis 10	3,977,907	5,176,387	5,579,819
Basis 11	1,433,962	1,688,713	1,534,287
Basis 13	1,546,177	1,253,292	1,039,261
Basis 14	92	219	147
Basis 20	5,616,813	7,036,093	7,652,088
Direct NCSC	1,033,603	1,544,717	1,209,810
Total O&M Billed from NCSC to Columbia	\$ 20,998,813	\$ 25,605,083	\$ 25,362,768
Direct Billed O&M Charges %	28%	30%	26%
Allocated Billed O&M Charges %	72%	70%	74%

Primary Cost Bases (blue highlighted rows)

BASIS 01 – Gross fixed assets and total operating expenses

BASIS 10 – Number of retail customers

BASIS 11 – Number of regular employees

BASIS 13 – Fixed allocation

BASIS 20 – Direct costs

Reference:

- Direct Testimony George B. Jonda (p. 15-16) Table GJ-1
- Standard Filing Requirement: 807 KAR 5:001 16-(7)(u)

Basis 1 – Gross Fixed Assets & Total Operating Expenses

Compilation: this basis spreads expenses across benefitted affiliates based on 50% gross fixed assets (GFA) and 50% total O&M.

Calculate GFA and OpEx individually

Numerator: Total gross fixed assets or OpEx of the Operating Company

Denominator: Total gross fixed assets or OpEx of the Operating Companies in the billing pool

Average the two calculations

The average of those two calculations is the allocation % — the portion of expense billed to an Operating Company when the billing pool is used.

$$(GFA \% + OpEx \%) \div 2 = Allocation \%$$

Business Unit	Business Unit Acronym	Gross Fixed Assets	AD	AG	AQ	AR	AV	ZG
00032	CKY	886,894	5.59%	2.47%	10.34%	4.15%	2.57%	13.90%
	Total	36,232,157						
	GFA Denominator		15,863,819	35,976,724	8,573,350	21,357,748	34,499,279	6,380,824
		Operating Expenses	AD	AG	AQ	AR	AV	ZG
00032	CKY	34,676	7.68%	3.27%	13.61%	5.45%	3.40%	15.77%
	Total	1,588,761						
	OE Denominator		451,578	1,060,666	254,785	636,720	1,018,527	219,818
		Allocation %	AD	AG	AQ	AR	AV	ZG
00032	CKY		6.64%	2.87%	11.98%	4.80%	2.99%	14.84%

Basis Allocation Description	Basis	Billing Pool	BillingPool Description	Benefitting Companies																
				00022	00032	00034	00035	00037	00038	00058	00059	00060	00093	00094	00469	00550	00551	00552	00553	00471
Basis 1 - Total Gross Fixed Assets and Total OpEx	01	AD	Columbia Gas Dist Co's		X	X	X	X	X											
	01	AG	All NS Co's, not NCSC, not GenCo	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
	01	AQ	CKY, COH		X	X														
	01	AR	Columbia Gas Dist Co's, NIP-G		X	X	X	X	X			X								
	01	AU	CMD, CPA, CGV				X	X	X											
	01	AV	Columbia Gas Dist Co's, NIP		X	X	X	X	X		X									
	01	ZB	CMD, CPA				X	X												
	01	ZG	CKY, NIP-G			X					X									
	01	AH	All NS Co's, not NCSC		X	X	X	X	X		X									X
	01	AW	Columbia Gas Dist Co's, NIP, GenCo		X	X	X	X	X		X									X
	01	AX	NIP-E, JV's, GenCo								X					X	X	X		X
	01	AY	NIP-E, GenCo								X									X

Basis 3 – Number of Meters Serviced

Compilation: Charges are allocated to each benefited affiliate on the basis of its number of meters serviced to the total number of all meters serviced of the benefited affiliates.

Numerator

Number of meters serviced of the Operating Company

Denominator

Total number of meters serviced of the Operating Companies in the billing pool

Business Unit	Business Unit Acronym	Meters	CC
00032	CKY	3,703	17.48%
	Total	21,187	
	Meters Denominator		21,187

Basis 4 – Number of Accounts Payable Invoices Processed

Compilation: Charges are allocated to each benefited affiliate on the basis of its number of Accounts Payable invoices processed in a 12-month period to the total number of all Accounts Payable invoices processed.

Numerator

Accounts Payable invoices processed

Denominator

Total number of Accounts Payable invoices processed for the Operating Companies in the billing pool

Business Unit	Business Unit Acronym	Total AP Invoices processed	DD	DE
00032	CKY	4,068.00	6.17%	1.93%
	Total	211,082.00	100.00%	100.00%
	AP Denominator		65,896.00	211,082.00

				Benefitting Companies												
Basis Allocation Description	Basis	Billing Pool	Billing Pool Description	00032 CKY	00034 COH	00035 CMD	00037 CPA	00038 CGV	00058 NSI	00059 NIP	00060 NDC	00550 RWF	00551 ICWF	00552 DBSC	00553 MLSP	00471 GENCO
Basis 4 - Invoices processed	04	DD	Columbia Gas Dist Co's	X	X	X	X	X								
	04	DE	All Co's,not NCSC NICI,RWC,ICC	X	X	X	X	X	X	X	X	X	X	X	X	X

Basis 7 – Gross Depreciable Property & Total Operating Expense

Compilation: This basis spreads expenses across all benefited affiliates based upon 50% gross depreciable property (GDP) and 50% total operating expenses.

