

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

1. Refer to the response to Commission Staff's First Request for Information ("Staffs First Request"), Item 48.a.(10). State whether franchise fees paid to local jurisdictions appear as a separate line item on the monthly bills of customers in those jurisdictions. If the answer is no, explain the reason(s) why and where the franchise fee amount is included.

Response:

The franchise fees paid to each jurisdiction appear as a separate line item on the bills of customers in each of the jurisdictions.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

2. Refer to the response to Staff's First Request, Item 55, Attachment C.
 - a. Provide the amount of rate case expense estimated by Columbia for its 2013 rate case and the amount of actual rate case expense incurred by Columbia for its 2013 rate case for all categories included in the attachment.
 - b. For each category in the attachment, explain how the amount of expense for the instant case was estimated.

Response:

- a. Please refer to Staff 3-2 Attachment A of the response.
- b. For the consulting category Columbia relied on historical costs to determine the appropriate amount to estimate. Newspaper and printing costs were assumed based on historical actuals as well as costs derived from other utilities' experiences in Kentucky. For legal fees, the cost associated with attorney fees assumed a fully litigated rate case with the assistance of outside counsel.

Similarly, employee and miscellaneous expense provides for travel and associated costs assuming a fully litigated rate case outcome.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. PUE-2016-00162
RATE CASE EXPENSES

LINE NO.	<u>DESCRIPTION</u>	2013 Rate Case Case No. 2013-00167	
		<u>Estimate</u>	<u>Actual</u>
1	CONSULTING		
2	Class Cost of Service/Rate Design Study	\$ 225,000	\$ 243,698
3	Cost of Capital Study	50,000	46,685
4	Depreciation Study	50,000	37,258
5	Actuarial Support	-	7,890
6	Sub-total	<u>325,000</u>	<u>335,531</u>
7	LEGAL FEES		
8	Attorney Fees and Expenses	300,000	33,716
9	Newspaper Publication Costs	-	57,322
10	Printing and Duplicating	-	26,223
11	Sub-total	<u>300,000</u>	<u>117,261</u>
11	EMPLOYEE AND MISCELLANEOUS EXPENSES		
12	(travel, lodging, meals, printing, advertising, etc.)	<u>50,000</u>	<u>2,783</u>
13	TOTAL PROJECTED RATE CASE EXPENSES	\$ 675,000	\$ 455,574

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

3. Refer to the response to Staff's Second Request for Information ("Staff's Second Request"), Item 3.c.
 - a. Total revenues in the column headed "Most Recent 2017 Forecast Year Data" for the 15 customers with annual usage greater than 200,000 Mcf is over \$540,000 greater than the total revenues for those customers in the column headed Application Filed Data. Clarify whether Columbia plans to reflect that increase in revenue as a reduction in the amount of its calculated revenue requirement increase.
 - b. Provide an updated Schedule M reflecting the revision set out in this response. The response should include an electronic copy of all schedules impacted under this tab with the formulas intact and unprotected and all rows and columns accessible.

Response:

a. Columbia plans to reflect the minimum bill revenue for Customer 12 and Customer 14, as identified in the response to Staff Set 2 No. 3.

b. Please see Attachment A to this response, filed in this docket as CKY_R_PSCDR3_NUM3_ATT_A_081916.xlsx, for a revision to Schedule M reflecting revised revenue presented in Staff Set 2 No. 3.

SCHEDULE M

REVENUE SUMMARY FOR BASE PERIOD AND FORECASTED PERIOD

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2016-00162

BASE PERIOD : FOR THE TWELVE MONTHS ENDED AUGUST 31, 2016

FORECASTED PERIOD: FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

SCHEDULE

DESCRIPTION

M	BASE AND FORECASTED PERIOD AT PRESENT RATES
M-2.1	PRESENT AND PROPOSED REVENUE AT FORECASTED PERIOD
M-2.2	BILLING ANALYSIS FOR THE FORECASTED PERIOD AT PRESENT RATES
M-2.2B	BILLING ANALYSIS FOR THE BASE PERIOD AT CURRENT RATES
M-2.3	BILLING ANALYSIS FOR THE FORECASTED PERIOD AT PROPOSED RATES

Data entry areas are shown in the color blue. Calculations and text are shown in black. Instructions are highlighted in yellow.

Columbia Gas of Kentucky, Inc.

Case No. **Case No. 2016-00162**

Witness: **Witness: M. J. Bell**

Expected Gas Cost Firm Commodity Rate: **2.8155**
 Gas Cost Adjustment Rate: **2.2091**
 Gas Cost Adjustment Firm Commodity Rate: **0.8977** GCA - uncollectible
 Gas Cost Adjustment Firm Demand Rate: **1.3114**
 Gas Cost Adjustment Date: **March 1, 2016**

Input area:

Rate Code	Rate Schedule Name	Current Rates											
		First Block	Second Block	Third Block	Fourth Block	Fifth Block	Cust Chg.	Admin chg	AMRP	EECP	EAP	R&D	Uncoll
GSR	General Service - Residential	2.2666					15.00		2.25	0.69	0.0597	0.0139	0.0160
G1C	LG&E Commercial	2.1558					56.92						
G1R	LG&E Residential	2.9600					17.27						
IN3	Inland Gas General Service - Residential	0.4000					0.00					0.0139	
IN3	Inland Gas General Service - Commercial	0.4000					0.00					0.0139	
IN4	Inland Gas General Service - Residential	0.5500					0.00					0.0139	
IN5	Inland Gas General Service - Residential	0.6000					0.00					0.0139	
LG2	LG&E Residential	0.3500					0.00						
LG2	LG&E Commercial	0.3500					0.00						
LG3	LG&E Residential	0.0000	0.3500				1.20						
LG4	LG&E Residential	0.4000					0.00						
GSO	General Service - Commercial	2.2666	1.7520	1.6659	1.5164		37.50		8.02			0.0139	0.0160
GSO	General Service - Industrial	2.2666	1.7520	1.6659	1.5164		37.50		8.02			0.0139	0.0160
GST	General Service - Trans Fallback - Comm	0.0000					0.00						
GST	General Service - Trans Fallback - Ind	0.0000					0.00						
IST	Interruptible Service - Fallback - Commercial	0.0000					0.00						
IST	Interruptible Service - Fallback - Industrial	0.0000					0.00						
IS	Interruptible Service - Industrial	0.5443	0.2890				1,007.05		449.59			0.0139	0.0160
IUS	Intrastate Utility Service - Wholesale	0.8150					477.00		76.96			0.0139	0.0160

Transportation Service

GTR	GTS Choice - Residential	2.2666				15.00		2.25	0.69	0.0597	0.0139
GTO	GTS Choice - Commercial	2.2666	1.7520	1.6659	1.5164	37.50		8.02			0.0139
GTO	GTS Choice - Industrial	2.2666	1.7520	1.6659	1.5164	37.50		8.02			0.0139
DS	GTS Delivery Service - Commercial	0.5443	0.2890			1,007.05	55.90	449.59			0.0139
DS	GTS Delivery Service - Industrial	0.5443	0.2890			1,007.05	55.90	449.59			0.0139
GDS	GTS Grandfathered Delivery Service - Commercial	2.2666	1.7520	1.6659	1.5164	37.50	55.90	8.02			0.0139
GDS	GTS Grandfathered Delivery Service - Industrial	2.2666	1.7520	1.6659	1.5164	37.50	55.90	8.02			0.0139
DS3	GTS Main Line Service - Industrial	0.0858				200.00	55.90				0.0139
FX1	GTS Flex Rate - Commercial	0.3900				1,007.05	55.90				
FX2	GTS Flex Rate - Commercial	0.3900				1,007.05	55.90				
FX5	GTS Flex Rate - Industrial	0.0858				200.00	55.90				
FX7	GTS Flex Rate - Industrial	0.4900	0.2700			1,007.05	55.90				
SAS	GTS Special Agency Service	0.5443	0.2890			1,007.05	55.90	449.59			0.0139
SC3	GTS Special Rate - Industrial	0.2900	0.1600			1,007.05	55.90				

Proposed Rates											
<u>First Block</u>	<u>Second Block</u>	<u>Third Block</u>	<u>Fourth Block</u>	<u>Fifth Block</u>	<u>Cust Chg.</u>	<u>Admin chg.</u>	<u>AMRP</u>	<u>EECP</u>	<u>EAP</u>	<u>R&D</u>	<u>Uncoll</u>
3.8690					19.76		0.00	0.6900	0.0597	0.0139	0.0260
2.1558					56.92						
2.9600					17.27						
0.4000					0.00					0.0139	
0.4000					0.00					0.0139	
0.5500					0.00					0.0139	
0.6000					0.00					0.0139	
0.3500					0.00						
0.3500					0.00						
0.0000	0.3500				1.20						
0.4000					0.00						
3.4683	2.6809	2.5491	2.3203		50.94		0.00			0.0139	0.0260
3.4683	2.6809	2.5491	2.3203		50.94		0.00			0.0139	0.0260
0.0000					0.00						
0.0000					0.00						
0.0000					0.00						
0.0000					0.00						
0.8769	0.4658				1,424.22		0.00				0.0260
1.3277					648.13		0.00			0.0139	0.0260

3.8690				19.76	0.00	0.69	0.0597	0.0139
3.4683	2.6809	2.5491	2.3203	50.94	0.00			0.0139
3.4683	2.6809	2.5491	2.3203	50.94	0.00			0.0139
0.8769	0.4658			1,424.22	0.00	0.00		0.0139
0.8769	0.4658			1,424.22	0.00	0.00		0.0139
3.4683	2.6809	2.5491	2.3203	50.94	0.00	0.00		0.0139
3.4683	2.6809	2.5491	2.3203	50.94	0.00	0.00		0.0139
0.0858				255.90	0.00			0.0139
0.3900				1,062.95	0.00			
0.3900				1,062.95	0.00			
0.0858				255.90	0.00			
0.4900	0.2700			1,062.95	0.00			
0.8769	0.4658			1,424.22	0.00	0.00		0.0139
0.2900	0.1600			1,062.95	0.00			

Columbia Gas of Kentucky, Inc.
Determination of Test Year Gas Cost Revenue
For the 12 Months Ended December 31, 2017

Data: ___ Base Period X Forecasted Period
Type of Filing: X Original ___ Update ___ Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-A.2
Sheet 1 of 1

Line No.	Description (A)	Forecasted Period												Total (N)	
		Jan-17 (B)	Feb-17 (C)	Mar-17 (D)	Apr-17 (E)	May-17 (F)	Jun-17 (G)	Jul-17 (H)	Aug-17 (I)	Sep-17 (J)	Oct-17 (K)	Nov-17 (L)	Dec-17 (M)		
1 Rate Schedule GSR - Residential															
2	Gas Cost Rate [1]	\$/Mcf	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	
3	Volumes	Mcf	1,331,907.1	1,291,151.8	968,403.0	552,553.4	259,776.4	123,911.3	88,930.0	85,940.7	88,922.9	141,784.3	408,542.4	906,257.2	6,248,080.5
4	Total Gas Revenue	\$	\$2,942,316	\$2,852,283	\$2,139,299	\$1,220,646	\$573,872	\$273,732	\$196,455	\$189,852	\$196,440	\$313,216	\$902,511	\$2,002,013	\$13,802,635
5 Rate Schedule GSO - Commercial															
6	Gas Cost Rate [1]	\$/Mcf	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	
7	Volumes	Mcf	660,740.0	655,060.9	456,847.5	277,301.9	134,480.2	80,718.3	56,728.5	52,785.7	51,801.2	77,144.1	171,035.9	423,570.9	3,098,215.1
8	Total Gas Revenue	\$	\$1,459,641	\$1,447,095	\$1,009,222	\$612,588	\$297,080	\$178,315	\$125,319	\$116,609	\$114,434	\$170,419	\$377,835	\$935,710	\$6,844,267
9 Rate Schedule GSO - Industrial															
10	Gas Cost Rate [1]	\$/Mcf	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	
11	Volumes	Mcf	33,000.2	31,999.9	30,900.0	29,799.9	28,800.3	27,749.9	27,749.9	28,750.2	28,750.2	30,849.9	30,900.0	31,000.1	360,250.5
12	Total Gas Revenue	\$	\$72,901	\$70,691	\$68,261	\$65,831	\$63,623	\$61,302	\$61,302	\$63,512	\$63,512	\$68,151	\$68,261	\$68,482	\$795,829
13 Rate Schedule IS - Industrial															
14	Gas Cost Rate [1]	\$/Mcf	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	
15	Volumes	Mcf	-	-	-	-	-	-	-	-	-	-	-	-	
16	Total Gas Revenue	\$	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
17 Rate Schedule IUS - Wholesale															
18	Gas Cost Rate [1]	\$/Mcf	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	
19	Volumes	Mcf	3,136.7	2,307.2	1,098.6	641.7	362.9	221.4	245.0	196.3	196.6	705.2	1,014.3	1,194.8	11,320.7
20	Total Gas Revenue	\$	\$6,929	\$5,097	\$2,427	\$1,418	\$802	\$489	\$541	\$434	\$434	\$1,558	\$2,241	\$2,639	\$25,009
21 Rate Schedule G1R - Residential															
22	Gas Cost Rate [1]	\$/Mcf	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	
23	Volumes	Mcf	458.3	345.9	279.4	174.8	81.1	33.4	24.1	27.6	28.4	68.0	159.2	338.7	2,018.9
24	Total Gas Revenue	\$	\$1,012	\$764	\$617	\$386	\$179	\$74	\$53	\$61	\$63	\$150	\$352	\$748	\$4,460
25 Rate Schedule G1C - Commercial															
26	Gas Cost Rate [1]	\$/Mcf	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	2.2091	
27	Volumes	Mcf	307.2	374.8	373.1	173.3	68.9	18.0	29.1	16.7	8.8	22.2	83.3	222.4	1,697.8
28	Total Gas Revenue	\$	\$679	\$828	\$824	\$383	\$152	\$40	\$64	\$37	\$19	\$49	\$184	\$491	\$3,751
29			\$4,483,478	\$4,376,758	\$3,220,650	\$1,901,251	\$935,708	\$513,952	\$383,735	\$370,504	\$374,902	\$553,542	\$1,351,384	\$3,010,085	\$21,475,950

[1] Gas Cost Rate as of March 1, 2016, excluding Gas Cost Uncollectible Rider.

Columbia Gas of Kentucky, Inc.
Number of Bills
For the 12 Months Ended December 31, 2017

Data: Base Period Forecasted Period
 Type of Filing: Original Update Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Workpaper WPM-B.2
 Sheet 3 of 6

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Tariff Sales Summary by Customer Class														
2	Total Residential Sales														
3	Bills		97,732	97,872	97,800	97,231	96,644	95,858	95,262	95,003	94,942	95,291	96,432	97,362	1,157,429
4	Finale Bills		<u>1,588</u>	<u>1,632</u>	<u>1,773</u>	<u>2,323</u>	<u>2,426</u>	<u>2,267</u>	<u>2,008</u>	<u>2,645</u>	<u>2,068</u>	<u>1,695</u>	<u>1,590</u>	<u>1,594</u>	<u>23,609</u>
5	Adjusted Bills		99,320	99,504	99,573	99,554	99,070	98,125	97,270	97,648	97,010	96,986	98,022	98,956	1,181,038
6	Total Commercial Sales														
7	Bills		10,121	10,208	9,956	9,870	9,781	9,698	9,713	9,683	9,673	9,707	9,855	10,023	118,288
8	Industrial Adjustment		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(12)
9	Finale Bills		<u>91</u>	<u>68</u>	<u>85</u>	<u>139</u>	<u>107</u>	<u>88</u>	<u>76</u>	<u>92</u>	<u>71</u>	<u>70</u>	<u>65</u>	<u>58</u>	<u>1,010</u>
10	Adjusted Bills		10,211	10,275	10,040	10,008	9,887	9,785	9,788	9,774	9,743	9,776	9,919	10,080	119,286
11	Total Industrial Sales														
12	Bills		41	41	41	41	41	41	41	41	41	41	41	41	492
13	Industrial Adjustment		2	2	2	2	2	2	3	3	3	3	3	3	30
14	Finale Bills		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
15	Adjusted Bills		43	43	43	43	43	44	44	45	44	44	44	44	524
16	Total Wholesale Sales														
17	Bills		2	2	2	2	2	2	2	2	2	2	2	2	24
18	Industrial Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0
19	Finale Bills		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
20	Adjusted Bills		2	2	2	2	2	2	2	2	2	2	2	2	24
21	Total Tariff Sales														
22	Bills		107,896	108,123	107,799	107,144	106,468	105,599	105,018	104,729	104,658	105,041	106,330	107,428	1,276,233
23	Industrial Adjustment		1	1	1	1	1	1	2	2	2	2	2	2	18
24	Finale Bills		<u>1,679</u>	<u>1,700</u>	<u>1,858</u>	<u>2,462</u>	<u>2,533</u>	<u>2,356</u>	<u>2,084</u>	<u>2,738</u>	<u>2,139</u>	<u>1,765</u>	<u>1,655</u>	<u>1,652</u>	<u>24,621</u>
25	Adjusted Bills		109,576	109,824	109,658	109,607	109,002	107,956	107,104	107,469	106,799	106,808	107,987	109,082	1,300,872

Columbia Gas of Kentucky, Inc.
Number of Bills
For the 12 Months Ended December 31, 2017

Data: __ Base Period_X Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Workpaper WPM-B.2
 Sheet 6 of 6

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Rate Schedule SC3 - Industrial														
2	Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
3	Industrial Adjustment	(WPM-D)	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Finalized Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Adjusted Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
6	Transportation Summary by Customer Class														
7	Total Residential Transportation														
8	Bills		23,633	23,667	23,649	23,511	23,370	23,180	23,035	22,973	22,958	23,042	23,318	23,543	279,879
9	Finalized Bills		87	118	137	183	242	206	203	250	221	146	140	134	2,067
10	Adjusted Bills		23,720	23,785	23,786	23,694	23,612	23,386	23,238	23,223	23,179	23,188	23,458	23,677	281,946
11	Total Commercial Transportation														
12	Bills		3,867	3,835	4,127	4,107	4,092	4,066	4,003	3,987	3,958	3,931	3,909	3,889	47,771
13	Industrial Adjustment		2	2	2	2	2	2	3	3	3	3	3	30	57
14	Finalized Bills		23	18	10	18	10	20	58	13	10	12	14	8	214
15	Adjusted Bills		3,892	3,855	4,139	4,127	4,104	4,088	4,064	4,003	3,971	3,946	3,926	3,927	48,042
16	Total Industrial Transportation														
17	Bills		75	75	74	74	74	74	74	74	74	74	75	75	892
18	Industrial Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0
19	Finalized Bills		0	0	0	1	0	0	0	0	0	0	0	0	1
20	Adjusted Bills		75	75	74	75	74	74	74	74	74	74	75	75	893
21	Total Transportation														
22	Bills		27,575	27,577	27,850	27,692	27,536	27,320	27,112	27,034	26,990	27,047	27,302	27,507	328,542
23	Industrial Adjustment		2	2	2	2	2	2	3	3	3	3	3	30	57
24	Finalized Bills		110	136	147	202	252	226	261	263	231	158	154	142	2,282
25	Adjusted Bills		27,687	27,715	27,999	27,896	27,790	27,548	27,376	27,300	27,224	27,208	27,459	27,679	330,881
26	Total Company Bills														
27	Bills		135,471	135,700	135,649	134,836	134,004	132,919	132,130	131,763	131,648	132,088	133,632	134,935	1,604,775
28	Industrial Adjustment		3	3	3	3	3	3	5	5	5	5	5	32	75
29	Finalized Bills		1,789	1,836	2,005	2,664	2,785	2,582	2,345	3,001	2,370	1,923	1,809	1,794	26,903
30	Adjusted Bills		137,263	137,539	137,657	137,503	136,792	135,504	134,480	134,769	134,023	134,016	135,446	136,761	1,631,753

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended December 31, 2017

Data: ___ Base Period X Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-C.2
Sheet 1 of 8

