

March 31, 2015

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

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PUBLIC SERVICE COMMISSION

RE: Case No. 2013-00167

Dear Mr. Derouen:

Pursuant to the Commission's Order issued on December 13, 2013, in the above referenced case, Columbia Gas of Kentucky, Inc. ("Columbia") submits an original and eight (8) copies of the annual report to the AG on the costs and savings associated with its AMR program.

If you have questions, please don't hesitate to contact me at 859-288-0242 or jmcoop@nisource.com.

Sincerely,

Judy M. Cooper

Director, Regulatory Policy



March 31, 2015

Office of the Attorney General Utility & Rate Intervention 1024 Capital Center Drive Suite 200 Frankfort, KY 40601-8204

RE: Case No. 2013-00167

To Whom It May Concern:

Pursuant to the terms of the Stipulation and Commission Order in Case No. 2013-00167, dated December 13, 2013, Columbia Gas of Kentucky, Inc., ("Columbia") hereby provides its first report detailing the costs and savings associated with its Automated Meter Reading ("AMR") program as of December 31, 2014.

As anticipated in the case, Columbia rolled out the AMR program in 2014 and installation of AMR devices was 99.4% complete as of December 31, 2014. Costs associated with the program were \$7,399,383 for the purchase and installation of the AMR devices. As expected, Columbia began to realize a reduction in meter reading contractor services in the fourth quarter of 2014. This resulted in savings associated with the AMR program as of December 31, 2014 in the amount of \$152,673.

Columbia will provide its next report on March 31, 2016.

Respectfully,

Judy M. Cooper

Director, Regulatory Affairs