Procedure: Take 50% of GDP and 50% of O&M of the benefiting companies and divide by the denominator; GDP and OpEx are calculated individually.

Numerator

Total GDP or OpEx of the Operating Company

Denominator

Total GDP or OpEx of Operating Companies included in the billing pool

Business Unit	Business Unit Acronym	Gross Depreciable Property	GG
00032	CKY	862,370	2.56%
	Total	33,731,590	100.00%
	GDP Denominator		33,731,590
Business Unit	Business Unit Acronym	Operating Exp	GG
00032	CKY	34,676	3.27%
	Total	1,060,666	100.00%
	OE Denominator		1,060,666
Business Unit	Allocation %		GG
00032	CKY		2.92%

Basis 8 – Gross Depreciable Property

Compilation: Charges are allocated to each benefited affiliate on the basis of the relationship of its total gross depreciable property (GDP) to the sum of the total gross depreciable property of all benefited affiliates.

Numerator

Total GDP of the Operating Company

Denominator

Total GDP of Operating Companies included in the billing pool

Business Unit	Business Unit Acronym	Gross Depreciable Property	HD
00032	CKY	862,370	5.63%
	Total	33,731,590	100.00%
	GDP Denominator		15,308,871

Basis Allocation Description (simplified)	Basis	Billing Pool	Billing Pool Description	00032	00034	00035	00037	00038
				CKY	COH	CMD	CPA	CGV
Basis 8 - Total Depreciable Property	08	HD	Columbia Gas Dist Co's	X	X	X	X	X

Basis 9 – Automobile Units

Compilation: Charges are allocated to each benefited affiliate on the basis of its number of automobile units to the total number of all automobile units of the benefited affiliates.

Numerator

Total automobile units of the Operating Company

Denominator

Total automobile units of Operating Companies included in the billing pool

Business Unit	Business Unit Acronym	Fleet	IG
00032	CKY	157	4.06%
	Total	3,865	100.00%
	Fleet Denominator		3,865

Basis Allocation Description (simplified)	Basis	Billing Pool	Billing Pool Description	00032	00034	00035	00037	00038	00059
				CKY	COH	CMD	CPA	CGV	NIP
Basis 9 - Automobile Units	09	IG	Columbia Gas Dist Co's, NIP	X	X	X	X	X	X

Basis 11 – Number of Regular Employees

Compilation: Charges are allocated to each benefited affiliate on the basis of the relation of its number of regular employees to the total number of all regular employees of the benefited affiliates.

Numerator

Total regular employees of the Operating Company

Denominator

Total regular employees of the Operating Companies included in the billing pool

Business Unit	Business Unit Acronym	Regular Employees*	KD	KF	KG	KU
00032	CKY	192	7.93%	2.43%	3.63%	5.00%
	Total	7,911	100.00%	100.00%	100.00%	100.00%
Regular Employees Denominator			2,420	7,911	5,294	3,842

Basis Allocation Description (simplified)	Basis	Billing Pool	Billing Pool Description	00032	00034	00035	00037	00038	00059
				CKY	COH	CMD	CPA	CGV	NIP
	11	KD	Columbia Gas Dist Co's	X	X	X	X	X	
Basis 11 - Regular employees	11	KG	Columbia Gas Dist Co's, NIP	X	X	X	X	X	X
	11	KU	Columbia Gas Dist Co's, NIP-G	X	X	X	X	X	X

Basis 13 – Fixed Allocation – Arena and Southlake Facilities

Compilation: Each department's square footage is weighted to the total square footage for the facility.

STEP 1

Weighted square footage is multiplied by each department's labor dollars, by affiliate

STEP 2

Amounts are summed, by affiliate, to arrive at total dollars

STEP 3

COH directly adds space allocation percentages for COH-specific departments – Arena (MZ)

STEP 4

Each affiliate's total dollars is weighted to the total dollars of all companies

Business Unit	Business Unit Acronym	Labor/SqFt	MA-Southlake
00032	CKY	180,575	4.06%
	TOTAL	4,448,532	100.00%

MZ - Arena District						
Business Unit	Business Unit Acronym	Labor/SqFt	Percentages	Non Direct	COH Direct	Total
00032	CKY	180,991	5.64%	5.33%		5.33%
	Total	3,208,786	100.00%	94.47%	5.53%	100.00%