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Rate Schedule GSR - Residential														
2	Volumes		1,331,907.1	1,291,151.8	968,403.0	552,553.4	259,776.4	123,911.3	88,930.0	85,940.7	88,922.9	141,784.3	408,542.4	906,257.2	6,248,080.5
3	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Adjusted Volumes		1,331,907.1	1,291,151.8	968,403.0	552,553.4	259,776.4	123,911.3	88,930.0	85,940.7	88,922.9	141,784.3	408,542.4	906,257.2	6,248,080.5
5	Rate Schedule G1C - Commercial														
6	Volumes		307.2	374.8	373.1	173.3	68.9	18.0	29.1	16.7	8.8	22.2	83.3	222.4	1,697.8
7	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Adjusted Volumes		307.2	374.8	373.1	173.3	68.9	18.0	29.1	16.7	8.8	22.2	83.3	222.4	1,697.8
9	Rate Schedule G1R - Residential														
10	Volumes		458.3	345.9	279.4	174.8	81.1	33.4	24.1	27.6	28.4	68.0	159.2	338.7	2,018.9
11	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	Adjusted Volumes		458.3	345.9	279.4	174.8	81.1	33.4	24.1	27.6	28.4	68.0	159.2	338.7	2,018.9
13	Rate Schedule IN3 - Residential														
14	Volumes		247.9	172.9	116.2	84.5	36.3	17.0	11.6	10.8	11.5	34.0	90.2	157.3	990.2
15	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	Adjusted Volumes		247.9	172.9	116.2	84.5	36.3	17.0	11.6	10.8	11.5	34.0	90.2	157.3	990.2
17	Rate Schedule IN4 - Residential														
18	Volumes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	Adjusted Volumes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21	Rate Schedule IN5 - Residential														
22	Volumes		84.3	54.6	43.5	25.4	12.3	4.9	2.4	2.9	4.3	14.9	32.1	52.0	333.6
23	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	Adjusted Volumes		84.3	54.6	43.5	25.4	12.3	4.9	2.4	2.9	4.3	14.9	32.1	52.0	333.6
25	Rate Schedule LG2 - Residential														
26	Volumes		161.1	142.8	70.5	36.6	15.2	2.9	3.2	3.4	3.8	19.0	51.7	95.0	605.2
27	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Adjusted Volumes		161.1	142.8	70.5	36.6	15.2	2.9	3.2	3.4	3.8	19.0	51.7	95.0	605.2
29	Rate Schedule LG2 - Commercial														
30	Volumes		191.8	167.7	88.3	54.0	20.2	7.6	7.9	6.8	6.6	14.8	41.5	103.7	710.9
31	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32	Adjusted Volumes		191.8	167.7	88.3	54.0	20.2	7.6	7.9	6.8	6.6	14.8	41.5	103.7	710.9

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended December 31, 2017

Data: __ Base Period_X Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-C.2
Sheet 2 of 8

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Rate Schedule LG3 - Residential														
2	Volumes														
3	First 2 Mcf		2.0	2.0	2.0	2.0	2.0	2.4	2.0	2.0	2.0	2.0	2.0	2.0	24.4
4	Over 2 Mcf		89.8	71.4	43.4	102.5	65.4	24.1	24.2	9.8	24.2	73.9	103.5	57.5	689.7
5	Volumes		91.8	73.4	45.4	104.5	67.4	26.5	26.2	11.8	26.2	75.9	105.5	59.5	714.1
6	Rate Schedule LG4 - Residential														
7	Volumes		49.5	58.7	42.0	20.7	11.2	4.0	2.6	2.8	3.0	3.9	18.9	40.3	257.6
8	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Adjusted Volumes		49.5	58.7	42.0	20.7	11.2	4.0	2.6	2.8	3.0	3.9	18.9	40.3	257.6
10	Rate Schedule GSO - Commercial														
11	Volumes														
12	First 50 Mcf		267,724.0	278,801.2	227,946.5	149,431.8	76,855.7	48,785.1	38,320.5	36,243.0	36,349.0	49,912.3	96,938.0	195,958.3	1,503,265.4
13	Next 350 Mcf		283,839.2	279,646.2	182,183.2	107,296.4	47,863.0	28,650.6	16,633.3	15,250.7	14,035.7	24,219.7	64,428.0	177,273.0	1,241,319.0
14	Next 600 Mcf		79,819.5	71,400.1	38,709.6	16,894.1	7,331.2	3,286.7	1,774.7	1,292.0	1,416.5	3,112.1	8,898.8	40,405.4	274,340.7
15	Over 1,000 Mcf		31,980.1	27,309.4	9,608.2	4,479.6	2,530.3	45.9	0.0	0.0	0.0	0.0	1,571.1	11,834.2	89,358.8
			663,362.8	657,156.9	458,447.5	278,101.9	134,580.2	80,768.3	56,728.5	52,785.7	51,801.2	77,244.1	171,835.9	425,470.9	3,108,283.9
16	Industrial Adjustment	(WPM-D)													
17	First 50 Mcf		(50.0)	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)	0.0	0.0	0.0	(50.0)	(50.0)	(50.0)	(450.0)
18	Next 350 Mcf		(350.0)	(350.0)	(350.0)	(350.0)	(50.0)	0.0	0.0	0.0	0.0	(50.0)	(350.0)	(350.0)	(2,200.0)
19	Next 600 Mcf		(600.0)	(600.0)	(600.0)	(400.0)	0.0	0.0	0.0	0.0	0.0	0.0	(400.0)	(600.0)	(3,200.0)
20	Over 1,000 Mcf		(1,622.8)	(1,096.0)	(600.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(900.0)	(4,218.8)
			(2,622.8)	(2,096.0)	(1,600.0)	(800.0)	(100.0)	(50.0)	0.0	0.0	0.0	(100.0)	(800.0)	(1,900.0)	(10,068.8)
21	Adjusted Volumes														
22	First 50 Mcf		267,674.0	278,751.2	227,896.5	149,381.8	76,805.7	48,735.1	38,320.5	36,243.0	36,349.0	49,862.3	96,888.0	195,908.3	1,502,815.4
23	Next 350 Mcf		283,489.2	279,296.2	181,833.2	106,946.4	47,813.0	28,650.6	16,633.3	15,250.7	14,035.7	24,169.7	64,078.0	176,923.0	1,239,119.0
24	Next 600 Mcf		79,219.5	70,800.1	38,109.6	16,494.1	7,331.2	3,286.7	1,774.7	1,292.0	1,416.5	3,112.1	8,498.8	39,805.4	271,140.7
25	Over 1,000 Mcf		30,357.3	26,213.4	9,008.2	4,479.6	2,530.3	45.9	0.0	0.0	0.0	0.0	1,571.1	10,934.2	85,140.0
26	Adjusted Volumes		660,740.0	655,060.9	456,847.5	277,301.9	134,480.2	80,718.3	56,728.5	52,785.7	51,801.2	77,144.1	171,035.9	423,570.9	3,098,215.1

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended December 31, 2017

Data: __ Base Period_X Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-C.2
Sheet 3 of 8

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Rate Schedule GSO - Industrial														
2	Volumes														
3	First 50 Mcf		1,558.9	1,551.3	1,600.8	1,363.3	1,020.7	766.7	635.3	732.2	790.1	900.0	1,284.4	1,486.5	13,690.2
4	Next 350 Mcf		6,098.9	4,956.8	5,106.4	5,165.5	3,527.2	3,061.5	3,237.7	3,639.2	3,340.5	3,872.5	4,518.0	4,871.9	51,396.1
5	Next 600 Mcf		3,257.5	3,260.1	3,350.7	3,077.9	3,045.7	2,835.0	3,210.5	3,672.2	3,819.0	4,119.7	3,007.2	2,833.4	39,488.9
6	Over 1,000 Mcf		2,084.9	2,231.7	942.1	393.2	1,406.7	1,336.7	916.4	956.6	1,050.6	2,107.7	2,190.4	1,808.3	17,425.3
			13,000.2	11,999.9	11,000.0	9,999.9	9,000.3	7,999.9	7,999.9	9,000.2	9,000.2	10,999.9	11,000.0	11,000.1	122,000.5
7	Industrial Adjustment	(WPM-D)													
8	First 50 Mcf		150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	1,800.0
9	Next 350 Mcf		1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	12,600.0
10	Next 600 Mcf		1,800.0	1,800.0	1,700.0	1,600.0	1,600.0	1,550.0	1,550.0	1,550.0	1,550.0	1,650.0	1,700.0	1,800.0	19,850.0
11	Over 1,000 Mcf		17,000.0	17,000.0	17,000.0	17,000.0	17,000.0	17,000.0	17,000.0	17,000.0	17,000.0	17,000.0	17,000.0	17,000.0	204,000.0
			20,000.0	20,000.0	19,900.0	19,800.0	19,800.0	19,750.0	19,750.0	19,750.0	19,750.0	19,850.0	19,900.0	20,000.0	238,250.0
12	Adjusted Volumes														
13	First 50 Mcf		1,708.9	1,701.3	1,750.8	1,513.3	1,170.7	916.7	785.3	882.2	940.1	1,050.0	1,434.4	1,636.5	15,490.2
14	Next 350 Mcf		7,148.9	6,006.8	6,156.4	6,215.5	4,577.2	4,111.5	4,287.7	4,689.2	4,390.5	4,922.5	5,568.0	5,921.9	63,936.1
15	Next 600 Mcf		5,057.5	5,060.1	5,050.7	4,677.9	4,645.7	4,385.0	4,760.5	5,222.2	5,369.0	5,769.7	4,707.2	4,633.4	59,338.9
16	Over 1,000 Mcf		19,084.9	19,231.7	17,942.1	17,393.2	18,406.7	18,336.7	17,916.4	17,956.6	18,050.6	19,107.7	19,190.4	18,808.3	221,425.3
17	Adjusted Volumes		33,000.2	31,999.9	30,900.0	29,799.9	28,800.3	27,749.9	27,749.9	28,750.2	28,750.2	30,849.9	30,900.0	31,000.1	360,250.5
18	Rate Schedule IS - Industrial														
19	Volumes														
20	First 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21	Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	Volumes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23	Rate Schedule IUS - Wholesale														
24	Volumes		3,136.7	2,307.2	1,098.6	641.7	362.9	221.4	245.0	196.3	196.6	705.2	1,014.3	1,194.8	11,320.7
25	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	Adjusted Volumes		3,136.7	2,307.2	1,098.6	641.7	362.9	221.4	245.0	196.3	196.6	705.2	1,014.3	1,194.8	11,320.7

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended December 31, 2017

Data: Base Period X Forecasted Period
Type of Filing: X Original Update Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-C.2
Sheet 4 of 8

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Tariff Sales Summary by Customer Class														
2	Total Residential Sales														
3	Volumes		1,333,000.0	1,292,000.1	969,000.0	552,999.9	259,999.9	124,000.0	89,000.1	86,000.0	89,000.1	142,000.0	409,000.0	907,000.0	6,253,000.1
4	Industrial Adjustment		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Adjusted Volumes		1,333,000.0	1,292,000.1	969,000.0	552,999.9	259,999.9	124,000.0	89,000.1	86,000.0	89,000.1	142,000.0	409,000.0	907,000.0	6,253,000.1
6	Total Commercial Sales														
7	Volumes		663,861.8	657,699.4	458,908.9	278,329.2	134,669.3	80,793.9	56,765.5	52,809.2	51,816.6	77,281.1	171,960.7	425,797.0	3,110,692.6
8	Industrial Adjustment		(2,622.8)	(2,096.0)	(1,600.0)	(800.0)	(100.0)	(50.0)	0.0	0.0	0.0	(100.0)	(800.0)	(1,900.0)	(10,068.8)
9	Adjusted Volumes		661,239.0	655,603.4	457,308.9	277,529.2	134,569.3	80,743.9	56,765.5	52,809.2	51,816.6	77,181.1	171,160.7	423,897.0	3,100,623.8
10	Total Industrial Sales														
11	Volumes		13,000.2	11,999.9	11,000.0	9,999.9	9,000.3	7,999.9	7,999.9	9,000.2	9,000.2	10,999.9	11,000.0	11,000.1	122,000.5
12	Industrial Adjustment		20,000.0	20,000.0	19,900.0	19,800.0	19,800.0	19,750.0	19,750.0	19,750.0	19,750.0	19,850.0	19,900.0	20,000.0	238,250.0
13	Adjusted Volumes		33,000.2	31,999.9	30,900.0	29,799.9	28,800.3	27,749.9	27,749.9	28,750.2	28,750.2	30,849.9	30,900.0	31,000.1	360,250.5
14	Total Wholesale Sales														
15	Volumes		3,136.7	2,307.2	1,098.6	641.7	362.9	221.4	245.0	196.3	196.6	705.2	1,014.3	1,194.8	11,320.7
16	Industrial Adjustment		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Adjusted Volumes		3,136.7	2,307.2	1,098.6	641.7	362.9	221.4	245.0	196.3	196.6	705.2	1,014.3	1,194.8	11,320.7
18	Total Tariff Sales														
19	Volumes		2,012,998.7	1,964,006.6	1,440,007.5	841,970.7	404,032.4	213,015.2	154,010.5	148,005.7	150,013.5	230,986.2	592,975.0	1,344,991.9	9,497,013.9
20	Industrial Adjustment		17,377.2	17,904.0	18,300.0	19,000.0	19,700.0	19,700.0	19,750.0	19,750.0	19,750.0	19,750.0	19,100.0	18,100.0	228,181.2
21	Adjusted Volumes		2,030,375.9	1,981,910.6	1,458,307.5	860,970.7	423,732.4	232,715.2	173,760.5	167,755.7	169,763.5	250,736.2	612,075.0	1,363,091.9	9,725,195.1
22	Rate Schedule GTR - Residential														
23	Volumes		364,000.0	353,000.0	265,000.0	151,000.0	71,000.0	34,000.0	24,000.0	23,000.0	25,000.0	39,000.0	111,000.0	247,000.0	1,707,000.0
24	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	Adjusted Volumes		364,000.0	353,000.0	265,000.0	151,000.0	71,000.0	34,000.0	24,000.0	23,000.0	25,000.0	39,000.0	111,000.0	247,000.0	1,707,000.0
26	Rate Schedule GTO - Commercial														
27	Volumes														
28	First 50 Mcf		115,248.5	116,322.6	106,138.4	75,878.9	48,386.9	34,090.9	31,140.7	30,451.2	32,109.0	40,148.2	62,458.3	94,003.8	786,377.4
29	Next 350 Mcf		147,158.6	143,758.3	103,281.1	63,376.9	39,602.3	30,878.4	27,567.7	26,232.9	28,470.1	38,563.3	57,697.6	100,340.5	806,927.7
30	Next 600 Mcf		37,085.0	34,041.2	18,666.5	11,741.5	6,797.7	6,188.9	5,312.4	5,525.8	6,310.6	8,979.6	14,083.0	24,521.2	179,253.4
31	Over 1,000 Mcf		22,508.7	17,880.3	7,915.1	4,006.6	2,211.7	2,841.9	1,978.2	1,791.2	2,108.3	3,303.5	5,755.8	15,131.0	87,432.3
	Adjusted Volumes		322,000.8	312,002.4	236,001.1	155,003.9	96,998.6	74,000.1	65,999.0	64,001.1	68,998.0	90,994.6	139,994.7	233,996.5	1,859,990.8
32	Industrial Adjustment (WPM-D)														
33	First 50 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
34	Next 350 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
35	Next 600 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
36	Over 1,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Adjusted Volumes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
37	Adjusted Volumes														
38	First 50 Mcf		115,248.5	116,322.6	106,138.4	75,878.9	48,386.9	34,090.9	31,140.7	30,451.2	32,109.0	40,148.2	62,458.3	94,003.8	786,377.4
39	Next 350 Mcf		147,158.6	143,758.3	103,281.1	63,376.9	39,602.3	30,878.4	27,567.7	26,232.9	28,470.1	38,563.3	57,697.6	100,340.5	806,927.7
40	Next 600 Mcf		37,085.0	34,041.2	18,666.5	11,741.5	6,797.7	6,188.9	5,312.4	5,525.8	6,310.6	8,979.6	14,083.0	24,521.2	179,253.4
41	Over 1,000 Mcf		22,508.7	17,880.3	7,915.1	4,006.6	2,211.7	2,841.9	1,978.2	1,791.2	2,108.3	3,303.5	5,755.8	15,131.0	87,432.3
42	Adjusted Volumes		322,000.8	312,002.4	236,001.1	155,003.9	96,998.6	74,000.1	65,999.0	64,001.1	68,998.0	90,994.6	139,994.7	233,996.5	1,859,990.8

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended December 31, 2017

Data: __ Base Period_X Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-C.2
Sheet 5 of 8

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Rate Schedule GTO - Industrial														
2	Volumes														
3	First 50 Mcf		472.7	517.8	508.5	429.7	346.2	313.1	310.6	295.6	279.2	420.4	426.1	467.9	4,787.8
4	Next 350 Mcf		2,210.2	2,239.1	2,090.2	1,600.8	1,646.5	1,359.8	1,359.2	1,380.5	1,335.8	1,812.9	2,003.7	2,070.3	21,109.0
5	Next 600 Mcf		2,400.0	2,344.7	2,065.1	1,901.5	1,446.5	1,488.2	1,395.6	1,201.0	1,365.8	1,413.9	1,953.8	1,933.6	20,909.7
6	Over 1,000 Mcf		917.2	898.3	1,336.1	2,067.9	2,560.8	2,839.0	2,934.5	3,122.9	3,019.2	2,352.9	1,616.4	1,528.2	25,193.4
			6,000.1	5,999.9	5,999.9	5,999.9	6,000.0	6,000.1	5,999.9	6,000.0	6,000.0	6,000.1	6,000.0	6,000.0	71,999.9
7	Industrial Adjustment	(WPM-D)													
8	First 50 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Next 350 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Next 600 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Over 1,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	Adjusted Volumes														
13	First 50 Mcf		472.7	517.8	508.5	429.7	346.2	313.1	310.6	295.6	279.2	420.4	426.1	467.9	4,787.8
14	Next 350 Mcf		2,210.2	2,239.1	2,090.2	1,600.8	1,646.5	1,359.8	1,359.2	1,380.5	1,335.8	1,812.9	2,003.7	2,070.3	21,109.0
15	Next 600 Mcf		2,400.0	2,344.7	2,065.1	1,901.5	1,446.5	1,488.2	1,395.6	1,201.0	1,365.8	1,413.9	1,953.8	1,933.6	20,909.7
16	Over 1,000 Mcf		917.2	898.3	1,336.1	2,067.9	2,560.8	2,839.0	2,934.5	3,122.9	3,019.2	2,352.9	1,616.4	1,528.2	25,193.4
17	Adjusted Volumes		6,000.1	5,999.9	5,999.9	5,999.9	6,000.0	6,000.1	5,999.9	6,000.0	6,000.0	6,000.1	6,000.0	6,000.0	71,999.9
18	Rate Schedule DS - Commercial														
19	Volumes														
20	First 30,000 Mcf		188,859.0	169,110.1	147,265.6	103,565.2	83,423.1	69,626.2	68,394.7	69,858.1	76,451.3	101,603.3	139,898.5	162,514.9	1,380,570.0
21	Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			188,859.0	169,110.1	147,265.6	103,565.2	83,423.1	69,626.2	68,394.7	69,858.1	76,451.3	101,603.3	139,898.5	162,514.9	1,380,570.0
22	Industrial Adjustment	(WPM-D)													
23	First 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	Adjusted Volumes														
26	First 30,000 Mcf		188,859.0	169,110.1	147,265.6	103,565.2	83,423.1	69,626.2	68,394.7	69,858.1	76,451.3	101,603.3	139,898.5	162,514.9	1,380,570.0
27	Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Adjusted Volumes		188,859.0	169,110.1	147,265.6	103,565.2	83,423.1	69,626.2	68,394.7	69,858.1	76,451.3	101,603.3	139,898.5	162,514.9	1,380,570.0
29	Rate Schedule DS - Industrial														
30	Volumes														
31	First 30,000 Mcf		372,633.5	346,268.5	319,008.7	299,709.6	285,128.8	278,134.1	252,645.5	277,869.2	290,511.7	319,636.4	337,494.0	344,941.4	3,723,981.4
32	Over 30,000 Mcf		312,276.0	266,310.0	216,432.0	137,874.0	93,864.0	71,370.0	52,470.0	74,304.0	81,150.0	144,720.0	223,938.0	238,608.0	1,913,316.0
			684,909.5	612,578.5	535,440.7	437,583.6	378,992.8	349,504.1	305,115.5	352,173.2	371,661.7	464,356.4	561,432.0	583,549.4	5,637,297.4
33	Industrial Adjustment	(WPM-D)													
34	First 30,000 Mcf		(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(120,000.0)
35	Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(120,000.0)
36	Adjusted Volumes														
37	First 30,000 Mcf		362,633.5	336,268.5	309,008.7	289,709.6	275,128.8	268,134.1	242,645.5	267,869.2	280,511.7	309,636.4	327,494.0	334,941.4	3,603,981.4
38	Over 30,000 Mcf		312,276.0	266,310.0	216,432.0	137,874.0	93,864.0	71,370.0	52,470.0	74,304.0	81,150.0	144,720.0	223,938.0	238,608.0	1,913,316.0
39	Adjusted Volumes		674,909.5	602,578.5	525,440.7	427,583.6	368,992.8	339,504.1	295,115.5	342,173.2	361,661.7	454,356.4	551,432.0	573,549.4	5,517,297.4

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended December 31, 2017

Data: __ Base Period_X Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-C.2
Sheet 6 of 8

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Rate Schedule GDS - Commercial														
2	Volumes														
3	First 50 Mcf		600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	550.0	600.0	7,150.0
4	Next 350 Mcf		4,200.0	4,200.0	4,200.0	4,182.5	4,127.0	4,044.2	3,998.9	3,891.4	4,069.2	4,045.0	3,850.0	4,200.0	49,008.2
5	Next 600 Mcf		7,070.0	6,882.7	6,964.3	6,167.1	6,270.1	4,699.5	5,144.3	4,257.5	4,801.3	6,031.9	6,494.6	6,960.4	71,743.7
6	Over 1,000 Mcf		<u>13,932.9</u>	<u>13,803.3</u>	<u>10,302.3</u>	<u>5,333.3</u>	<u>4,075.8</u>	<u>1,525.9</u>	<u>2,402.3</u>	<u>1,889.0</u>	<u>1,772.2</u>	<u>3,743.8</u>	<u>7,560.9</u>	<u>9,386.9</u>	<u>75,728.6</u>
			25,802.9	25,486.6	22,066.6	16,282.9	15,072.9	10,869.6	12,145.5	10,637.9	11,242.7	14,420.7	18,455.5	21,147.3	203,630.5
7	Industrial Adjustment	(WPM-D)													
8	First 50 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Next 350 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Next 600 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Over 1,000 Mcf		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	Adjusted Volumes														
13	First 50 Mcf		600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	550.0	600.0	7,150.0
14	Next 350 Mcf		4,200.0	4,200.0	4,200.0	4,182.5	4,127.0	4,044.2	3,998.9	3,891.4	4,069.2	4,045.0	3,850.0	4,200.0	49,008.2
15	Next 600 Mcf		7,070.0	6,882.7	6,964.3	6,167.1	6,270.1	4,699.5	5,144.3	4,257.5	4,801.3	6,031.9	6,494.6	6,960.4	71,743.7
16	Over 1,000 Mcf		<u>13,932.9</u>	<u>13,803.3</u>	<u>10,302.3</u>	<u>5,333.3</u>	<u>4,075.8</u>	<u>1,525.9</u>	<u>2,402.3</u>	<u>1,889.0</u>	<u>1,772.2</u>	<u>3,743.8</u>	<u>7,560.9</u>	<u>9,386.9</u>	<u>75,728.6</u>
17	Adjusted Volumes		25,802.9	25,486.6	22,066.6	16,282.9	15,072.9	10,869.6	12,145.5	10,637.9	11,242.7	14,420.7	18,455.5	21,147.3	203,630.5
18	Rate Schedule GDS - Industrial														
19	Volumes														
20	First 50 Mcf		609.9	622.4	750.0	735.6	694.2	473.6	460.0	510.6	530.3	604.5	606.1	666.9	7,264.1
21	Next 350 Mcf		3,896.3	3,965.4	4,483.7	4,484.4	3,857.7	2,799.5	2,736.4	3,003.2	2,907.0	3,132.7	3,912.5	4,183.5	43,362.3
22	Next 600 Mcf		5,621.7	5,802.3	6,622.1	5,166.4	4,115.7	2,754.1	2,958.6	3,457.3	3,411.2	3,405.2	4,279.4	5,280.7	52,874.7
23	Over 1,000 Mcf		<u>7,716.4</u>	<u>6,439.2</u>	<u>7,195.5</u>	<u>3,680.8</u>	<u>4,450.7</u>	<u>2,848.5</u>	<u>1,893.4</u>	<u>2,095.7</u>	<u>2,937.8</u>	<u>2,954.3</u>	<u>3,905.0</u>	<u>4,849.5</u>	<u>50,966.8</u>
			17,844.3	16,829.3	19,051.3	14,067.2	13,118.3	8,875.7	8,048.4	9,066.8	9,786.3	10,096.7	12,703.0	14,980.6	154,467.9
24	Industrial Adjustment	(WPM-D)													
25	First 50 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	Next 350 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	Next 600 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
28	Over 1,000 Mcf		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Adjusted Volumes														
30	First 50 Mcf		609.9	622.4	750.0	735.6	694.2	473.6	460.0	510.6	530.3	604.5	606.1	666.9	7,264.1
31	Next 350 Mcf		3,896.3	3,965.4	4,483.7	4,484.4	3,857.7	2,799.5	2,736.4	3,003.2	2,907.0	3,132.7	3,912.5	4,183.5	43,362.3
32	Next 600 Mcf		5,621.7	5,802.3	6,622.1	5,166.4	4,115.7	2,754.1	2,958.6	3,457.3	3,411.2	3,405.2	4,279.4	5,280.7	52,874.7
33	Over 1,000 Mcf		<u>7,716.4</u>	<u>6,439.2</u>	<u>7,195.5</u>	<u>3,680.8</u>	<u>4,450.7</u>	<u>2,848.5</u>	<u>1,893.4</u>	<u>2,095.7</u>	<u>2,937.8</u>	<u>2,954.3</u>	<u>3,905.0</u>	<u>4,849.5</u>	<u>50,966.8</u>
34	Adjusted Volumes		17,844.3	16,829.3	19,051.3	14,067.2	13,118.3	8,875.7	8,048.4	9,066.8	9,786.3	10,096.7	12,703.0	14,980.6	154,467.9
35	Rate Schedule DS3 - Industrial														
36	Volumes														
37	Industrial Adjustment	(WPM-D)	58,289.0	56,724.0	56,724.0	57,213.0	57,995.0	58,484.0	55,942.0	54,866.0	55,746.0	58,093.0	57,604.0	53,301.0	680,981.0
38	Adjusted Volumes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			58,289.0	56,724.0	56,724.0	57,213.0	57,995.0	58,484.0	55,942.0	54,866.0	55,746.0	58,093.0	57,604.0	53,301.0	680,981.0
39	Rate Schedule FX1 - Commercial														
40	Volumes														
41	Industrial Adjustment	(WPM-D)	74,328.0	58,680.0	70,416.0	34,230.0	29,340.0	29,340.0	29,340.0	29,340.0	34,230.0	39,120.0	49,878.0	63,570.0	541,812.0
42	Adjusted Volumes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
			74,328.0	58,680.0	70,416.0	34,230.0	29,340.0	29,340.0	29,340.0	29,340.0	34,230.0	39,120.0	49,878.0	63,570.0	541,812.0

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended December 31, 2017

Data: __ Base Period_X Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-C.2
Sheet 7 of 8

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Rate Schedule FX2 - Commercial														
2	Volumes		44,010.0	56,724.0	33,252.0	47,922.0	37,164.0	37,164.0	39,120.0	37,164.0	41,076.0	50,856.0	54,768.0	54,768.0	533,988.0
3	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Adjusted Volumes		44,010.0	56,724.0	33,252.0	47,922.0	37,164.0	37,164.0	39,120.0	37,164.0	41,076.0	50,856.0	54,768.0	54,768.0	533,988.0
5	Rate Schedule FX5 - Industrial														
6	Volumes		411,738.0	369,684.0	397,068.0	381,420.0	392,178.0	381,420.0	392,178.0	392,178.0	381,420.0	397,068.0	391,200.0	401,958.0	4,689,510.0
7	Industrial Adjustment	(WPM-D)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8	Adjusted Volumes		411,738.0	369,684.0	397,068.0	381,420.0	392,178.0	381,420.0	392,178.0	392,178.0	381,420.0	397,068.0	391,200.0	401,958.0	4,689,510.0
9	Rate Schedule FX7 - Industrial														
10	Volumes														
11	First 25,000 Mcf		25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	300,000.0
12	Over 25,000 Mcf		19,077.0	1,389.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	20,000.0	20,000.0	14,555.0	14,979.0	120,000.0
			44,077.0	26,389.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	45,000.0	45,000.0	39,555.0	39,979.0	420,000.0
13	Industrial Adjustment	(WPM-D)													
14	First 25,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Over 25,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	Adjusted Volumes														
17	First 25,000 Mcf		25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	300,000.0
18	Over 25,000 Mcf		19,077.0	1,389.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	20,000.0	20,000.0	14,555.0	14,979.0	120,000.0
19	Adjusted Volumes		44,077.0	26,389.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	45,000.0	45,000.0	39,555.0	39,979.0	420,000.0
20	Rate Schedule SAS - Commercial														
21	Volumes														
22	First 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23	Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	Industrial Adjustment	(WPM-D)													
25	First 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	Adjusted Volumes														
28	First 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Adjusted Volumes		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Rate Schedule SC3 - Industrial														
32	Volumes														
33	First 150,000 Mcf		150,000.0	150,000.0	150,000.0	150,000.0	150,000.0	150,000.0	150,000.0	150,000.0	150,000.0	150,000.0	150,000.0	150,000.0	1,800,000.0
34	Over 150,000 Mcf		245,112.0	233,376.0	233,376.0	233,376.0	233,376.0	233,376.0	233,376.0	233,376.0	233,376.0	233,376.0	233,376.0	245,112.0	2,823,984.0
			395,112.0	383,376.0	383,376.0	383,376.0	383,376.0	383,376.0	383,376.0	383,376.0	383,376.0	383,376.0	383,376.0	395,112.0	4,623,984.0
35	Industrial Adjustment	(WPM-D)													
36	First 150,000 Mcf		0.0	0.0	(10,000.0)	(10,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(10,000.0)	0.0	(150,000.0)
37	Over 150,000 Mcf		(230,112.0)	(228,376.0)	(233,376.0)	(245,376.0)	(252,376.0)	(261,376.0)	(261,376.0)	(261,376.0)	(243,376.0)	(218,376.0)	(223,376.0)	(235,112.0)	(2,893,984.0)
			(230,112.0)	(228,376.0)	(243,376.0)	(255,376.0)	(272,376.0)	(281,376.0)	(281,376.0)	(281,376.0)	(263,376.0)	(238,376.0)	(233,376.0)	(235,112.0)	(3,043,984.0)
38	Adjusted Volumes														
39	First 150,000 Mcf		150,000.0	150,000.0	140,000.0	140,000.0	130,000.0	130,000.0	130,000.0	130,000.0	130,000.0	130,000.0	140,000.0	150,000.0	1,650,000.0
40	Over 150,000 Mcf		15,000.0	5,000.0	0.0	(12,000.0)	(19,000.0)	(28,000.0)	(28,000.0)	(28,000.0)	(10,000.0)	15,000.0	10,000.0	10,000.0	(70,000.0)
41	Adjusted Volumes		165,000.0	155,000.0	140,000.0	128,000.0	111,000.0	102,000.0	102,000.0	102,000.0	120,000.0	145,000.0	150,000.0	160,000.0	1,580,000.0

Columbia Gas of Kentucky, Inc.
Volumes (Mcf)
For the 12 Months Ended December 31, 2017

Data: __ Base Period_X Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-C.2
Sheet 8 of 8

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Transportation Summary by Customer Class														
2	Total Residential Transportation														
3	Volumes		364,000.0	353,000.0	265,000.0	151,000.0	71,000.0	34,000.0	24,000.0	23,000.0	25,000.0	39,000.0	111,000.0	247,000.0	1,707,000.0
4	Industrial Adjustment		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
5	Adjusted Volumes		364,000.0	353,000.0	265,000.0	151,000.0	71,000.0	34,000.0	24,000.0	23,000.0	25,000.0	39,000.0	111,000.0	247,000.0	1,707,000.0
6	Total Commercial Transportation														
7	Volumes		655,000.7	622,002.5	509,001.3	357,004.0	261,998.6	220,999.9	214,999.2	211,001.1	231,998.0	296,994.6	402,994.7	535,996.7	4,519,991.3
8	Industrial Adjustment		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
9	Adjusted Volumes		655,000.7	622,002.5	509,001.3	357,004.0	261,998.6	220,999.9	214,999.2	211,001.1	231,998.0	296,994.6	402,994.7	535,996.7	4,519,991.3
10	Total Industrial Transportation														
11	Volumes		1,617,969.9	1,471,580.7	1,427,659.9	1,309,659.7	1,261,660.1	1,217,659.9	1,180,659.8	1,227,660.0	1,252,990.0	1,363,990.2	1,451,870.0	1,494,880.0	16,278,240.2
12	Industrial Adjustment		<u>(240,112.0)</u>	<u>(238,376.0)</u>	<u>(253,376.0)</u>	<u>(265,376.0)</u>	<u>(282,376.0)</u>	<u>(291,376.0)</u>	<u>(291,376.0)</u>	<u>(291,376.0)</u>	<u>(273,376.0)</u>	<u>(248,376.0)</u>	<u>(243,376.0)</u>	<u>(245,112.0)</u>	<u>(3,163,984.0)</u>
13	Adjusted Volumes		1,377,857.9	1,233,204.7	1,174,283.9	1,044,283.7	979,284.1	926,283.9	889,283.8	936,284.0	979,614.0	1,115,614.2	1,208,494.0	1,249,768.0	13,114,256.2
14	Total Transportation														
15	Volumes		2,636,970.6	2,446,583.2	2,201,661.2	1,817,663.7	1,594,658.7	1,472,659.8	1,419,659.0	1,461,661.1	1,509,988.0	1,699,984.8	1,965,864.7	2,277,876.7	22,505,231.5
16	Industrial Adjustment		<u>(240,112.0)</u>	<u>(238,376.0)</u>	<u>(253,376.0)</u>	<u>(265,376.0)</u>	<u>(282,376.0)</u>	<u>(291,376.0)</u>	<u>(291,376.0)</u>	<u>(291,376.0)</u>	<u>(273,376.0)</u>	<u>(248,376.0)</u>	<u>(243,376.0)</u>	<u>(245,112.0)</u>	<u>(3,163,984.0)</u>
17	Adjusted Volumes		2,396,858.6	2,208,207.2	1,948,285.2	1,552,287.7	1,312,282.7	1,181,283.8	1,128,283.0	1,170,285.1	1,236,612.0	1,451,608.8	1,722,488.7	2,032,764.7	19,341,247.5
18	Total Company Throughput														
19	Volumes		4,649,969.3	4,410,589.8	3,641,668.7	2,659,634.4	1,998,691.1	1,685,675.0	1,573,669.5	1,609,666.8	1,660,001.5	1,930,971.0	2,558,839.7	3,622,868.6	32,002,245.4
20	Industrial Adjustment		<u>(222,734.8)</u>	<u>(220,472.0)</u>	<u>(235,076.0)</u>	<u>(246,376.0)</u>	<u>(262,676.0)</u>	<u>(271,676.0)</u>	<u>(271,626.0)</u>	<u>(271,626.0)</u>	<u>(253,626.0)</u>	<u>(228,626.0)</u>	<u>(224,276.0)</u>	<u>(227,012.0)</u>	<u>(2,935,802.8)</u>
21	Adjusted Volumes		4,427,234.5	4,190,117.8	3,406,592.7	2,413,258.4	1,736,015.1	1,413,999.0	1,302,043.5	1,338,040.8	1,406,375.5	1,702,345.0	2,334,563.7	3,395,856.6	29,066,442.6

**Columbia Gas of Kentucky, Inc.
Adjustment to Test Year Bills and Mcf
For the 12 Months Ended December 31, 2017**

Data: ___ Base Period X Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Workpaper WPM-D.2
Sheet 1 of 2

Line No.	Description (A)	Reference (B)	Jan-17 (C)	Feb-17 (D)	Mar-17 (E)	Apr-17 (F)	May-17 (G)	Jun-17 (H)	Jul-17 (I)	Aug-17 (J)	Sep-17 (K)	Oct-17 (L)	Nov-17 (M)	Dec-17 (N)	Total (O)
1	Large Com/Ind Customers														
2	Rate Schedule GSO - Commercial		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(12)
3	Rate Schedule GSO - Industrial		2	2	2	2	2	2	3	3	3	3	3	3	30
4	Rate Schedule GDS - Commercial		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Rate Schedule GDS - Industrial		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Rate Schedule DS - Industrial		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Rate Schedule SAS - Commercial		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Adjusted Bills		1	1	1	1	1	1	2	2	2	2	2	2	18
9	Total Adjusted Bills		1	1	1	1	1	1	2	2	2	2	2	2	18
10	Large Com/Ind Volumes														
11	Rate Schedule GSO - Commercial														
12	First 50 Mcf		(50.0)	(50.0)	(50.0)	(50.0)	(50.0)	(50.0)	0.0	0.0	0.0	(50.0)	(50.0)	(50.0)	(450.0)
13	Next 350 Mcf		(350.0)	(350.0)	(350.0)	(350.0)	(50.0)	0.0	0.0	0.0	0.0	(50.0)	(350.0)	(350.0)	(2,200.0)
14	Next 600 Mcf		(600.0)	(600.0)	(600.0)	(400.0)	0.0	0.0	0.0	0.0	0.0	0.0	(400.0)	(600.0)	(3,200.0)
15	Over 1,000 Mcf		<u>(1,622.8)</u>	<u>(1,096.0)</u>	<u>(600.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(900.0)</u>	<u>(4,218.8)</u>
16	Adjusted Volumes		<u>(2,622.8)</u>	<u>(2,096.0)</u>	<u>(1,600.0)</u>	<u>(800.0)</u>	<u>(100.0)</u>	<u>(50.0)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(100.0)</u>	<u>(800.0)</u>	<u>(1,900.0)</u>	<u>(10,068.8)</u>
17	Rate Schedule GSO - Industrial														
18	First 50 Mcf		150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	1,800.0
19	Next 350 Mcf		1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	1,050.0	12,600.0
20	Next 600 Mcf		1,800.0	1,800.0	1,700.0	1,600.0	1,600.0	1,550.0	1,550.0	1,550.0	1,550.0	1,650.0	1,700.0	1,800.0	19,850.0
21	Over 1,000 Mcf		<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>17,000.0</u>	<u>204,000.0</u>
22	Adjusted Volumes		<u>20,000.0</u>	<u>20,000.0</u>	<u>19,900.0</u>	<u>19,800.0</u>	<u>19,800.0</u>	<u>19,750.0</u>	<u>19,750.0</u>	<u>19,750.0</u>	<u>19,750.0</u>	<u>19,850.0</u>	<u>19,900.0</u>	<u>20,000.0</u>	<u>238,250.0</u>
23	Rate Schedule GDS - Commercial														
24	First 50 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	Next 350 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26	Next 600 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27	Over 1,000 Mcf		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
28	Adjusted Volumes		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
29	Rate Schedule GDS - Industrial														
30	First 50 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Next 350 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32	Next 600 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
33	Over 1,000 Mcf		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
34	Adjusted Volumes		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
35	Rate Schedule DS - Industrial														
36	First 30,000 Mcf		(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(10,000.0)	(120,000.0)
37	Over 30,000 Mcf		<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
38	Adjusted Volumes		<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(10,000.0)</u>	<u>(120,000.0)</u>
39	Rate Schedule SC3 - Industrial														
40	Next 150,000 Mcf		0.0	0.0	(10,000.0)	(10,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(20,000.0)	(10,000.0)	0.0	(150,000.0)
41	Over 150,000 Mcf		<u>(230,112.0)</u>	<u>(228,376.0)</u>	<u>(233,376.0)</u>	<u>(245,376.0)</u>	<u>(252,376.0)</u>	<u>(261,376.0)</u>	<u>(261,376.0)</u>	<u>(261,376.0)</u>	<u>(243,376.0)</u>	<u>(218,376.0)</u>	<u>(223,376.0)</u>	<u>(235,112.0)</u>	<u>(2,893,984.0)</u>
42	Adjusted Volumes		<u>(230,112.0)</u>	<u>(228,376.0)</u>	<u>(243,376.0)</u>	<u>(255,376.0)</u>	<u>(272,376.0)</u>	<u>(281,376.0)</u>	<u>(281,376.0)</u>	<u>(281,376.0)</u>	<u>(263,376.0)</u>	<u>(238,376.0)</u>	<u>(233,376.0)</u>	<u>(235,112.0)</u>	<u>(3,043,984.0)</u>
43	Total Adjusted Volumes		(222,734.8)	(220,472.0)	(235,076.0)	(246,376.0)	(262,676.0)	(271,676.0)	(271,626.0)	(271,626.0)	(253,626.0)	(228,626.0)	(224,276.0)	(227,012.0)	(2,935,802.8)

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Revenues At Present and Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: Base Period Forecasted Period
Type of Filing: Original Update Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M
Page 2 of 3
Witness: M. J. Bell

Current Annualized

Line No.	Description	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
1	Revenue by Customer Class													
2	Residential Sales	\$ 7,846,191	\$ 7,663,360	\$ 6,195,224	\$ 4,301,603	\$ 2,959,875	\$ 2,324,247	\$ 2,149,642	\$ 2,142,831	\$ 2,144,969	\$ 2,385,375	\$ 3,618,616	\$ 5,901,645	\$ 49,633,580
3	Commercial Sales	3,217,803	3,205,818	2,387,481	1,633,593	1,023,502	791,305	690,861	673,450	668,133	777,295	1,180,863	2,239,232	\$ 18,489,335
4	Industrial Sales	129,150	125,133	121,089	116,753	112,365	108,141	108,140	112,165	112,114	120,238	120,707	121,305	\$ 1,407,299
5	Public Utilities	10,644	8,122	4,448	3,059	2,211	1,781	1,853	1,705	1,706	3,252	4,191	4,740	47,711
6	Total Sales	11,203,787	11,002,432	8,708,241	6,055,008	4,097,953	3,225,474	2,950,497	2,930,151	2,926,922	3,286,160	4,924,378	8,266,923	\$ 69,577,926
7	Transportation	2,813,485	2,706,953	2,332,773	1,823,978	1,475,908	1,303,401	1,246,255	1,254,807	1,290,762	1,429,498	1,768,571	2,528,311	21,974,702
8	Other Revenue	136,000	152,000	156,000	178,000	80,000	61,000	51,000	48,000	53,000	54,000	69,000	162,000	1,200,000
9	Total Operating Revenues	14,153,272	13,861,385	11,197,014	8,056,986	5,653,862	4,589,875	4,247,752	4,232,958	4,270,683	4,769,659	6,761,949	10,957,234	92,752,628
10	Gas Cost Revenue	4,483,478	4,376,758	3,220,650	1,901,251	935,708	513,952	383,735	370,504	374,902	553,542	1,351,384	3,010,085	21,475,950
11	Total Revenue (Excluding Gas Cost)	\$ 9,669,794	\$ 9,484,627	\$ 7,976,364	\$ 6,155,735	\$ 4,718,153	\$ 4,075,923	\$ 3,864,017	\$ 3,862,454	\$ 3,895,781	\$ 4,216,116	\$ 5,410,565	\$ 7,947,149	\$ 71,276,678
12	Mcf by Customer Class													
13	Residential Sales	1,333,000	1,292,000	969,000	553,000	260,000	124,000	89,000	86,000	89,000	142,000	409,000	907,000	6,253,000
14	Commercial Sales	661,239	655,603	457,309	277,529	134,569	80,744	56,766	52,809	51,817	77,181	171,161	423,897	3,100,624
15	Industrial Sales	33,000	32,000	30,900	29,800	28,800	27,750	27,750	28,750	28,750	30,850	30,900	31,000	360,251
16	Public Utilities	3,137	2,307	1,099	642	363	221	245	196	197	705	1,014	1,195	11,321
17	Total Sales	2,030,376	1,981,911	1,458,308	860,971	423,732	232,715	173,761	167,756	169,764	250,736	612,075	1,363,092	9,725,195
18	Transportation	2,396,859	2,208,207	1,948,285	1,552,288	1,312,283	1,181,284	1,128,283	1,170,285	1,236,612	1,451,609	1,722,489	2,032,765	19,341,248
19	Total Volumes	4,427,235	4,190,118	3,406,593	2,413,258	1,736,015	1,413,999	1,302,044	1,338,041	1,406,376	1,702,345	2,334,564	3,395,857	29,066,443