Basis Allocation Description (simplified)	Basis	Billing Pool	Billing Pool Description	00022 NICI	00032 CKY	00034 COH	00035 CMD	00037 CPA	00038 CGV	00058 NSI	00059 NIP	00060 NDC	00550 RWF	00551 ICWF	00552 DBSC	00553 MLSP	00471 GENCO
Basis 13 -	13	MA	All NS Co's, not NCSC, RWC, ICC	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MA - Southlake facility weighted by department square foot usage	13	MD	Columbia Gas Dist Co's, NIP		X	X	X	X	X		X						
MD - IT Devices (handheld wireless devices, routers, switches, etc.)	13	MK	Col. Gas Dist Co's, NIP, NSI		X	X	X	X	X	X	X						
MK - Personal computing devices (desktops, laptops, PDAs, etc.)	13	MM	Col. Gas Dist Co's, NIP, NSI		X	X	X	X	X	X	X						
MM - Average of billing pools MD and MK.	13	MR	Col. Gas Dist Co's, NIP		X	X	X	X	X		X						
MR - Mainframe usage by each operating company	13	MZ	All NS Co's, not NCSC, RWC, ICC	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Basis 13 – Fixed Allocation – IT Devices

Compilation — IT Device Billing Pools

MD

Affiliate other IT devices (handheld wireless devices, routers, switches, etc.) to the total of all other IT devices

MK

Affiliate personal computing devices (desktops, laptops, PDAs, etc.) to the total of all personal computing devices

MM

Affiliate IT devices (50% MD / 50% MK) to the total of all IT devices

Business Unit	Business Unit Acronym	IT Devices	MD	Laptop/PC's	MK	Average of MD & MK	MM
00032	CKY	281,300	3.31%	32,431	3.10%	156,866	3.21%
	Total	8,498,473	100.00%	1,046,174	100.00%	4,772,323	100.00%
		IT Devices	8,498,473	Laptop/PC's	1,046,174	Avg. MD&MK	4,772,323

BASIS 13 – FIXED ALLOCATION – Mainframe

MR: Billing pool charges are allocated to each benefited affiliate on the basis of the relation of its total mainframe costs to the total of all mainframe costs.

How usage is measured: Mainframe usage is provided in central processing units (CPU), measured in seconds, to quantify each BU's usage of the mainframe system.

Business Unit	Business Unit Acronym	Mainframe	MR
00032	CKY	395,574	3.81%
	Total	10,384,525	100.00%
		Mainframe	10,384,525

Basis 14 – Number of Transportation Customers

Compilation: Charges are allocated to each benefited affiliate on the basis of the relation of its Transportation Customers to the total of all Transportation Customers of the benefited affiliates as of the last day of the survey period.

Numerator

Total Transportation Customers of the Operating Company

Denominator

Total Transportation Customers of Operating Companies included in the billing pool

Business Unit	Business Unit Acronym	Transportation Customers	ND
00032	CKY	12,161	0.83%
	Total	1,458,525	100.00%
Transformation Customers Denominator			1,458,525

Basis Allocation Description (simplified)	Basis	Billing Pool	Billing Pool Description	00032 CKY	00034 COH	00035 CMD	00037 CPA	00038 CGV
Basis 14 - Transportation Customers	14	ND	Columbia Gas Dist Co's	X	X	X	X	X

Basis 20 – Direct Costs

Compilation — Billing Pool Definitions

TA

O&M contract billing costs billed by NCSC to the total of all contract billing costs billed NCSC

TI

O&M contract billing costs billed by the Information Technology business segment to the total of all such costs billed by that segment

TL

O&M contract billing costs billed by the Legal Department to the total of all contract billing costs billed by the Legal Department

Numerator

Total appropriate billing costs of the Operating Company

Denominator

Total appropriate billing costs of Operating Companies included in the Billing Pool

Direct Cost				Information Technology				Legal			
Business Unit	Business Unit Acronym	TA Contract Bill	TA	Business Unit	Business Unit Acronym	TI Contract Bill	TI	Business Unit	Business Unit Acronym	TL Contract Bill	TL
00032	CKY	18,416,858	4.11%	00032	CKY	2,517,648	3.78%	00032	CKY	510,876	3.28%
	Total	448,516,263	100.00%		Total	66,553,383	100.00%		Total	15,576,866	100.00%

Basis Allocation Description (simplified)	Basis	Billing Pool	Billing Pool Description	Benefitting Companies																	
				00022	00032	00034	00035	00037	00038	00058	00059	00060	00093	00094	00469	00470	00550	00551	00552	00553	00471
				NICI	CKY	COH	CMD	CPA	CGV	NSI	NIP	NDC	ORC	PRC	NPHI	NPHII	RWF	ICWF	DBSC	MLSP	GENCO
Basis 20 - Total Contract Billings	20	TA	All NS Co's, not NCSC	X	X	X	X	X	X	X	X	X				X	X	X	X	X	X
	20	TI	All NS Co's, not NCSC, NICI		X	X	X	X	X	X	X	X					X	X	X	X	X
	20	TL	All NS Co's, not NCSC	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

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