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Revenues At Present and Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: Base Period Forecasted Period
Type of Filing: Original Update Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M
Page 3 of 3
Witness: M. J. Bell

Proposed Annualized

Line No.	Description	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
1	Revenue by Customer Class													
2	Residential Sales	\$ 10,242,973	\$ 9,994,890	\$ 8,006,527	\$ 5,442,341	\$ 3,627,329	\$ 2,770,258	\$ 2,537,103	\$ 2,526,421	\$ 2,531,766	\$ 2,857,345	\$ 4,523,307	\$ 7,611,196	\$ 62,671,457
3	Commercial Sales	3,959,100	3,946,054	2,930,107	1,987,606	1,223,627	933,238	807,520	785,792	779,405	916,150	1,421,034	2,741,793	\$ 22,431,427
4	Industrial Sales	158,216	153,240	148,338	142,990	137,445	132,192	132,190	137,160	137,101	147,076	147,735	148,533	\$ 1,722,214
5	Public Utilities	<u>12,472</u>	<u>9,516</u>	<u>5,210</u>	<u>3,583</u>	<u>2,589</u>	<u>2,085</u>	<u>2,169</u>	<u>1,996</u>	<u>1,997</u>	<u>3,809</u>	<u>4,910</u>	<u>5,553</u>	<u>55,889</u>
6	Total Sales	14,372,761	14,103,700	11,090,182	7,576,519	4,990,990	3,837,772	3,478,983	3,451,368	3,450,269	3,924,380	6,096,986	10,507,076	\$ 86,880,986
7	Transportation	4,076,475	3,920,341	3,309,288	2,491,050	1,932,216	1,656,262	1,562,469	1,579,448	1,632,073	1,847,852	2,392,035	3,478,999	29,878,507
8	Other Revenue	146,911	162,911	166,911	188,911	90,911	71,911	61,911	58,911	63,911	64,911	79,911	172,911	1,330,932
9	Total Operating Revenues	18,596,147	18,186,952	14,566,382	10,256,480	7,014,117	5,565,944	5,103,363	5,089,727	5,146,253	5,837,143	8,568,932	14,158,985	118,090,425
10	Gas Cost Revenue	4,483,478	4,376,758	3,220,650	1,901,251	935,708	513,952	383,735	370,504	374,902	553,542	1,351,384	3,010,085	21,475,950
11	Total Revenue (Excluding Gas Cost)	<u>\$ 14,112,669</u>	<u>\$ 13,810,194</u>	<u>\$ 11,345,731</u>	<u>\$ 8,355,229</u>	<u>\$ 6,078,409</u>	<u>\$ 5,051,992</u>	<u>\$ 4,719,628</u>	<u>\$ 4,719,223</u>	<u>\$ 4,771,351</u>	<u>\$ 5,283,601</u>	<u>\$ 7,217,548</u>	<u>\$ 11,148,901</u>	<u>\$ 96,614,475</u>
12	Mcf by Customer Class													
13	Residential Sales	1,333,000	1,292,000	969,000	553,000	260,000	124,000	89,000	86,000	89,000	142,000	409,000	907,000	6,253,000
14	Commercial Sales	661,239	655,603	457,309	277,529	134,569	80,744	56,766	52,809	51,817	77,181	171,161	423,897	3,100,624
15	Industrial Sales	33,000	32,000	30,900	29,800	28,800	27,750	27,750	28,750	28,750	30,850	30,900	31,000	360,251
16	Public Utilities	<u>3,137</u>	<u>2,307</u>	<u>1,099</u>	<u>642</u>	<u>363</u>	<u>221</u>	<u>245</u>	<u>196</u>	<u>197</u>	<u>705</u>	<u>1,014</u>	<u>1,195</u>	<u>11,321</u>
17	Total Sales	2,030,376	1,981,911	1,458,308	860,971	423,732	232,715	173,761	167,756	169,764	250,736	612,075	1,363,092	9,725,195
18	Transportation	2,396,859	2,208,207	1,948,285	1,552,288	1,312,283	1,181,284	1,128,283	1,170,285	1,236,612	1,451,609	1,722,489	2,032,765	19,341,248
19	Total Volumes	<u>4,427,235</u>	<u>4,190,118</u>	<u>3,406,593</u>	<u>2,413,258</u>	<u>1,736,015</u>	<u>1,413,999</u>	<u>1,302,044</u>	<u>1,338,041</u>	<u>1,406,376</u>	<u>1,702,345</u>	<u>2,334,564</u>	<u>3,395,857</u>	<u>29,066,443</u>

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Revenues At Present and Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: Base Period X Forecasted Period
Type of Filing: X Original Update Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M 2.1
Page 1 of 1
Witness: **M. J. Bell**

Line No.	Rate Classification (A)	Customer Bills (B)	Volumes (C)	Revenue At Present Rates (D) (\$)	D-2.4 Ratemaking Adjustment (E) (\$)	Revenue Adjusted (F) (\$)	Revenue At Proposed Rates (G) (\$)	Revenue Change (H=G-F) (\$)	% Of Revenue Change (I=H/D) (%)
1 Sales Service									
2	General Service - Residential	1,180,666	6,248,080.5	\$49,618,662	\$62,481	\$49,681,142	\$62,656,538	\$12,975,396	26.15
3	LG&E Commercial	41	1,697.8	9,744	0	\$9,744	9,744	\$0	0.00
4	LG&E Residential	192	2,018.9	13,752	0	\$13,752	13,752	\$0	0.00
5	Inland Gas General Service - Residential	108	990.2	396	0	\$396	396	\$0	0.00
6	Inland Gas General Service - Residential	0	-	0	0	\$0	0	\$0	0.00
7	Inland Gas General Service - Residential	36	333.6	200	0	\$200	200	\$0	0.00
8	LG&E Residential	12	605.2	212	0	\$212	212	\$0	0.00
9	LG&E Commercial	12	710.9	249	0	\$249	249	\$0	0.00
10	LG&E Residential	12	714.1	256	0	\$256	256	\$0	0.00
11	LG&E Residential	12	257.6	103	0	\$103	103	\$0	0.00
12	General Service - Commercial	119,233	3,098,215.1	18,479,342	\$30,982	\$18,510,324	22,421,433	\$3,911,109	21.16
13	General Service - Industrial	524	360,250.5	1,407,299	\$3,603	\$1,410,902	1,722,214	\$311,313	22.12
14	Interruptible Service - Industrial	0	-	0	\$0	\$0	0	\$0.00	0.00
15	Intrastate Utility Service - Wholesale	24	11,320.7	47,711	\$113	\$47,824	55,889	\$8,064.19	16.90
16 Transportation Service									
17	GTS Choice - Residential	281,946	1,707,000.0	9,029,105	0	\$9,029,105	12,472,087	\$3,442,981	38.13
18	GTS Choice - Commercial	47,445	1,859,990.8	5,787,037	0	\$5,787,037	7,967,338	2,180,300	37.68
19	GTS Choice - Industrial	149	71,999.9	127,654	0	\$127,654	192,544	64,890	50.83
20	GTS Delivery Service - Commercial	428	1,380,570.0	1,398,811	0	\$1,398,811	1,820,188	421,377	30.12
21	GTS Delivery Service - Industrial	468	5,517,297.4	3,222,464	0	\$3,222,464	4,718,089	1,495,625	46.41
22	GTS Grandfathered Delivery Service - Commercial	145	203,630.5	351,127	0	\$351,127	522,166	171,039	48.71
23	GTS Grandfathered Delivery Service - Industrial	180	154,467.9	276,061	0	\$276,061	403,654	127,593	46.22
24	GTS Main Line Service - Industrial	36	680,981.0	67,641	0	\$67,641	67,641	0	0.00
25	GTS Flex Rate - Commercial	12	541,812.0	224,062	0	\$224,062	224,062	0	0.00
26	GTS Flex Rate - Commercial	12	533,988.0	221,011	0	\$221,011	221,011	0	0.00
27	GTS Flex Rate - Industrial	36	4,689,510.0	411,572	0	\$411,572	411,572	0	0.00
28	GTS Flex Rate - Industrial	12	420,000.0	192,155	0	\$192,155	192,155	0	0.00
29	GTS Special Agency Service	0	0.0	0	0	\$0	0	0	0.00
30	GTS Special Rate - Industrial	12	1,580,000.0	666,000	0	666,000	666,000	0	0.00
31	Total Sales and Transportation	1,631,753	29,066,442.6	\$91,552,628	\$97,179	\$91,649,807	\$116,759,493	\$25,109,686	27.43
32 Other Gas Department Revenue									
33	Acct. 487 Forfeited Discounts			\$476,000	\$0	\$476,000	606,932	\$130,932	27.51
34	Acct. 488 Miscellaneous Service Revenue			137,000	0	\$137,000	137,000	0	0.00
35	Acct. 493 Rent From Gas Property			72,000	0	\$72,000	72,000	0	0.00
36	Acct. 495 Non-Traditional Sales			0	0	\$0	0	0	0.00
37	Acct. 495 Other Gas Revenues - Other			515,000	0	515,000	515,000	0	0.00
38	Total Other Gas Department Revenue			\$1,200,000	\$0	\$1,200,000	\$1,330,932	\$130,932	10.91
39	Total Gross Revenue			\$92,752,628	\$97,179	\$92,849,807	\$118,090,425	\$25,240,618	27.21

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X_ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 1 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	FERC Acct (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		<u>Operating Revenue</u>														
2		<u>Sales of Gas</u>														
3	480	Residential Sales Revenue		\$7,846,191	\$7,663,360	\$6,195,224	\$4,301,603	\$2,959,875	\$2,324,247	\$2,149,642	\$2,142,831	\$2,144,969	\$2,385,375	\$3,618,616	\$5,901,645	\$49,633,580
4	481.1	Commercial Sales Revenue		3,217,803	3,205,818	2,387,481	1,633,593	1,023,502	791,305	690,861	673,450	668,133	777,295	1,180,863	2,239,232	18,489,335
5	481.2	Industrial Sales Revenue		129,150	125,133	121,089	116,753	112,365	108,141	108,140	112,165	112,114	120,238	120,707	121,305	1,407,299
8	483	Public Utilities		<u>10,644</u>	<u>8,122</u>	<u>4,448</u>	<u>3,059</u>	<u>2,211</u>	<u>1,781</u>	<u>1,853</u>	<u>1,705</u>	<u>1,706</u>	<u>3,252</u>	<u>4,191</u>	<u>4,740</u>	<u>47,711</u>
6		Total Sales of Gas		\$11,203,787	\$11,002,432	\$8,708,241	\$6,055,008	\$4,097,953	\$3,225,474	\$2,950,497	\$2,930,151	\$2,926,922	\$3,286,160	\$4,924,378	\$8,266,923	\$69,577,926
7		<u>Other Operating Revenue</u>														
9	489	Transportation Revenue - Residential		\$1,272,310	\$1,247,887	\$1,043,190	\$776,342	\$588,767	\$498,639	\$472,721	\$470,126	\$473,989	\$506,718	\$679,056	\$999,361	\$9,029,105
10	489	Transportation Revenue - Commercial		1,045,545	1,002,644	859,208	661,629	526,760	464,147	452,815	442,331	458,402	523,836	653,430	891,301	7,982,049
11	489	Transportation Revenue - Industrial		495,629	456,422	430,375	386,007	360,382	340,615	320,719	342,351	358,371	398,944	436,085	637,649	4,963,548
12	487	Forfeited Discounts		56,000	79,000	78,000	74,000	40,000	25,000	20,000	19,000	22,000	11,000	18,000	34,000	476,000
13	488	Miscellaneous Service Revenue		8,000	9,000	11,000	13,000	10,000	11,000	9,000	8,000	9,000	19,000	20,000	10,000	137,000
14	493	Rent from Gas Property		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
15	495	Non-Traditional Sales		0	0	0	0	0	0	0	0	0	0	0	0	0
16	495	Other Gas Revenues - Other		<u>66,000</u>	<u>58,000</u>	<u>61,000</u>	<u>85,000</u>	<u>24,000</u>	<u>19,000</u>	<u>16,000</u>	<u>15,000</u>	<u>16,000</u>	<u>18,000</u>	<u>25,000</u>	<u>112,000</u>	<u>515,000</u>
17		Total Other Operating Revenue		\$2,949,485	\$2,858,953	\$2,488,773	\$2,001,978	\$1,555,908	\$1,364,401	\$1,297,255	\$1,302,807	\$1,343,762	\$1,483,498	\$1,837,571	\$2,690,311	\$23,174,702
18		Total Operating Revenue		\$14,153,272	\$13,861,385	\$11,197,014	\$8,056,986	\$5,653,862	\$4,589,875	\$4,247,752	\$4,232,958	\$4,270,683	\$4,769,659	\$6,761,949	\$10,957,234	\$92,752,628

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period X Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 2 of 21
Witness: M. J. Bell

Current Annualized

Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Sales Service														
2	GSR	General Service - Residential														
3		Bills		99,289	99,473	99,542	99,522	99,040	98,094	97,239	97,617	96,979	96,955	97,991	98,925	1,180,666
4		Volumes [1]		1,331,907.1	1,291,151.8	968,403.0	552,553.4	259,776.4	123,911.3	88,930.0	85,940.7	88,922.9	141,784.3	408,542.4	906,257.2	6,248,080.5
5		Revenue Less Gas Cost		\$4,900,971	\$4,808,810	\$4,054,074	\$3,079,671	\$2,385,252	\$2,050,044	\$1,952,768	\$1,952,548	\$1,948,087	\$2,071,474	\$2,714,887	\$3,897,441	\$35,816,027
6		Gas Cost		\$2,942,316	\$2,852,283	\$2,139,299	\$1,220,646	\$573,872	\$273,732	\$196,455	\$189,852	\$196,440	\$313,216	\$902,511	\$2,002,013	\$13,802,635
7		Total Revenue [2]		\$7,843,287	\$7,661,094	\$6,193,373	\$4,300,316	\$2,959,124	\$2,323,776	\$2,149,224	\$2,142,399	\$2,144,527	\$2,384,690	\$3,617,398	\$5,899,454	\$49,618,662
8	G1C	LG&E Commercial														
9		Bills		3	3	4	4	4	4	4	3	3	3	3	3	41
10		Volumes [1]		307.2	374.8	373.1	173.3	68.9	18.0	29.1	16.7	8.8	22.2	83.3	222.4	1,697.8
11		Revenue Less Gas Cost		\$833	\$979	\$1,032	\$601	\$376	\$266	\$290	\$207	\$190	\$219	\$350	\$650	\$5,994
12		Gas Cost		\$679	\$828	\$824	\$383	\$152	\$40	\$64	\$37	\$19	\$49	\$184	\$491	\$3,751
13		Total Revenue [2]		\$1,512	\$1,807	\$1,856	\$984	\$528	\$306	\$355	\$244	\$209	\$268	\$534	\$1,142	\$9,744
14	G1R	LG&E Residential														
15		Bills		16	16	16	16	16	16	16	16	16	16	16	16	192
16		Volumes [1]		458.3	345.9	279.4	174.8	81.1	33.4	24.1	27.6	28.4	68.0	159.2	338.7	2,018.9
17		Revenue Less Gas Cost		\$1,633	\$1,300	\$1,103	\$794	\$516	\$375	\$348	\$358	\$360	\$478	\$748	\$1,279	\$9,292
18		Gas Cost		\$1,012	\$764	\$617	\$386	\$179	\$74	\$53	\$61	\$63	\$150	\$352	\$748	\$4,460
19		Total Revenue [2]		\$2,645	\$2,064	\$1,721	\$1,180	\$696	\$449	\$401	\$419	\$423	\$628	\$1,099	\$2,027	\$13,752
20	IN3	Inland Gas General Service - Residential														
21		Bills		9	9	9	10	8	9	9	9	9	9	9	9	108
22		Volumes [1]		247.9	172.9	116.2	84.5	36.3	17.0	11.6	10.8	11.5	34.0	90.2	157.3	990.2
23		Revenue Less Gas Cost		\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
24		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25		Total Revenue [2]		\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
26	IN4	Inland Gas General Service - Residential														
27		Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
28		Volumes [1]		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31		Total Revenue [2]		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	IN5	Inland Gas General Service - Residential														
33		Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
34		Volumes [1]		84.3	54.6	43.5	25.4	12.3	4.9	2.4	2.9	4.3	14.9	32.1	52.0	333.6
35		Revenue Less Gas Cost		\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200
36		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37		Total Revenue [2]		\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X_ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 3 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Sales Service														
2	LG2	LG&E Residential														
3		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
4		Volumes [1]		161.1	142.8	70.5	36.6	15.2	2.9	3.2	3.4	3.8	19.0	51.7	95.0	605.2
5		Revenue Less Gas Cost		\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
8	LG2	LG&E Commercial														
9		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
10		Volumes [1]		191.8	167.7	88.3	54.0	20.2	7.6	7.9	6.8	6.6	14.8	41.5	103.7	710.9
11		Revenue Less Gas Cost		\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249
14	LG3	LG&E Residential														
15		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
16		Volumes [1]		91.8	73.4	45.4	104.5	67.4	26.5	26.2	11.8	26.2	75.9	105.5	59.5	714.1
17		Revenue Less Gas Cost		\$33	\$26	\$16	\$37	\$24	\$10	\$10	\$5	\$10	\$27	\$37	\$21	\$256
18		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Total Revenue [2]		\$33	\$26	\$16	\$37	\$24	\$10	\$10	\$5	\$10	\$27	\$37	\$21	\$256
20	LG4	LG&E Residential														
21		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
22		Volumes [1]		49.5	58.7	42.0	20.7	11.2	4.0	2.6	2.8	3.0	3.9	18.9	40.3	257.6
23		Revenue Less Gas Cost		\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103
24		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25		Total Revenue [2]		\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103
26	GSO	General Service - Commercial														
27		Bills		10,207	10,271	10,035	10,003	9,882	9,780	9,783	9,770	9,739	9,772	9,915	10,076	119,233
28		Volumes [1]		660,740.0	655,060.9	456,847.5	277,301.9	134,480.2	80,718.3	56,728.5	52,785.7	51,801.2	77,144.1	171,035.9	423,570.9	3,098,215.1
29		Revenue Less Gas Cost		\$1,756,583	\$1,756,857	\$1,376,372	\$1,020,003	\$725,887	\$612,681	\$565,185	\$556,595	\$553,487	\$606,603	\$802,479	\$1,302,344	\$11,635,075
30		Gas Cost		\$1,459,641	\$1,447,095	\$1,009,222	\$612,588	\$297,080	\$178,315	\$125,319	\$116,609	\$114,434	\$170,419	\$377,835	\$935,710	\$6,844,267
31		Total Revenue [2]		\$3,216,224	\$3,203,952	\$2,385,593	\$1,632,590	\$1,022,967	\$790,996	\$690,504	\$673,204	\$667,921	\$777,022	\$1,180,314	\$2,238,054	\$18,479,342

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X_ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 4 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Sales Service														
2	GSO	General Service - Industrial														
3		Bills		43	43	43	43	43	44	44	45	44	44	44	44	524
4		Volumes [1]		33,000.2	31,999.9	30,900.0	29,799.9	28,800.3	27,749.9	27,749.9	28,750.2	28,750.2	30,849.9	30,900.0	31,000.1	360,250.5
5		Revenue Less Gas Cost		\$56,249	\$54,442	\$52,827	\$50,922	\$48,742	\$46,839	\$46,838	\$48,653	\$48,602	\$52,087	\$52,446	\$52,823	\$611,470
6		Gas Cost		\$72,901	\$70,691	\$68,261	\$65,831	\$63,623	\$61,302	\$61,302	\$63,512	\$63,512	\$68,151	\$68,261	\$68,482	\$795,829
7		Total Revenue [2]		\$129,150	\$125,133	\$121,089	\$116,753	\$112,365	\$108,141	\$108,140	\$112,165	\$112,114	\$120,238	\$120,707	\$121,305	\$1,407,299
8	IS	Interruptible Service - Industrial														
9		Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
10		Volumes [1]		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	IUS	Intrastate Utility Service - Wholesale														
15		Bills		2	2	2	2	2	2	2	2	2	2	2	2	24
16		Volumes [1]		3,136.7	2,307.2	1,098.6	641.7	362.9	221.4	245.0	196.3	196.6	705.2	1,014.3	1,194.8	11,320.7
17		Revenue Less Gas Cost		\$3,715	\$3,025	\$2,021	\$1,641	\$1,409	\$1,292	\$1,312	\$1,271	\$1,271	\$1,694	\$1,951	\$2,101	\$22,703
18		Gas Cost		\$6,929	\$5,097	\$2,427	\$1,418	\$802	\$489	\$541	\$434	\$434	\$1,558	\$2,241	\$2,639	\$25,009
19		Total Revenue [2]		\$10,644	\$8,122	\$4,448	\$3,059	\$2,211	\$1,781	\$1,853	\$1,705	\$1,706	\$3,252	\$4,191	\$4,740	\$47,711

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X_ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 5 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Transportation Service														
2	GTR	GTS Choice - Residential														
3		Bills		23,720	23,785	23,786	23,694	23,612	23,386	23,238	23,223	23,179	23,188	23,458	23,677	281,946
4		Volumes [1]		364,000.0	353,000.0	265,000.0	151,000.0	71,000.0	34,000.0	24,000.0	23,000.0	25,000.0	39,000.0	111,000.0	247,000.0	1,707,000.0
5		Revenue Less Gas Cost		\$1,272,310	\$1,247,887	\$1,043,190	\$776,342	\$588,767	\$498,639	\$472,721	\$470,126	\$473,989	\$506,718	\$679,056	\$999,361	\$9,029,105
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$1,272,310	\$1,247,887	\$1,043,190	\$776,342	\$588,767	\$498,639	\$472,721	\$470,126	\$473,989	\$506,718	\$679,056	\$999,361	\$9,029,105
8	GTO	GTS Choice - Commercial														
9		Bills		3,837	3,809	4,093	4,081	4,058	4,042	4,016	3,956	3,924	3,899	3,877	3,853	47,445
10		Volumes [1]		322,000.8	312,002.4	236,001.1	155,003.9	96,998.6	74,000.1	65,999.0	64,001.1	68,998.0	90,994.6	139,994.7	233,996.5	1,859,990.8
11		Revenue Less Gas Cost		\$789,616	\$772,730	\$650,934	\$494,426	\$378,455	\$329,981	\$313,540	\$306,979	\$314,988	\$356,014	\$451,324	\$628,049	\$5,787,037
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$789,616	\$772,730	\$650,934	\$494,426	\$378,455	\$329,981	\$313,540	\$306,979	\$314,988	\$356,014	\$451,324	\$628,049	\$5,787,037
14	GTO	GTS Choice - Industrial														
15		Bills		13	13	12	13	12	12	12	12	12	12	13	13	149
16		Volumes [1]		6,000.1	5,999.9	5,999.9	5,999.9	6,000.0	6,000.1	5,999.9	6,000.0	6,000.0	6,000.1	6,000.0	6,000.0	71,999.9
17		Revenue Less Gas Cost		\$10,924	\$10,957	\$10,827	\$10,674	\$10,509	\$10,423	\$10,406	\$10,371	\$10,373	\$10,599	\$10,774	\$10,818	\$127,654
18		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Total Revenue [2]		\$10,924	\$10,957	\$10,827	\$10,674	\$10,509	\$10,423	\$10,406	\$10,371	\$10,373	\$10,599	\$10,774	\$10,818	\$127,654
20	DS	GTS Delivery Service - Commercial														
21		Bills		41	32	32	32	32	32	34	33	33	33	34	60	428
22		Volumes [1]		188,859.0	169,110.1	147,265.6	103,565.2	83,423.1	69,626.2	68,394.7	69,858.1	76,451.3	101,603.3	139,898.5	162,514.9	1,380,570.0
23		Revenue Less Gas Cost		\$164,810	\$140,448	\$128,558	\$104,772	\$93,808	\$86,299	\$88,654	\$87,938	\$91,526	\$105,217	\$127,573	\$179,209	\$1,398,811
24		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25		Total Revenue [2]		\$164,810	\$140,448	\$128,558	\$104,772	\$93,808	\$86,299	\$88,654	\$87,938	\$91,526	\$105,217	\$127,573	\$179,209	\$1,398,811
26	DS	GTS Delivery Service - Industrial														
27		Bills		39	39	39	39	39	39	39	39	39	39	39	39	468
28		Volumes [1]		674,909.5	602,578.5	525,440.7	427,583.6	368,992.8	339,504.1	295,115.5	342,173.2	361,661.7	454,356.4	551,432.0	573,549.4	5,517,297.4
29		Revenue Less Gas Cost		\$346,618	\$318,984	\$289,731	\$256,524	\$235,868	\$225,560	\$206,225	\$226,264	\$235,124	\$269,348	\$301,962	\$310,255	\$3,222,464
30		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31		Total Revenue [2]		\$346,618	\$318,984	\$289,731	\$256,524	\$235,868	\$225,560	\$206,225	\$226,264	\$235,124	\$269,348	\$301,962	\$310,255	\$3,222,464
32	GDS	GTS Grandfathered Delivery Service - Commercial														
33		Bills		12	12	12	12	12	12	12	12	12	12	13	12	145
34		Volumes [1]		25,802.9	25,486.0	22,066.6	16,282.9	15,072.9	10,869.6	12,145.5	10,637.9	11,242.7	14,420.7	18,455.5	21,147.3	203,630.5
35		Revenue Less Gas Cost		\$42,841	\$42,333	\$37,160	\$28,266	\$26,433	\$19,805	\$21,796	\$19,352	\$20,392	\$25,389	\$31,595	\$35,765	\$351,127
36		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37		Total Revenue [2]		\$42,841	\$42,333	\$37,160	\$28,266	\$26,433	\$19,805	\$21,796	\$19,352	\$20,392	\$25,389	\$31,595	\$35,765	\$351,127

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X_ Forecasted Period
 Type of Filing: X Original __ Update __ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.2
 Page 6 of 21
 Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Transportation Service														
2	GDS	GTS Grandfathered Delivery Service - Industrial														
3		Bills		15	15	15	15	15	15	15	15	15	15	15	15	180
4		Volumes [1]		17,844.3	16,829.3	19,051.3	14,067.2	13,118.3	8,875.7	8,048.4	9,066.8	9,786.3	10,096.7	12,703.0	14,980.6	154,467.9
5		Revenue Less Gas Cost		\$30,796	\$29,310	\$33,020	\$25,234	\$23,459	\$16,407	\$15,158	\$16,878	\$17,954	\$18,533	\$22,800	\$26,513	\$276,061
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$30,796	\$29,310	\$33,020	\$25,234	\$23,459	\$16,407	\$15,158	\$16,878	\$17,954	\$18,533	\$22,800	\$26,513	\$276,061
8	DS3	GTS Main Line Service - Industrial														
9		Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
10		Volumes [1]		58,289.0	56,724.0	56,724.0	57,213.0	57,995.0	58,484.0	55,942.0	54,866.0	55,746.0	58,093.0	57,604.0	53,301.0	680,981.0
11		Revenue Less Gas Cost		\$5,769	\$5,635	\$5,635	\$5,677	\$5,744	\$5,786	\$5,568	\$5,475	\$5,551	\$5,752	\$5,710	\$5,341	\$67,641
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$5,769	\$5,635	\$5,635	\$5,677	\$5,744	\$5,786	\$5,568	\$5,475	\$5,551	\$5,752	\$5,710	\$5,341	\$67,641
14	FX1	GTS Flex Rate - Commercial														
15		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
16		Volumes [1]		74,328.0	58,680.0	70,416.0	34,230.0	29,340.0	29,340.0	29,340.0	29,340.0	34,230.0	39,120.0	49,878.0	63,570.0	541,812.0
17		Revenue Less Gas Cost		\$30,051	\$23,948	\$28,525	\$14,413	\$12,506	\$12,506	\$12,506	\$12,506	\$14,413	\$16,320	\$20,515	\$25,855	\$224,062
18		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Total Revenue [2]		\$30,051	\$23,948	\$28,525	\$14,413	\$12,506	\$12,506	\$12,506	\$12,506	\$14,413	\$16,320	\$20,515	\$25,855	\$224,062
20	FX2	GTS Flex Rate - Commercial														
21		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
22		Volumes [1]		44,010.0	56,724.0	33,252.0	47,922.0	37,164.0	37,164.0	39,120.0	37,164.0	41,076.0	50,856.0	54,768.0	54,768.0	533,988.0
23		Revenue Less Gas Cost		\$18,227	\$23,185	\$14,031	\$19,753	\$15,557	\$15,557	\$16,320	\$15,557	\$17,083	\$20,897	\$22,422	\$22,422	\$221,011
24		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25		Total Revenue [2]		\$18,227	\$23,185	\$14,031	\$19,753	\$15,557	\$15,557	\$16,320	\$15,557	\$17,083	\$20,897	\$22,422	\$22,422	\$221,011
26	FX5	GTS Flex Rate - Industrial														
27		Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
28		Volumes [1]		411,738.0	369,684.0	397,068.0	381,420.0	392,178.0	381,420.0	392,178.0	392,178.0	381,420.0	397,068.0	391,200.0	401,958.0	4,689,510.0
29		Revenue Less Gas Cost		\$36,095	\$32,487	\$34,836	\$33,494	\$34,417	\$33,494	\$34,417	\$34,417	\$33,494	\$34,836	\$34,333	\$35,256	\$411,572
30		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31		Total Revenue [2]		\$36,095	\$32,487	\$34,836	\$33,494	\$34,417	\$33,494	\$34,417	\$34,417	\$33,494	\$34,836	\$34,333	\$35,256	\$411,572
32	FX7	GTS Flex Rate - Industrial														
33		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
34		Volumes [1]		44,077.0	26,389.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	45,000.0	45,000.0	39,555.0	39,979.0	420,000.0
35		Revenue Less Gas Cost		\$18,464	\$13,688	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$18,713	\$18,713	\$17,243	\$17,357	\$192,155
36		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37		Total Revenue [2]		\$18,464	\$13,688	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$18,713	\$18,713	\$17,243	\$17,357	\$192,155

[1] Reflects Normalized Volumes.
 [2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X_ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 7 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		<u>Transportation Service</u>														
2	SAS	GTS Special Agency Service														
3		Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
4		Volumes [1]		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	SC3	GTS Special Rate - Industrial														
9		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
10		Volumes [1]		165,000.0	155,000.0	140,000.0	128,000.0	111,000.0	102,000.0	102,000.0	102,000.0	120,000.0	145,000.0	150,000.0	160,000.0	1,580,000.0
11		Revenue Less Gas Cost		\$46,963	\$45,363	\$41,663	\$39,743	\$35,723	\$34,283	\$34,283	\$34,283	\$37,163	\$41,163	\$43,263	\$46,163	\$480,055
12		Adjustment to Reflect Minimum Bill		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,945	\$185,945
13		Total Revenue [2]		\$46,963	\$45,363	\$41,663	\$39,743	\$35,723	\$34,283	\$34,283	\$34,283	\$37,163	\$41,163	\$43,263	\$232,108	\$666,000
14		Total Sales and Transportation		\$14,017,272	\$13,709,385	\$11,041,014	\$7,878,986	\$5,573,862	\$4,528,875	\$4,196,752	\$4,184,958	\$4,217,683	\$4,715,659	\$6,692,949	\$10,795,234	\$91,552,628
15		<u>Other Gas Department Revenue</u>														
16		Acct. 487 Forfeited Discounts		\$56,000	\$79,000	\$78,000	\$74,000	\$40,000	\$25,000	\$20,000	\$19,000	\$22,000	\$11,000	\$18,000	\$34,000	\$476,000
17		Acct. 488 Miscellaneous Service Revenue		\$8,000	\$9,000	\$11,000	\$13,000	\$10,000	\$11,000	\$9,000	\$8,000	\$9,000	\$19,000	\$20,000	\$10,000	\$137,000
18		Acct. 493 Rent From Gas Property		\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$72,000
19		Acct. 495 Non-Traditional Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20		Acct. 495 Other Gas Revenues - Other		\$66,000	\$58,000	\$61,000	\$85,000	\$24,000	\$19,000	\$16,000	\$15,000	\$16,000	\$18,000	\$25,000	\$112,000	\$515,000
21		Total Other Gas Department Revenue		\$136,000	\$152,000	\$156,000	\$178,000	\$80,000	\$61,000	\$51,000	\$48,000	\$53,000	\$54,000	\$69,000	\$162,000	\$1,200,000
22		Total Gross Revenue		\$14,153,272	\$13,861,385	\$11,197,014	\$8,056,986	\$5,653,862	\$4,589,875	\$4,247,752	\$4,232,958	\$4,270,683	\$4,769,659	\$6,761,949	\$10,957,234	\$92,752,628

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 8 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GSR	General Service - Residential														
2		RESIDENTIAL														
3		Customer Bills		99,289	99,473	99,542	99,522	99,040	98,094	97,239	97,617	96,979	96,955	97,991	98,925	1,180,666
4		Customer Charge	\$15.00	\$1,489,335	\$1,492,095	\$1,493,130	\$1,492,830	\$1,485,600	\$1,471,410	\$1,458,585	\$1,464,255	\$1,454,685	\$1,454,325	\$1,469,865	\$1,483,875	\$17,709,990
5		Accelerated Main Replacement Program	\$2.25	\$223,400	\$223,814	\$223,970	\$223,925	\$222,840	\$220,712	\$218,788	\$219,638	\$218,203	\$218,149	\$220,480	\$222,581	\$2,656,499
6		Volumes (Mcf) [1]		1,331,907.1	1,291,151.8	968,403.0	552,553.4	259,776.4	123,911.3	88,930.0	85,940.7	88,922.9	141,784.3	408,542.4	906,257.2	6,248,080.5
7		Commodity Charge	\$2.2666	\$3,018,901	\$2,926,525	\$2,194,982	\$1,252,418	\$588,809	\$280,857	\$201,569	\$194,793	\$201,553	\$321,368	\$926,002	\$2,054,123	\$14,161,899
8		Revenue Less Gas Cost		\$4,731,636	\$4,642,434	\$3,912,082	\$2,969,172	\$2,297,249	\$1,972,979	\$1,878,941	\$1,878,686	\$1,874,440	\$1,993,842	\$2,616,347	\$3,760,579	\$34,528,388
9		Gas Cost Revenue [2]	\$2.2091	\$2,942,316	\$2,852,283	\$2,139,299	\$1,220,646	\$573,872	\$273,732	\$196,455	\$189,852	\$196,440	\$313,216	\$902,511	\$2,002,013	\$13,802,635
10		Revenue Excluding Riders		\$7,673,952	\$7,494,717	\$6,051,381	\$4,189,818	\$2,871,121	\$2,246,711	\$2,075,397	\$2,068,538	\$2,070,880	\$2,307,058	\$3,518,858	\$5,762,592	\$48,331,022
11		Riders:														
12		Energy Efficiency Conservation Program	\$0.6900	\$68,509	\$68,636	\$68,684	\$68,670	\$68,338	\$67,685	\$67,095	\$67,356	\$66,916	\$66,899	\$67,614	\$68,258	\$814,660
13		Gas Cost Uncollectible Charge	\$0.0160	21,311	20,658	15,494	8,841	4,156	1,983	1,423	1,375	1,423	2,269	6,537	14,500	99,969
14		EAP Recovery	\$0.0597	79,515	77,082	57,814	32,987	15,509	7,398	5,309	5,131	5,309	8,465	24,390	54,104	373,010
15		Total Riders		\$169,335	\$166,377	\$141,992	\$110,498	\$88,003	\$77,065	\$73,827	\$73,861	\$73,647	\$77,632	\$98,540	\$136,862	\$1,267,639
16		Total Revenue		\$7,843,287	\$7,661,094	\$6,193,373	\$4,300,316	\$2,959,124	\$2,323,776	\$2,149,224	\$2,142,399	\$2,144,527	\$2,384,690	\$3,617,398	\$5,899,454	\$49,618,662
17	G1C	LG&E Commercial														
18		COMMERCIAL														
19		Customer Bills		3	3	4	4	4	4	4	3	3	3	3	3	41
20		Customer Charge	\$56.92	\$171	\$171	\$228	\$228	\$228	\$228	\$228	\$171	\$171	\$171	\$171	\$171	\$2,334
21		Volumes (Mcf) [1]		307.2	374.8	373.1	173.3	68.9	18.0	29.1	16.7	8.8	22.2	83.3	222.4	1,697.8
22		Commodity Charge	\$2.1558	\$662	\$808	\$804	\$374	\$149	\$39	\$63	\$36	\$19	\$48	\$180	\$479	\$3,860
23		Revenue Less Gas Cost		\$833	\$979	\$1,032	\$601	\$376	\$266	\$290	\$207	\$190	\$219	\$350	\$650	\$5,994
24		Gas Cost Revenue [2]	\$2.2091	\$679	\$828	\$824	\$383	\$152	\$40	\$64	\$37	\$19	\$49	\$184	\$491	\$3,751
25		Total Revenue		\$1,512	\$1,807	\$1,856	\$984	\$528	\$306	\$355	\$244	\$209	\$268	\$534	\$1,142	\$9,744

[1] Reflects Normalized Volumes.
[2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 9 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	G1R	LG&E Residential														
2		RESIDENTIAL														
3		Customer Bills		16	16	16	16	16	16	16	16	16	16	16	16	192
4		Customer Charge	\$17.27	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$3,316
5		Volumes (Mcf) [1]		458.3	345.9	279.4	174.8	81.1	33.4	24.1	27.6	28.4	68.0	159.2	338.7	2,018.9
6		Commodity Charge	\$2.9600	\$1,357	\$1,024	\$827	\$517	\$240	\$99	\$71	\$82	\$84	\$201	\$471	\$1,003	\$5,976
7		Revenue Less Gas Cost		\$1,633	\$1,300	\$1,103	\$794	\$516	\$375	\$348	\$358	\$360	\$478	\$748	\$1,279	\$9,292
8		Gas Cost Revenue [2]	\$2.2091	\$1,012	\$764	\$617	\$386	\$179	\$74	\$53	\$61	\$63	\$150	\$352	\$748	\$4,460
9		Total Revenue		\$2,645	\$2,064	\$1,721	\$1,180	\$696	\$449	\$401	\$419	\$423	\$628	\$1,099	\$2,027	\$13,752
10	IN3	Inland Gas General Service - Residential														
11		RESIDENTIAL														
12		Customer Bills		9	9	9	10	8	9	9	9	9	9	9	9	108
13		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14		Volumes (Mcf) [1]		247.9	172.9	116.2	84.5	36.3	17.0	11.6	10.8	11.5	34.0	90.2	157.3	990.2
15		Commodity Charge	\$0.4000	\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
16		Revenue Less Gas Cost		\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
17		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18		Total Revenue		\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
19	IN4	Inland Gas General Service - Residential														
20		RESIDENTIAL														
21		Customer Bills		-	-	-	-	-	-	-	-	-	-	-	-	-
22		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23		Volumes (Mcf) [1]		-	-	-	-	-	-	-	-	-	-	-	-	-
24		Commodity Charge	\$0.5500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27		Total Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

[1] Reflects Normalized Volumes.
[2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X_ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 10 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	IN5	Inland Gas General Service - Residential														
2		RESIDENTIAL														
3		Customer Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
4		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5		Volumes (Mcf) [1]		84.3	54.6	43.5	25.4	12.3	4.9	2.4	2.9	4.3	14.9	32.1	52.0	333.6
6		Commodity Charge	\$0.6000	\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200
7		Revenue Less Gas Cost		\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200
8		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9		Total Revenue		\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200
10	LG2	LG&E Residential														
11		RESIDENTIAL														
12		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
13		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14		Volumes (Mcf) [1]		161.1	142.8	70.5	36.6	15.2	2.9	3.2	3.4	3.8	19.0	51.7	95.0	605.2
15		Commodity Charge	\$0.3500	\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
16		Revenue Less Gas Cost		\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
17		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18		Total Revenue		\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
19	LG2	LG&E Commercial														
20		COMMERCIAL														
21		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
22		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23		Volumes (Mcf) [1]		191.8	167.7	88.3	54.0	20.2	7.6	7.9	6.8	6.6	14.8	41.5	103.7	710.9
24		Commodity Charge	\$0.3500	\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249
25		Revenue Less Gas Cost		\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249
26		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27		Total Revenue		\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 11 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	LG3	LG&E Residential														
2		RESIDENTIAL														
3		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
4		Customer Charge	\$1.20	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$14
5		Volumes (Mcf) [1]														
6		First 2 Mcf		2.0	2.0	2.0	2.0	2.0	2.4	2.0	2.0	2.0	2.0	2.0	2.0	24.4
7		Over 2 Mcf		89.8	71.4	43.4	102.5	65.4	24.1	24.2	9.8	24.2	73.9	103.5	57.5	689.7
8		Commodity Charge		91.8	73.4	45.4	104.5	67.4	26.5	26.2	11.8	26.2	75.9	105.5	59.5	714.1
9		First 2 Mcf	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10		Over 2 Mcf	\$0.3500	\$31	\$25	\$15	\$36	\$23	\$8	\$8	\$3	\$8	\$26	\$36	\$20	\$241
11		Revenue Less Gas Cost		\$33	\$26	\$16	\$37	\$24	\$10	\$10	\$5	\$10	\$27	\$37	\$21	\$256
12		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue		\$33	\$26	\$16	\$37	\$24	\$10	\$10	\$5	\$10	\$27	\$37	\$21	\$256
14	LG4	LG&E Residential														
2		RESIDENTIAL														
3		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
4		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5		Volumes (Mcf) [1]		49.5	58.7	42.0	20.7	11.2	4.0	2.6	2.8	3.0	3.9	18.9	40.3	257.6
6		Commodity Charge	\$0.4000	\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103
7		Revenue Less Gas Cost		\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103
8		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9		Total Revenue		\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 12 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GSO	General Service - Commercial														
2		COMMERCIAL														
3		Customer Bills		10,207	10,271	10,035	10,003	9,882	9,780	9,783	9,770	9,739	9,772	9,915	10,076	119,233
4		Customer Charge	\$37.50	\$382,763	\$385,163	\$376,313	\$375,113	\$370,575	\$366,750	\$366,863	\$366,375	\$365,213	\$366,450	\$371,813	\$377,850	\$4,471,238
5		Accelerated Main Replacement Program	\$8.02	\$81,860	\$82,373	\$80,481	\$80,224	\$79,254	\$78,436	\$78,460	\$78,355	\$78,107	\$78,371	\$79,518	\$80,810	\$956,249
6		Volumes (Mcf) [1]														
7		First 50 Mcf		267,674.0	278,751.2	227,896.5	149,381.8	76,805.7	48,735.1	38,320.5	36,243.0	36,349.0	49,862.3	96,888.0	195,908.3	1,502,815.4
8		Next 350 Mcf		283,489.2	279,296.2	181,833.2	106,946.4	47,813.0	28,650.6	16,633.3	15,250.7	14,035.7	24,169.7	64,078.0	176,923.0	1,239,119.0
9		Next 600 Mcf		79,219.5	70,800.1	38,109.6	16,494.1	7,331.2	3,286.7	1,774.7	1,292.0	1,416.5	3,112.1	8,498.8	39,805.4	271,140.7
10		Over 1,000 Mcf		30,357.3	26,213.4	9,008.2	4,479.6	2,530.3	45.9	0.0	0.0	0.0	0.0	1,571.1	10,934.2	85,140.0
				660,740.0	655,060.9	456,847.5	277,301.9	134,480.2	80,718.3	56,728.5	52,785.7	51,801.2	77,144.1	171,035.9	423,570.9	3,098,215.1
11		Commodity Charge														
12		First 50 Mcf	\$2.2666	\$606,710	\$631,817	\$516,550	\$338,589	\$174,088	\$110,463	\$86,857	\$82,148	\$82,389	\$113,018	\$219,606	\$444,046	\$3,406,281
13		Next 350 Mcf	\$1.7520	496,673	489,327	318,572	187,370	83,768	50,196	29,142	26,719	24,591	42,345	112,265	309,969	2,170,937
14		Next 600 Mcf	\$1.6659	131,972	117,946	63,487	27,478	12,213	5,475	2,956	2,152	2,360	5,184	14,158	66,312	451,693
15		Over 1,000 Mcf	\$1.5164	46,034	39,750	13,660	6,793	3,837	70	-	-	-	-	2,382	16,581	129,106
				\$1,281,389	\$1,278,840	\$912,269	\$560,229	\$273,906	\$166,204	\$118,955	\$111,020	\$109,339	\$160,548	\$348,412	\$836,907	\$6,158,017
16		Revenue Less Gas Cost		\$1,746,011	\$1,746,376	\$1,369,062	\$1,015,566	\$723,735	\$611,389	\$564,277	\$555,750	\$552,658	\$605,369	\$799,742	\$1,295,567	\$11,585,504
17		Gas Cost Revenue [2]	\$2.2091	\$1,459,641	\$1,447,095	\$1,009,222	\$612,588	\$297,080	\$178,315	\$125,319	\$116,609	\$114,434	\$170,419	\$377,835	\$935,710	\$6,844,267
18		Revenue Excluding Riders		\$3,205,652	\$3,193,471	\$2,378,284	\$1,628,153	\$1,020,815	\$789,704	\$689,596	\$672,359	\$667,092	\$775,788	\$1,177,578	\$2,231,277	\$18,429,771
19		Riders:														
20		Gas Cost Uncollectible Charge	\$0.0160	\$10,572	\$10,481	\$7,310	\$4,437	\$2,152	\$1,291	\$908	\$845	\$829	\$1,234	\$2,737	\$6,777	\$49,571
21		Total Revenue		\$3,216,224	\$3,203,952	\$2,385,593	\$1,632,590	\$1,022,967	\$790,996	\$690,504	\$673,204	\$667,921	\$777,022	\$1,180,314	\$2,238,054	\$18,479,342

[1] Reflects Normalized Volumes.

[2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 13 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GSO	General Service - Industrial														
2		INDUSTRIAL														
3		Customer Bills		43	43	43	43	43	44	44	45	44	44	44	44	524
4		Customer Charge	\$37.50	\$1,613	\$1,613	\$1,613	\$1,613	\$1,613	\$1,650	\$1,650	\$1,688	\$1,650	\$1,650	\$1,650	\$1,650	\$19,650
5		Accelerated Main Replacement Progra	\$8.02	\$345	\$345	\$345	\$345	\$345	\$353	\$353	\$361	\$353	\$353	\$353	\$353	\$4,202
6		Volumes (Mcf) [1]														
7		First 50 Mcf		1,708.9	1,701.3	1,750.8	1,513.3	1,170.7	916.7	785.3	882.2	940.1	1,050.0	1,434.4	1,636.5	15,490.2
8		Next 350 Mcf		7,148.9	6,006.8	6,156.4	6,215.5	4,577.2	4,111.5	4,287.7	4,689.2	4,390.5	4,922.5	5,568.0	5,921.9	63,996.1
9		Next 600 Mcf		5,057.5	5,060.1	5,050.7	4,677.9	4,645.7	4,385.0	4,760.5	5,222.2	5,369.0	5,769.7	4,707.2	4,633.4	59,338.9
10		Over 1,000 Mcf		19,084.9	19,231.7	17,942.1	17,393.2	18,406.7	18,336.7	17,916.4	17,956.6	18,050.6	19,107.7	19,190.4	18,808.3	221,425.3
				33,000.2	31,999.9	30,900.0	29,799.9	28,800.3	27,749.9	27,749.9	28,750.2	28,750.2	30,849.9	30,900.0	31,000.1	360,250.5
11		Commodity Charge														
12		First 50 Mcf	\$2.2666	\$3,873	\$3,856	\$3,968	\$3,430	\$2,654	\$2,078	\$1,780	\$2,000	\$2,131	\$2,380	\$3,251	\$3,709	\$35,110
13		Next 350 Mcf	\$1.7520	12,525	10,524	10,786	10,890	8,019	7,203	7,512	8,215	7,692	8,624	9,755	10,375	112,121
14		Next 600 Mcf	\$1.6659	8,425	8,430	8,414	7,793	7,739	7,305	7,931	8,700	8,944	9,612	7,842	7,719	98,853
15		Over 1,000 Mcf	\$1.5164	28,940	29,163	27,207	26,375	27,912	27,806	27,188	27,229	27,372	28,975	29,100	28,521	335,769
				\$53,764	\$51,973	\$50,376	\$48,488	\$46,324	\$44,392	\$44,391	\$46,144	\$46,139	\$49,591	\$49,948	\$50,324	\$581,853
16		Revenue Less Gas Cost		\$55,721	\$53,930	\$52,333	\$50,445	\$48,281	\$46,395	\$46,394	\$48,193	\$48,142	\$51,594	\$51,951	\$52,327	\$605,706
17		Gas Cost Revenue [2]	\$2.2091	\$72,901	\$70,691	\$68,261	\$65,831	\$63,623	\$61,302	\$61,302	\$63,512	\$63,512	\$68,151	\$68,261	\$68,482	\$795,829
18		Revenue Excluding Riders		\$128,622	\$124,621	\$120,594	\$116,276	\$111,904	\$107,697	\$107,696	\$111,705	\$111,654	\$119,744	\$120,212	\$120,809	\$1,401,535
19		Riders:														
20		Gas Cost Uncollectible Charge	\$0.0160	\$528	\$512	\$494	\$477	\$461	\$444	\$444	\$460	\$460	\$494	\$494	\$496	\$5,764
21		Total Revenue		\$129,150	\$125,133	\$121,089	\$116,753	\$112,365	\$108,141	\$108,140	\$112,165	\$112,114	\$120,238	\$120,707	\$121,305	\$1,407,299

[1] Reflects Normalized Volumes.

[2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 14 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	IS	Interruptible Service - Industrial														
2		INDUSTRIAL														
3		Customer Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
4		Customer Charge	\$1,007.05	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5		Accelerated Main Replacement Program	\$449.59	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Volumes (Mcf) [1]														
7		First 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8		Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9		Commodity Charge														
10		First 30,000 Mcf	\$0.5443	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11		Over 30,000 Mcf	\$0.2890	0	0	0	0	0	0	0	0	0	0	0	0	0
12		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Gas Cost Revenue [2]	\$2.2091	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14		Revenue Excluding Riders		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15		Riders:														
16		Gas Cost Uncollectible Charge	\$0.0160	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17		Total Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	IUS	Intrastate Utility Service - Wholesale														
19		WHOLESALE														
20		Customer Bills		2	2	2	2	2	2	2	2	2	2	2	2	24
21		Customer Charge	\$477.00	\$954	\$954	\$954	\$954	\$954	\$954	\$954	\$954	\$954	\$954	\$954	\$954	\$11,448
22		Accelerated Main Replacement Program	\$76.96	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$1,847
23		Volumes (Mcf) [1]		3,136.7	2,307.2	1,098.6	641.7	362.9	221.4	245.0	196.3	196.6	705.2	1,014.3	1,194.8	11,320.7
24		Commodity Charge	\$0.8150	\$2,556	\$1,880	\$895	\$523	\$296	\$180	\$200	\$160	\$160	\$575	\$827	\$974	\$9,226
25		Revenue Less Gas Cost		\$3,664	\$2,988	\$2,003	\$1,631	\$1,404	\$1,288	\$1,308	\$1,268	\$1,268	\$1,683	\$1,935	\$2,082	\$22,521
26		Gas Cost Revenue [2]	\$2.2091	\$6,929	\$5,097	\$2,427	\$1,418	\$802	\$489	\$541	\$434	\$434	\$1,558	\$2,241	\$2,639	\$25,009
27		Revenue Excluding Riders		\$10,594	\$8,085	\$4,430	\$3,048	\$2,205	\$1,777	\$1,849	\$1,702	\$1,702	\$3,241	\$4,175	\$4,721	\$47,530
28		Riders:														
29		Gas Cost Uncollectible Charge	\$0.0160	\$50	\$37	\$18	\$10	\$6	\$4	\$4	\$3	\$3	\$11	\$16	\$19	\$181
30		Total Revenue		\$10,644	\$8,122	\$4,448	\$3,059	\$2,211	\$1,781	\$1,853	\$1,705	\$1,706	\$3,252	\$4,191	\$4,740	\$47,711

[1] Reflects Normalized Volumes.
[2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.2
 Page 15 of 21
 Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GTR	GTS Choice - Residential														
2		RESIDENTIAL														
3		Customer Bills		23,720	23,785	23,786	23,694	23,612	23,386	23,238	23,223	23,179	23,188	23,458	23,677	281,946
4		Customer Charge	\$15.00	\$355,800	\$356,775	\$356,790	\$355,410	\$354,180	\$350,790	\$348,570	\$348,345	\$347,685	\$347,820	\$351,870	\$355,155	\$4,229,190
5		Accelerated Main Replacement Program	\$2.25	\$53,370	\$53,516	\$53,519	\$53,312	\$53,127	\$52,619	\$52,286	\$52,252	\$52,153	\$52,173	\$52,781	\$53,273	\$634,379
6		Volumes (Mcf) [1]		364,000.0	353,000.0	265,000.0	151,000.0	71,000.0	34,000.0	24,000.0	23,000.0	25,000.0	39,000.0	111,000.0	247,000.0	1,707,000.0
7		Commodity Charge	\$2.2666	\$825,042	\$800,110	\$600,649	\$342,257	\$160,929	\$77,064	\$54,398	\$52,132	\$56,665	\$88,397	\$251,593	\$559,850	\$3,869,086
8		Revenue Less Gas Cost		\$1,234,212	\$1,210,401	\$1,010,958	\$750,978	\$568,236	\$480,473	\$455,254	\$452,729	\$456,503	\$488,390	\$656,243	\$968,278	\$8,732,655
9		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10		Revenue Excluding Riders		\$1,234,212	\$1,210,401	\$1,010,958	\$750,978	\$568,236	\$480,473	\$455,254	\$452,729	\$456,503	\$488,390	\$656,243	\$968,278	\$8,732,655
11		Riders:														
12		Energy Efficiency Conservation Program	\$0.6900	\$16,367	\$16,412	\$16,412	\$16,349	\$16,292	\$16,136	\$16,034	\$16,024	\$15,994	\$16,000	\$16,186	\$16,337	\$194,543
13		EAP Recovery	\$0.0597	21,731	21,074	15,821	9,015	4,239	2,030	1,433	1,373	1,493	2,328	6,627	14,746	101,908
14		Total Riders		\$38,098	\$37,486	\$32,233	\$25,364	\$20,531	\$18,166	\$17,467	\$17,397	\$17,486	\$18,328	\$22,813	\$31,083	\$296,451
15		Total Revenue		\$1,272,310	\$1,247,887	\$1,043,190	\$776,342	\$588,767	\$498,639	\$472,721	\$470,126	\$473,989	\$506,718	\$679,056	\$999,361	\$9,029,105
16	GTO	GTS Choice - Commercial														
17		COMMERCIAL														
18		Customer Bills		3,837	3,809	4,093	4,081	4,058	4,042	4,016	3,956	3,924	3,899	3,877	3,853	47,445
19		Customer Charge	\$37.50	\$143,888	\$142,838	\$153,488	\$153,038	\$152,175	\$151,575	\$150,600	\$148,350	\$147,150	\$146,213	\$145,388	\$144,488	\$1,779,188
20		Accelerated Main Replacement Program	\$8.02	\$30,773	\$30,548	\$32,826	\$32,730	\$32,545	\$32,417	\$32,208	\$31,727	\$31,470	\$31,270	\$31,094	\$30,901	\$380,509
21		Volumes (Mcf) [1]														
22		First 50 Mcf		115,248.5	116,322.6	106,138.4	75,878.9	48,386.9	34,090.9	31,140.7	30,451.2	32,109.0	40,148.2	62,458.3	94,003.8	786,377.4
23		Next 350 Mcf		147,158.6	143,758.3	103,281.1	63,376.9	39,602.3	30,878.4	27,567.7	26,232.9	28,470.1	38,563.3	57,697.6	100,340.5	806,927.7
24		Next 600 Mcf		37,085.0	34,041.2	18,666.5	11,741.5	6,797.7	6,188.9	5,312.4	5,525.8	6,310.6	8,979.6	14,083.0	24,521.2	179,253.4
25		Over 1,000 Mcf		22,508.7	17,880.3	7,915.1	4,006.6	2,211.7	2,841.9	1,978.2	1,791.2	2,108.3	3,303.5	5,755.8	15,131.0	87,432.3
26		Commodity Charge		322,000.8	312,002.4	236,001.1	155,003.9	96,998.6	74,000.1	65,999.0	64,001.1	68,998.0	90,994.6	139,994.7	233,996.5	1,859,990.8
27		First 50 Mcf	\$2.2666	\$261,222	\$263,657	\$240,573	\$171,987	\$109,674	\$77,270	\$70,584	\$69,021	\$72,778	\$91,000	\$141,568	\$213,069	\$1,782,403
28		Next 350 Mcf	\$1.7520	257,822	251,865	180,948	111,036	69,383	54,099	48,299	45,960	49,880	67,563	101,086	175,797	1,413,737
29		Next 600 Mcf	\$1.6659	61,780	56,709	31,097	19,560	11,324	10,310	8,850	9,205	10,513	14,959	23,461	40,850	298,618
30		Over 1,000 Mcf	\$1.5164	34,132	27,114	12,002	6,076	3,354	4,309	3,000	2,716	3,197	5,009	8,728	22,945	132,582
				\$614,956	\$599,344	\$464,621	\$308,659	\$193,735	\$145,989	\$130,732	\$126,902	\$136,368	\$178,531	\$274,843	\$452,660	\$3,627,341
31		Revenue Less Gas Cost		\$789,616	\$772,730	\$650,934	\$494,426	\$378,455	\$329,981	\$313,540	\$306,979	\$314,988	\$356,014	\$451,324	\$628,049	\$5,787,037
32		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33		Total Revenue		\$789,616	\$772,730	\$650,934	\$494,426	\$378,455	\$329,981	\$313,540	\$306,979	\$314,988	\$356,014	\$451,324	\$628,049	\$5,787,037

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 16 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GTO	GTS Choice - Industrial														
2		INDUSTRIAL														
3		Customer Bills		13	13	12	13	12	12	12	12	12	12	13	13	149
4		Customer Charge	\$37.50	\$488	\$488	\$450	\$488	\$450	\$450	\$450	\$450	\$450	\$450	\$488	\$488	\$5,588
5		Accelerated Main Replacement Program	\$8.02	\$104	\$104	\$96	\$104	\$96	\$96	\$96	\$96	\$96	\$96	\$104	\$104	\$1,195
6		Volumes (Mcf) [1]														
7		First 50 Mcf		472.7	517.8	508.5	429.7	346.2	313.1	310.6	295.6	279.2	420.4	426.1	467.9	4,787.8
8		Next 350 Mcf		2,210.2	2,239.1	2,090.2	1,600.8	1,646.5	1,359.8	1,359.2	1,380.5	1,335.8	1,812.9	2,003.7	2,070.3	21,109.0
9		Next 600 Mcf		2,400.0	2,344.7	2,065.1	1,901.5	1,446.5	1,488.2	1,395.6	1,201.0	1,365.8	1,413.9	1,953.8	1,933.6	20,909.7
10		Over 1,000 Mcf		917.2	898.3	1,336.1	2,067.9	2,560.8	2,839.0	2,934.5	3,122.9	3,019.2	2,352.9	1,616.4	1,528.2	25,193.4
				6,000.1	5,999.9	5,999.9	5,999.9	6,000.0	6,000.1	5,999.9	6,000.0	6,000.0	6,000.1	6,000.0	6,000.0	71,999.9
11		Commodity Charge														
12		First 50 Mcf	\$2.2666	\$1,071	\$1,174	\$1,153	\$974	\$785	\$710	\$704	\$670	\$633	\$953	\$966	\$1,061	\$10,852
13		Next 350 Mcf	\$1.7520	3,872	3,923	3,662	2,805	2,885	2,382	2,381	2,419	2,340	3,176	3,510	3,627	36,983
14		Next 600 Mcf	\$1.6659	3,998	3,906	3,440	3,168	2,410	2,479	2,325	2,001	2,275	3,255	3,255	3,221	34,833
15		Over 1,000 Mcf	\$1.5164	1,391	1,362	2,026	3,136	3,883	4,305	4,450	4,736	4,578	3,568	2,451	2,317	38,203
				\$10,333	\$10,365	\$10,281	\$10,082	\$9,962	\$9,876	\$9,860	\$9,825	\$9,827	\$10,052	\$10,182	\$10,226	\$120,872
16		Revenue Less Gas Cost		\$10,924	\$10,957	\$10,827	\$10,674	\$10,509	\$10,423	\$10,406	\$10,371	\$10,373	\$10,599	\$10,774	\$10,818	\$127,654
17		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18		Total Revenue		\$10,924	\$10,957	\$10,827	\$10,674	\$10,509	\$10,423	\$10,406	\$10,371	\$10,373	\$10,599	\$10,774	\$10,818	\$127,654

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 17 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	DS	GTS Delivery Service - Commercial														
2		COMMERCIAL														
3		Customer Bills		41	32	32	32	32	32	34	33	33	33	34	60	428
4		Customer Charge	\$1,007.05	\$41,289	\$32,226	\$32,226	\$32,226	\$32,226	\$32,226	\$34,240	\$33,233	\$33,233	\$33,233	\$34,240	\$60,423	\$431,017
5		Administrative Charge	\$55.90	\$2,292	\$1,789	\$1,789	\$1,789	\$1,789	\$1,789	\$1,901	\$1,845	\$1,845	\$1,845	\$1,901	\$3,354	\$23,925
6		Accelerated Main Replacement Program	\$449.59	\$18,433	\$14,387	\$14,387	\$14,387	\$14,387	\$14,387	\$15,286	\$14,836	\$14,836	\$14,836	\$15,286	\$26,975	\$192,425
7		Volumes (Mcf) [1]														
8		First 30,000 Mcf		188,859.0	169,110.1	147,265.6	103,565.2	83,423.1	69,626.2	68,394.7	69,858.1	76,451.3	101,603.3	139,898.5	162,514.9	1,380,570.0
9		Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10		Commodity Charge														
11		First 30,000 Mcf	\$0.5443	\$102,796	\$92,047	\$80,157	\$56,371	\$45,407	\$37,898	\$37,227	\$38,024	\$41,612	\$55,303	\$76,147	\$88,457	\$751,444
12		Over 30,000 Mcf	\$0.2890	0	0	0	0	0	0	0	0	0	0	0	0	0
				\$102,796	\$92,047	\$80,157	\$56,371	\$45,407	\$37,898	\$37,227	\$38,024	\$41,612	\$55,303	\$76,147	\$88,457	\$751,444
13		Revenue Less Gas Cost		\$164,810	\$140,448	\$128,558	\$104,772	\$93,808	\$86,299	\$88,654	\$87,938	\$91,526	\$105,217	\$127,573	\$179,209	\$1,398,811
14		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15		Total Revenue		\$164,810	\$140,448	\$128,558	\$104,772	\$93,808	\$86,299	\$88,654	\$87,938	\$91,526	\$105,217	\$127,573	\$179,209	\$1,398,811
16	DS	GTS Delivery Service - Industrial														
17		INDUSTRIAL														
18		Customer Bills		39	39	39	39	39	39	39	39	39	39	39	39	468
19		Customer Charge	\$1,007.05	\$39,275	\$39,275	\$39,275	\$39,275	\$39,275	\$39,275	\$39,275	\$39,275	\$39,275	\$39,275	\$39,275	\$39,275	\$471,299
20		Administrative Charge	\$55.90	\$2,180	\$2,180	\$2,180	\$2,180	\$2,180	\$2,180	\$2,180	\$2,180	\$2,180	\$2,180	\$2,180	\$2,180	\$26,161
21		Accelerated Main Replacement Program	\$449.59	\$17,534	\$17,534	\$17,534	\$17,534	\$17,534	\$17,534	\$17,534	\$17,534	\$17,534	\$17,534	\$17,534	\$17,534	\$210,408
22		Volumes (Mcf) [1]														
23		First 30,000 Mcf		362,633.5	336,268.5	309,008.7	289,709.6	275,128.8	268,134.1	242,645.5	267,869.2	280,511.7	309,636.4	327,494.0	334,941.4	3,603,981.4
24		Over 30,000 Mcf		312,276.0	266,310.0	216,432.0	137,874.0	93,864.0	71,370.0	52,470.0	74,304.0	81,150.0	144,720.0	223,938.0	238,608.0	1,913,316.0
25		Commodity Charge														
26		First 30,000 Mcf	\$0.5443	\$197,381	\$183,031	\$168,193	\$157,689	\$149,753	\$145,945	\$132,072	\$145,801	\$152,683	\$168,535	\$178,255	\$182,309	\$1,961,647
27		Over 30,000 Mcf	\$0.2890	90,248	76,964	62,549	39,846	27,127	20,626	15,164	21,474	23,452	41,824	64,718	68,958	552,948
				\$287,629	\$259,995	\$230,742	\$197,535	\$176,879	\$166,571	\$147,236	\$167,275	\$176,135	\$210,359	\$242,973	\$251,266	\$2,514,595
28		Revenue Less Gas Cost		\$346,618	\$318,984	\$289,731	\$256,524	\$235,868	\$225,560	\$206,225	\$226,264	\$235,124	\$269,348	\$301,962	\$310,255	\$3,222,464
29		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30		Total Revenue		\$346,618	\$318,984	\$289,731	\$256,524	\$235,868	\$225,560	\$206,225	\$226,264	\$235,124	\$269,348	\$301,962	\$310,255	\$3,222,464

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X_ Forecasted Period
 Type of Filing: X Original __ Update __ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.2
 Page 18 of 21
 Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GDS	GTS Grandfathered Delivery Service - Commercial														
2		COMMERCIAL														
3		Customer Bills		12	12	12	12	12	12	12	12	12	12	13	12	145
4		Customer Charge	\$37.50	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$488	\$450	\$5,438
5		Administrative Charge	\$55.90	\$671	\$671	\$671	\$671	\$671	\$671	\$671	\$671	\$671	\$671	\$727	\$671	\$8,106
6		Accelerated Main Replacement Program	\$8.02	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$96	\$104	\$96	\$1,163
7		Volumes (Mcf) [1]														
8		First 50 Mcf		600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	550.0	600.0	7,150.0
9		Next 350 Mcf		4,200.0	4,200.0	4,200.0	4,182.5	4,127.0	4,044.2	3,998.9	3,891.4	4,069.2	4,045.0	3,850.0	4,200.0	49,008.2
10		Next 600 Mcf		7,070.0	6,882.7	6,964.3	6,167.1	6,270.1	4,699.5	5,144.3	4,257.5	4,801.3	6,031.9	6,494.6	6,960.4	71,743.7
11		Over 1,000 Mcf		<u>13,932.9</u>	<u>13,803.3</u>	<u>10,302.3</u>	<u>5,333.3</u>	<u>4,075.8</u>	<u>1,525.9</u>	<u>2,402.3</u>	<u>1,889.0</u>	<u>1,772.2</u>	<u>3,743.8</u>	<u>7,560.9</u>	<u>9,386.9</u>	<u>75,728.6</u>
				25,802.9	25,486.0	22,066.6	16,282.9	15,072.9	10,869.6	12,145.5	10,637.9	11,242.7	14,420.7	18,455.5	21,147.3	203,630.5
12		Commodity Charge														
13		First 50 Mcf	\$2.2666	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$1,247	\$1,360	\$16,206
14		Next 350 Mcf	\$1.7520	7,358	7,358	7,358	7,328	7,231	7,085	7,006	6,818	7,129	7,087	6,745	7,358	85,862
15		Next 600 Mcf	\$1.6659	11,778	11,466	11,602	10,274	10,445	7,829	8,570	7,093	7,998	10,049	10,819	11,595	119,518
16		Over 1,000 Mcf	\$1.5164	<u>21,128</u>	<u>20,931</u>	<u>15,622</u>	<u>8,087</u>	<u>6,181</u>	<u>2,314</u>	<u>3,643</u>	<u>2,864</u>	<u>2,687</u>	<u>5,677</u>	<u>11,465</u>	<u>14,234</u>	<u>114,835</u>
				\$41,624	\$41,116	\$35,943	\$27,049	\$25,216	\$18,588	\$20,579	\$18,135	\$19,175	\$24,172	\$30,277	\$34,548	\$336,421
17		Revenue Less Gas Cost		\$42,841	\$42,333	\$37,160	\$28,266	\$26,433	\$19,805	\$21,796	\$19,352	\$20,392	\$25,389	\$31,595	\$35,765	\$351,127
18		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Total Revenue		\$42,841	\$42,333	\$37,160	\$28,266	\$26,433	\$19,805	\$21,796	\$19,352	\$20,392	\$25,389	\$31,595	\$35,765	\$351,127
20	GDS	GTS Grandfathered Delivery Service - Industrial														
21		INDUSTRIAL														
22		Customer Bills		15	15	15	15	15	15	15	15	15	15	15	15	180
23		Customer Charge	\$37.50	\$563	\$563	\$563	\$563	\$563	\$563	\$563	\$563	\$563	\$563	\$563	\$563	\$6,750
24		Administrative Charge	\$55.90	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$10,062
25		Accelerated Main Replacement Program	\$8.02	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$1,444
26		Volumes (Mcf) [1]														
27		First 50 Mcf		609.9	622.4	750.0	735.6	694.2	473.6	460.0	510.6	530.3	604.5	606.1	666.9	7,264.1
28		Next 350 Mcf		3,896.3	3,965.4	4,483.7	4,484.4	3,857.7	2,799.5	2,736.4	3,003.2	2,907.0	3,132.7	3,912.5	4,183.5	43,362.3
29		Next 600 Mcf		5,621.7	5,802.3	6,622.1	5,166.4	4,115.7	2,754.1	2,958.6	3,457.3	3,411.2	3,405.2	4,279.4	5,280.7	52,874.7
30		Over 1,000 Mcf		<u>7,716.4</u>	<u>6,439.2</u>	<u>7,195.5</u>	<u>3,880.8</u>	<u>4,450.7</u>	<u>2,848.5</u>	<u>1,893.4</u>	<u>2,095.7</u>	<u>2,937.8</u>	<u>2,954.3</u>	<u>3,905.0</u>	<u>4,849.5</u>	<u>50,966.8</u>
				17,844.3	16,829.3	19,051.3	14,067.2	13,118.3	8,875.7	8,048.4	9,066.8	9,786.3	10,096.7	12,703.0	14,980.6	154,467.9
31		Commodity Charge														
32		First 50 Mcf	\$2.2666	\$1,382	\$1,411	\$1,700	\$1,667	\$1,573	\$1,073	\$1,043	\$1,157	\$1,202	\$1,370	\$1,374	\$1,512	\$16,465
33		Next 350 Mcf	\$1.7520	6,826	6,947	7,855	7,857	6,759	4,905	4,794	5,262	5,093	5,488	6,855	7,329	75,971
34		Next 600 Mcf	\$1.6659	9,365	9,666	11,032	8,607	6,856	4,588	4,929	5,760	5,683	5,673	7,129	8,797	88,084
35		Over 1,000 Mcf	\$1.5164	<u>11,701</u>	<u>9,764</u>	<u>10,911</u>	<u>5,582</u>	<u>6,749</u>	<u>4,319</u>	<u>2,871</u>	<u>3,178</u>	<u>4,455</u>	<u>4,480</u>	<u>5,922</u>	<u>7,354</u>	<u>77,286</u>
				\$29,275	\$27,789	\$31,498	\$23,712	\$21,938	\$14,886	\$13,637	\$15,356	\$16,433	\$17,011	\$21,279	\$24,992	\$257,806
36		Revenue Less Gas Cost		\$30,796	\$29,310	\$33,020	\$25,234	\$23,459	\$16,407	\$15,158	\$16,878	\$17,954	\$18,533	\$22,800	\$26,513	\$276,061
37		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38		Total Revenue		\$30,796	\$29,310	\$33,020	\$25,234	\$23,459	\$16,407	\$15,158	\$16,878	\$17,954	\$18,533	\$22,800	\$26,513	\$276,061

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 19 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	DS3	GTS Main Line Service - Industrial														
2		INDUSTRIAL														
3		Customer Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
4		Customer Charge	\$200.00	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200
5		Administrative Charge	\$55.90	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$2,012
6		Volumes (Mcf)[1]		58,289.0	56,724.0	56,724.0	57,213.0	57,995.0	58,484.0	55,942.0	54,866.0	55,746.0	58,093.0	57,604.0	53,301.0	680,981.0
7		Commodity Charge	\$0.0858	\$5,001	\$4,867	\$4,867	\$4,909	\$4,976	\$5,018	\$4,800	\$4,708	\$4,783	\$4,984	\$4,942	\$4,573	\$58,428
8		Revenue Less Gas Cost		\$5,769	\$5,635	\$5,635	\$5,677	\$5,744	\$5,786	\$5,568	\$5,475	\$5,551	\$5,752	\$5,710	\$5,341	\$67,641
9		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10		Total Revenue		\$5,769	\$5,635	\$5,635	\$5,677	\$5,744	\$5,786	\$5,568	\$5,475	\$5,551	\$5,752	\$5,710	\$5,341	\$67,641
11	FX1	GTS Flex Rate - Commercial														
12		COMMERCIAL														
13		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
14		Customer Charge	\$1,007.05	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$12,085
15		Administrative Charge	\$55.90	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$671
16		Volumes (Mcf) [1]		74,328.0	58,680.0	70,416.0	34,230.0	29,340.0	29,340.0	29,340.0	29,340.0	34,230.0	39,120.0	49,878.0	63,570.0	541,812.0
17		Commodity Charge	\$0.3900	\$28,988	\$22,885	\$27,462	\$13,350	\$11,443	\$11,443	\$11,443	\$11,443	\$13,350	\$15,257	\$19,452	\$24,792	\$211,307
18		Revenue Less Gas Cost		\$30,051	\$23,948	\$28,525	\$14,413	\$12,506	\$12,506	\$12,506	\$12,506	\$14,413	\$16,320	\$20,515	\$25,855	\$224,062
19		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20		Total Revenue		\$30,051	\$23,948	\$28,525	\$14,413	\$12,506	\$12,506	\$12,506	\$12,506	\$14,413	\$16,320	\$20,515	\$25,855	\$224,062
21	FX2	GTS Flex Rate - Commercial														
22		COMMERCIAL														
23		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
24		Customer Charge	\$1,007.05	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$12,085
25		Administrative Charge	\$55.90	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$671
26		Volumes (Mcf) [1]		44,010.0	56,724.0	33,252.0	47,922.0	37,164.0	37,164.0	39,120.0	37,164.0	41,076.0	50,856.0	54,768.0	54,768.0	533,988.0
27		Commodity Charge	\$0.3900	\$17,164	\$22,122	\$12,968	\$18,690	\$14,494	\$14,494	\$15,257	\$14,494	\$16,020	\$19,834	\$21,360	\$21,360	\$208,255
28		Revenue Less Gas Cost		\$18,227	\$23,185	\$14,031	\$19,753	\$15,557	\$15,557	\$16,320	\$15,557	\$17,083	\$20,897	\$22,422	\$22,422	\$221,011
29		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30		Total Revenue		\$18,227	\$23,185	\$14,031	\$19,753	\$15,557	\$15,557	\$16,320	\$15,557	\$17,083	\$20,897	\$22,422	\$22,422	\$221,011

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X_ Forecasted Period
Type of Filing: X Original __ Update __ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.2
Page 20 of 21
Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	FX5	GTS Flex Rate - Industrial														
2		INDUSTRIAL														
3		Customer Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
4		Customer Charge	\$200.00	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200
5		Administrative Charge	\$55.90	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$2,012
6		Volumes (Mcf) [1]		411,738.0	369,684.0	397,068.0	381,420.0	392,178.0	381,420.0	392,178.0	392,178.0	381,420.0	397,068.0	391,200.0	401,958.0	4,689,510.0
7		Commodity Charge	\$0.0858	\$35,327	\$31,719	\$34,068	\$32,726	\$33,649	\$32,726	\$33,649	\$33,649	\$32,726	\$34,068	\$33,565	\$34,488	\$402,360
8		Revenue Less Gas Cost		\$36,095	\$32,487	\$34,836	\$33,494	\$34,417	\$33,494	\$34,417	\$34,417	\$33,494	\$34,836	\$34,333	\$35,256	\$411,572
9		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10		Total Revenue		\$36,095	\$32,487	\$34,836	\$33,494	\$34,417	\$33,494	\$34,417	\$34,417	\$33,494	\$34,836	\$34,333	\$35,256	\$411,572
11	FX7	GTS Flex Rate - Industrial														
12		INDUSTRIAL														
13		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
14		Customer Charge	\$1,007.05	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$12,085
15		Administrative Charge	\$55.90	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$671
16		Volumes (Mcf) [1]														
17		First 25,000 Mcf		25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	300,000.0
18		Over 25,000 Mcf		19,077.0	1,389.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	20,000.0	20,000.0	14,555.0	14,979.0	120,000.0
				44,077.0	26,389.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	45,000.0	45,000.0	39,555.0	39,979.0	420,000.0
19		Commodity Charge														
20		First 25,000 Mcf	\$0.4900	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$147,000
21		Over 25,000 Mcf	\$0.2700	5,151	375	1,350	1,350	1,350	1,350	1,350	1,350	5,400	5,400	3,930	4,044	32,400
				\$17,401	\$12,625	\$13,600	\$13,600	\$13,600	\$13,600	\$13,600	\$13,600	\$17,650	\$17,650	\$16,180	\$16,294	\$179,400
22		Revenue Less Gas Cost		\$18,464	\$13,688	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$18,713	\$18,713	\$17,243	\$17,357	\$192,155
23		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24		Total Revenue		\$18,464	\$13,688	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$18,713	\$18,713	\$17,243	\$17,357	\$192,155

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Current Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: __ Base Period __X__ Forecasted Period
 Type of Filing: X Original __ Update __ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.2
 Page 21 of 21
 Witness: M. J. Bell

Current Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Current Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	SAS	GTS Special Agency Service														
2		COMMERCIAL														
3		Customer Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
4		Customer Charge	\$1,007.05	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5		Administrative Charge	\$55.90	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Accelerated Main Replacement Program	\$449.59	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Volumes (Mcf) [1]														
8		First 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9		Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10		Commodity Charge														
11		First 30,000 Mcf	\$0.5443	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12		Over 30,000 Mcf	\$0.2890	0	0	0	0	0	0	0	0	0	0	0	0	0
13		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15		Total Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	SC3	GTS Special Rate - Industrial														
17		INDUSTRIAL														
18		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
19		Customer Charge	\$1,007.05	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$12,085
20		Administrative Charge	\$55.90	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$671
21		Volumes (Mcf) [1]														
22		First 150,000 Mcf		150,000.0	150,000.0	140,000.0	140,000.0	130,000.0	130,000.0	130,000.0	130,000.0	130,000.0	130,000.0	140,000.0	150,000.0	1,650,000.0
23		Over 150,000 Mcf		15,000.0	5,000.0	0.0	(12,000.0)	(19,000.0)	(28,000.0)	(28,000.0)	(28,000.0)	(10,000.0)	15,000.0	10,000.0	10,000.0	(70,000.0)
24		Commodity Charge		165,000.0	155,000.0	140,000.0	128,000.0	111,000.0	102,000.0	102,000.0	102,000.0	120,000.0	145,000.0	150,000.0	160,000.0	1,580,000.0
25		First 150,000 Mcf	\$0.2900	\$43,500	\$43,500	\$40,600	\$40,600	\$37,700	\$37,700	\$37,700	\$37,700	\$37,700	\$37,700	\$40,600	\$43,500	\$478,500
26		Over 150,000 Mcf	\$0.1600	2,400	800	0	(1,920)	(3,040)	(4,480)	(4,480)	(4,480)	(1,600)	2,400	1,600	1,600	(11,200)
				\$45,900	\$44,300	\$40,600	\$38,680	\$34,660	\$33,220	\$33,220	\$33,220	\$36,100	\$40,100	\$42,200	\$45,100	\$467,300
27		Revenue Less Gas Cost		\$46,963	\$45,363	\$41,663	\$39,743	\$35,723	\$34,283	\$34,283	\$34,283	\$37,163	\$41,163	\$43,263	\$46,163	\$480,055
28		Adjustment to reflect Minimum Bill		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,945	\$185,945
29		Total Revenue		\$46,963	\$45,363	\$41,663	\$39,743	\$35,723	\$34,283	\$34,283	\$34,283	\$37,163	\$41,163	\$43,263	\$232,108	\$666,000

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 1 of 21
Witness: M. J. Bell

Proposed Annualized																
Line No.	FERC Acct (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Operating Revenue														
2		Sales of Gas														
3	480	Residential Sales Revenue		\$10,242,973	\$9,994,890	\$8,006,527	\$5,442,341	\$3,627,329	\$2,770,258	\$2,537,103	\$2,526,421	\$2,531,766	\$2,857,345	\$4,523,307	\$7,611,196	\$62,671,457
4	481.1	Commercial Sales Revenue		3,959,100	3,946,054	2,930,107	1,987,606	1,223,627	933,238	807,520	785,792	779,405	916,150	1,421,034	2,741,793	22,431,427
5	481.2	Industrial Sales Revenue		158,216	153,240	148,338	142,990	137,445	132,192	132,190	137,160	137,101	147,076	147,735	148,533	1,722,214
8	483	Public Utilities		12,472	9,516	5,210	3,583	2,589	2,085	2,169	1,996	1,997	3,809	4,910	5,553	55,889
6		Total Sales of Gas		\$14,372,761	\$14,103,700	\$11,090,182	\$7,576,519	\$4,990,990	\$3,837,772	\$3,478,983	\$3,451,368	\$3,450,269	\$3,924,380	\$6,096,986	\$10,507,076	\$86,880,986
7		Other Operating Revenue														
9	489	Transportation Revenue - Residential		\$1,915,121	\$1,873,234	\$1,527,529	\$1,077,776	\$761,803	\$611,820	\$569,506	\$565,270	\$572,228	\$627,414	\$915,802	\$1,454,584	\$12,472,087
10	489	Transportation Revenue - Commercial		1,454,808	1,392,476	1,178,298	872,995	673,595	577,479	557,623	544,826	566,960	661,815	856,660	1,196,216	10,533,753
11	489	Transportation Revenue - Industrial		706,546	654,630	603,461	540,278	496,817	466,963	435,340	469,351	492,884	558,624	619,573	828,199	6,872,667
12	487	Forfeited Discounts		66,911	89,911	88,911	84,911	50,911	35,911	30,911	29,911	32,911	21,911	28,911	44,911	606,932
13	488	Miscellaneous Service Revenue		8,000	9,000	11,000	13,000	10,000	11,000	9,000	8,000	9,000	19,000	20,000	10,000	137,000
14	493	Rent from Gas Property		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
15	495	Non-Traditional Sales		0	0	0	0	0	0	0	0	0	0	0	0	0
16	495	Other Gas Revenues - Other		66,000	58,000	61,000	85,000	24,000	19,000	16,000	15,000	16,000	18,000	25,000	112,000	515,000
17		Total Other Operating Revenue		\$4,223,386	\$4,083,252	\$3,476,199	\$2,679,961	\$2,023,127	\$1,728,173	\$1,624,380	\$1,638,359	\$1,695,984	\$1,912,763	\$2,471,946	\$3,651,910	\$31,209,439
18		Total Operating Revenue		\$18,596,147	\$18,186,952	\$14,566,382	\$10,256,480	\$7,014,117	\$5,565,944	\$5,103,363	\$5,089,727	\$5,146,253	\$5,837,143	\$8,568,932	\$14,158,985	\$118,090,425

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: Base Period X Forecasted Period
 Type of Filing: X Original Update Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 2 of 21
 Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Sales Service														
2	GSR	General Service - Residential														
3		Bills		99,289	99,473	99,542	99,522	99,040	98,094	97,239	97,617	96,979	96,955	97,991	98,925	1,180,666
4		Volumes [1]		1,331,907.1	1,291,151.8	968,403.0	552,553.4	259,776.4	123,911.3	88,930.0	85,940.7	88,922.9	141,784.3	408,542.4	906,257.2	6,248,080.5
5		Revenue Less Gas Cost		\$7,297,753	\$7,140,341	\$5,865,377	\$4,220,408	\$3,052,706	\$2,496,054	\$2,340,229	\$2,336,137	\$2,334,884	\$2,543,444	\$3,619,579	\$5,606,992	\$48,853,904
6		Gas Cost		\$2,942,316	\$2,852,283	\$2,139,299	\$1,220,646	\$573,872	\$273,732	\$196,455	\$189,852	\$196,440	\$313,216	\$902,511	\$2,002,013	\$13,802,635
7		Total Revenue [2]		\$10,240,069	\$9,992,624	\$8,004,676	\$5,441,054	\$3,626,578	\$2,769,787	\$2,536,684	\$2,525,989	\$2,531,324	\$2,856,660	\$4,522,090	\$7,609,004	\$62,656,538
8	G1C	LG&E Commercial														
9		Bills		3	3	4	4	4	4	4	3	3	3	3	3	41
10		Volumes [1]		307.2	374.8	373.1	173.3	68.9	18.0	29.1	16.7	8.8	22.2	83.3	222.4	1,697.8
11		Revenue Less Gas Cost		\$833	\$979	\$1,032	\$601	\$376	\$266	\$290	\$207	\$190	\$219	\$350	\$650	\$5,994
12		Gas Cost		\$679	\$828	\$824	\$383	\$152	\$40	\$64	\$37	\$19	\$49	\$184	\$491	\$3,751
13		Total Revenue [2]		\$1,512	\$1,807	\$1,856	\$984	\$528	\$306	\$355	\$244	\$209	\$268	\$534	\$1,142	\$9,744
14	G1R	LG&E Residential														
15		Bills		16	16	16	16	16	16	16	16	16	16	16	16	192
16		Volumes [1]		458.3	345.9	279.4	174.8	81.1	33.4	24.1	27.6	28.4	68.0	159.2	338.7	2,018.9
17		Revenue Less Gas Cost		\$1,633	\$1,300	\$1,103	\$794	\$516	\$375	\$348	\$358	\$360	\$478	\$748	\$1,279	\$9,292
18		Gas Cost		\$1,012	\$764	\$617	\$386	\$179	\$74	\$53	\$61	\$63	\$150	\$352	\$748	\$4,460
19		Total Revenue [2]		\$2,645	\$2,064	\$1,721	\$1,180	\$696	\$449	\$401	\$419	\$423	\$628	\$1,099	\$2,027	\$13,752
20	IN3	Inland Gas General Service - Residential														
21		Bills		9	9	9	10	8	9	9	9	9	9	9	9	108
22		Volumes [1]		247.9	172.9	116.2	84.5	36.3	17.0	11.6	10.8	11.5	34.0	90.2	157.3	990.2
23		Revenue Less Gas Cost		\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
24		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25		Total Revenue [2]		\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
26	IN4	Inland Gas General Service - Residential														
27		Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
28		Volumes [1]		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31		Total Revenue [2]		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
32	IN5	Inland Gas General Service - Residential														
33		Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
34		Volumes [1]		84.3	54.6	43.5	25.4	12.3	4.9	2.4	2.9	4.3	14.9	32.1	52.0	333.6
35		Revenue Less Gas Cost		\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200
36		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37		Total Revenue [2]		\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200

[1] Reflects Normalized Volumes.
 [2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 3 of 21
 Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Sales Service														
2	LG2	LG&E Residential														
3		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
4		Volumes [1]		161.1	142.8	70.5	36.6	15.2	2.9	3.2	3.4	3.8	19.0	51.7	95.0	605.2
5		Revenue Less Gas Cost		\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
8	LG2	LG&E Commercial														
9		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
10		Volumes [1]		191.8	167.7	88.3	54.0	20.2	7.6	7.9	6.8	6.6	14.8	41.5	103.7	710.9
11		Revenue Less Gas Cost		\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249
2	LG3	LG&E Residential														
3		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
4		Volumes [1]		91.8	73.4	45.4	104.5	67.4	26.5	26.2	11.8	26.2	75.9	105.5	59.5	714.1
5		Revenue Less Gas Cost		\$33	\$26	\$16	\$37	\$24	\$10	\$10	\$5	\$10	\$27	\$37	\$21	\$256
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$33	\$26	\$16	\$37	\$24	\$10	\$10	\$5	\$10	\$27	\$37	\$21	\$256
8	LG4	LG&E Residential														
9		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
10		Volumes [1]		49.5	58.7	42.0	20.7	11.2	4.0	2.6	2.8	3.0	3.9	18.9	40.3	257.6
11		Revenue Less Gas Cost		\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103
14	GSO	General Service - Commercial														
15		Bills		10,207	10,271	10,035	10,003	9,882	9,780	9,783	9,770	9,739	9,772	9,915	10,076	119,233
16		Volumes [1]		660,740.0	655,060.9	456,847.5	277,301.9	134,480.2	80,718.3	56,728.5	52,785.7	51,801.2	77,144.1	171,035.9	423,570.9	3,098,215.1
17		Revenue Less Gas Cost		\$2,497,880	\$2,497,094	\$1,918,998	\$1,374,015	\$926,012	\$754,614	\$681,844	\$668,937	\$664,760	\$745,458	\$1,042,650	\$1,804,904	\$15,577,167
18		Gas Cost		\$1,459,641	\$1,447,095	\$1,009,222	\$612,588	\$297,080	\$178,315	\$125,319	\$116,609	\$114,434	\$170,419	\$377,835	\$935,710	\$6,844,267
19		Total Revenue [2]		\$3,957,521	\$3,944,189	\$2,928,220	\$1,986,603	\$1,223,092	\$932,929	\$807,163	\$785,546	\$779,194	\$915,877	\$1,420,486	\$2,740,615	\$22,421,433

[1] Reflects Normalized Volumes.
 [2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 4 of 21
 Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Sales Service														
2	GSO	General Service - Industrial														
3		Bills		43	43	43	43	43	44	44	45	44	44	44	44	524
4		Volumes [1]		33,000.2	31,999.9	30,900.0	29,799.9	28,800.3	27,749.9	27,749.9	28,750.2	28,750.2	30,849.9	30,900.0	31,000.1	360,250.5
5		Revenue Less Gas Cost		\$85,316	\$82,549	\$80,077	\$77,159	\$73,822	\$70,889	\$70,888	\$73,647	\$73,589	\$78,925	\$79,474	\$80,051	\$926,385
6		Gas Cost		\$72,901	\$70,691	\$68,261	\$65,831	\$63,623	\$61,302	\$61,302	\$63,512	\$63,512	\$68,151	\$68,261	\$68,482	\$795,829
7		Total Revenue [2]		\$158,216	\$153,240	\$148,338	\$142,990	\$137,445	\$132,192	\$132,190	\$137,160	\$137,101	\$147,076	\$147,735	\$148,533	\$1,722,214
8	IS	Interruptible Service - Industrial														
9		Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
10		Volumes [1]		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	IUS	Intrastate Utility Service - Wholesale														
15		Bills		2	2	2	2	2	2	2	2	2	2	2	2	24
16		Volumes [1]		3,136.7	2,307.2	1,098.6	641.7	362.9	221.4	245.0	196.3	196.6	705.2	1,014.3	1,194.8	11,320.7
17		Revenue Less Gas Cost		\$5,542	\$4,420	\$2,783	\$2,165	\$1,788	\$1,596	\$1,628	\$1,562	\$1,562	\$2,251	\$2,669	\$2,914	\$30,880
18		Gas Cost		\$6,929	\$5,097	\$2,427	\$1,418	\$802	\$489	\$541	\$434	\$434	\$1,558	\$2,241	\$2,639	\$25,009
19		Total Revenue [2]		\$12,472	\$9,516	\$5,210	\$3,583	\$2,589	\$2,085	\$2,169	\$1,996	\$1,997	\$3,809	\$4,910	\$5,553	\$55,889

[1] Reflects Normalized Volumes.
 [2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 5 of 21
 Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		<u>Transportation Service</u>														
2	GTR	GTS Choice - Residential														
3		Bills		23,720	23,785	23,786	23,694	23,612	23,386	23,238	23,223	23,179	23,188	23,458	23,677	281,946
4		Volumes [1]		364,000.0	353,000.0	265,000.0	151,000.0	71,000.0	34,000.0	24,000.0	23,000.0	25,000.0	39,000.0	111,000.0	247,000.0	1,707,000.0
5		Revenue Less Gas Cost		\$1,915,121	\$1,873,234	\$1,527,529	\$1,077,776	\$761,803	\$611,820	\$569,506	\$565,270	\$572,228	\$627,414	\$915,802	\$1,454,584	\$12,472,087
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$1,915,121	\$1,873,234	\$1,527,529	\$1,077,776	\$761,803	\$611,820	\$569,506	\$565,270	\$572,228	\$627,414	\$915,802	\$1,454,584	\$12,472,087
8	GTO	GTS Choice - Commercial														
9		Bills		3,837	3,809	4,093	4,081	4,058	4,042	4,016	3,956	3,924	3,899	3,877	3,853	47,445
10		Volumes [1]		322,000.8	312,002.4	236,001.1	155,003.9	96,998.6	74,000.1	65,999.0	64,001.1	68,998.0	90,994.6	139,994.7	233,996.5	1,859,990.8
11		Revenue Less Gas Cost		\$1,136,451	\$1,111,136	\$919,452	\$680,191	\$503,164	\$429,289	\$404,618	\$395,702	\$408,556	\$471,800	\$618,054	\$888,924	\$7,967,338
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$1,136,451	\$1,111,136	\$919,452	\$680,191	\$503,164	\$429,289	\$404,618	\$395,702	\$408,556	\$471,800	\$618,054	\$888,924	\$7,967,338
14	GTO	GTS Choice - Industrial														
15		Bills		13	13	12	13	12	12	12	12	12	12	13	13	149
16		Volumes [1]		6,000.1	5,999.9	5,999.9	5,999.9	6,000.0	6,000.1	5,999.9	6,000.0	6,000.0	6,000.1	6,000.0	6,000.0	71,999.9
17		Revenue Less Gas Cost		\$16,473	\$16,522	\$16,343	\$16,089	\$15,855	\$15,724	\$15,699	\$15,645	\$15,648	\$15,993	\$16,243	\$16,310	\$192,544
18		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Total Revenue [2]		\$16,473	\$16,522	\$16,343	\$16,089	\$15,855	\$15,724	\$15,699	\$15,645	\$15,648	\$15,993	\$16,243	\$16,310	\$192,544
20	DS	GTS Delivery Service - Commercial														
21		Bills		41	32	32	32	32	32	34	33	33	33	34	60	428
22		Volumes [1]		188,859.0	169,110.1	147,265.6	103,565.2	83,423.1	69,626.2	68,394.7	69,858.1	76,451.3	101,603.3	139,898.5	162,514.9	1,380,570.0
23		Revenue Less Gas Cost		\$224,003	\$193,868	\$174,712	\$136,391	\$118,729	\$106,630	\$108,399	\$108,258	\$114,039	\$136,095	\$171,100	\$227,963	\$1,820,188
24		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25		Total Revenue [2]		\$224,003	\$193,868	\$174,712	\$136,391	\$118,729	\$106,630	\$108,399	\$108,258	\$114,039	\$136,095	\$171,100	\$227,963	\$1,820,188
26	DS	GTS Delivery Service - Industrial														
27		Bills		39	39	39	39	39	39	39	39	39	39	39	39	468
28		Volumes [1]		674,909.5	602,578.5	525,440.7	427,583.6	368,992.8	339,504.1	295,115.5	342,173.2	361,661.7	454,356.4	551,432.0	573,549.4	5,517,297.4
29		Revenue Less Gas Cost		\$518,996	\$474,466	\$427,328	\$373,813	\$340,527	\$323,916	\$292,761	\$325,050	\$339,325	\$394,475	\$447,034	\$460,398	\$4,718,089
30		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
31		Total Revenue [2]		\$518,996	\$474,466	\$427,328	\$373,813	\$340,527	\$323,916	\$292,761	\$325,050	\$339,325	\$394,475	\$447,034	\$460,398	\$4,718,089
32	GDS	GTS Grandfathered Delivery Service - Commercial														
33		Bills		12	12	12	12	12	12	12	12	12	12	13	12	145
34		Volumes [1]		25,802.9	25,486.0	22,066.6	16,282.9	15,072.9	10,869.6	12,145.5	10,637.9	11,242.7	14,420.7	18,455.5	21,147.3	203,630.5
35		Revenue Less Gas Cost		\$64,303	\$63,525	\$55,609	\$42,001	\$39,197	\$29,054	\$32,100	\$28,361	\$29,952	\$37,599	\$46,990	\$53,475	\$522,166
36		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37		Total Revenue [2]		\$64,303	\$63,525	\$55,609	\$42,001	\$39,197	\$29,054	\$32,100	\$28,361	\$29,952	\$37,599	\$46,990	\$53,475	\$522,166

[1] Reflects Normalized Volumes.
 [2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 6 of 21
 Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Transportation Service														
2	GDS	GTS Grandfathered Delivery Service - Industrial														
3		Bills		15	15	15	15	15	15	15	15	15	15	15	15	180
4		Volumes [1]		17,844.3	16,829.3	19,051.3	14,067.2	13,118.3	8,875.7	8,048.4	9,066.8	9,786.3	10,096.7	12,703.0	14,980.6	154,467.9
5		Revenue Less Gas Cost		\$45,560	\$43,285	\$48,962	\$37,048	\$34,332	\$23,542	\$21,631	\$24,262	\$25,909	\$26,794	\$33,325	\$39,006	\$403,654
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$45,560	\$43,285	\$48,962	\$37,048	\$34,332	\$23,542	\$21,631	\$24,262	\$25,909	\$26,794	\$33,325	\$39,006	\$403,654
8	DS3	GTS Main Line Service - Industrial														
9		Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
10		Volumes [1]		58,289.0	56,724.0	56,724.0	57,213.0	57,995.0	58,484.0	55,942.0	54,866.0	55,746.0	58,093.0	57,604.0	53,301.0	680,981.0
11		Revenue Less Gas Cost		\$5,769	\$5,635	\$5,635	\$5,677	\$5,744	\$5,786	\$5,568	\$5,475	\$5,551	\$5,752	\$5,710	\$5,341	\$67,641
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$5,769	\$5,635	\$5,635	\$5,677	\$5,744	\$5,786	\$5,568	\$5,475	\$5,551	\$5,752	\$5,710	\$5,341	\$67,641
14	FX1	GTS Flex Rate - Commercial														
15		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
16		Volumes [1]		74,328.0	58,680.0	70,416.0	34,230.0	29,340.0	29,340.0	29,340.0	29,340.0	34,230.0	39,120.0	49,878.0	63,570.0	541,812.0
17		Revenue Less Gas Cost		\$30,051	\$23,948	\$28,525	\$14,413	\$12,506	\$12,506	\$12,506	\$12,506	\$14,413	\$16,320	\$20,515	\$25,855	\$224,062
18		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Total Revenue [2]		\$30,051	\$23,948	\$28,525	\$14,413	\$12,506	\$12,506	\$12,506	\$12,506	\$14,413	\$16,320	\$20,515	\$25,855	\$224,062
2	FX2	GTS Flex Rate - Commercial														
3		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
4		Volumes [1]		44,010.0	56,724.0	33,252.0	47,922.0	37,164.0	37,164.0	39,120.0	37,164.0	41,076.0	50,856.0	54,768.0	54,768.0	533,988.0
5		Revenue Less Gas Cost		\$18,227	\$23,185	\$14,031	\$19,753	\$15,557	\$15,557	\$16,320	\$15,557	\$17,083	\$20,897	\$22,422	\$22,422	\$221,011
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$18,227	\$23,185	\$14,031	\$19,753	\$15,557	\$15,557	\$16,320	\$15,557	\$17,083	\$20,897	\$22,422	\$22,422	\$221,011
8	FX5	GTS Flex Rate - Industrial														
9		Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
10		Volumes [1]		411,738.0	369,684.0	397,068.0	381,420.0	392,178.0	381,420.0	392,178.0	392,178.0	381,420.0	397,068.0	391,200.0	401,958.0	4,689,510.0
11		Revenue Less Gas Cost		\$36,095	\$32,487	\$34,836	\$33,494	\$34,417	\$33,494	\$34,417	\$34,417	\$33,494	\$34,836	\$34,333	\$35,256	\$411,572
12		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue [2]		\$36,095	\$32,487	\$34,836	\$33,494	\$34,417	\$33,494	\$34,417	\$34,417	\$33,494	\$34,836	\$34,333	\$35,256	\$411,572
14	FX7	GTS Flex Rate - Industrial														
15		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
16		Volumes [1]		44,077.0	26,389.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	45,000.0	45,000.0	39,555.0	39,979.0	420,000.0
17		Revenue Less Gas Cost		\$18,464	\$13,688	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$18,713	\$18,713	\$17,243	\$17,357	\$192,155
18		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Total Revenue [2]		\$18,464	\$13,688	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$18,713	\$18,713	\$17,243	\$17,357	\$192,155

[1] Reflects Normalized Volumes.
 [2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 7 of 21
Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1		Transportation Service														
2	SAS	GTS Special Agency Service														
3		Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
4		Volumes [1]		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Total Revenue [2]		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	SC3	GTS Special Rate - Industrial														
9		Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
10		Volumes [1]		165,000.0	155,363	140,000.0	128,000.0	111,000.0	102,000.0	102,000.0	102,000.0	120,000.0	145,000.0	150,000.0	160,000.0	1,580,000.0
11		Revenue Less Gas Cost		\$46,963	\$45,363	\$41,663	\$39,743	\$35,723	\$34,283	\$34,283	\$34,283	\$37,163	\$41,163	\$43,263	\$46,163	\$480,055
12		Adjustment of Minimum Bill		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,945	\$185,945
13		Total Revenue [2]		\$46,963	\$45,363	\$41,663	\$39,743	\$35,723	\$34,283	\$34,283	\$34,283	\$37,163	\$41,163	\$43,263	\$232,108	\$666,000
14		Total Sales and Transportation		\$18,449,236	\$18,024,041	\$14,399,471	\$10,067,569	\$6,923,206	\$5,494,033	\$5,041,452	\$5,030,816	\$5,082,342	\$5,772,232	\$8,489,021	\$13,986,074	\$116,759,493
15		Other Gas Department Revenue														
16		Acct. 487 Forfeited Discounts		\$66,911	\$89,911	\$88,911	\$84,911	\$50,911	\$35,911	\$30,911	\$29,911	\$32,911	\$21,911	\$28,911	\$44,911	\$606,932
17		Acct. 488 Miscellaneous Service Revenue		\$8,000	\$9,000	\$11,000	\$13,000	\$10,000	\$11,000	\$9,000	\$8,000	\$9,000	\$19,000	\$20,000	\$10,000	\$137,000
18		Acct. 493 Rent from Gas Property		\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$72,000
19		Acct. 495 Non-Traditional Sales		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20		Acct. 495 Other Gas Revenues - Other		\$66,000	\$58,000	\$61,000	\$85,000	\$24,000	\$19,000	\$16,000	\$15,000	\$16,000	\$18,000	\$25,000	\$112,000	\$515,000
21		Total Other Gas Department Revenue		\$146,911	\$162,911	\$166,911	\$188,911	\$90,911	\$71,911	\$61,911	\$58,911	\$63,911	\$64,911	\$79,911	\$172,911	\$1,330,932
22		Total Gross Revenue		\$18,596,147	\$18,186,952	\$14,566,382	\$10,256,480	\$7,014,117	\$5,565,944	\$5,103,363	\$5,089,727	\$5,146,253	\$5,837,143	\$8,568,932	\$14,158,985	\$118,090,425

[1] Reflects Normalized Volumes.
[2] See Schedule M-2.2 Pages 8 through 21 for detail.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 8 of 21
 Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GSR	General Service - Residential														
2		RESIDENTIAL														
3		Customer Bills		99,289	99,473	99,542	99,522	99,040	98,094	97,239	97,617	96,979	96,955	97,991	98,925	1,180,666
4		Customer Charge	\$19.76	\$1,961,951	\$1,965,586	\$1,966,950	\$1,966,555	\$1,957,030	\$1,938,337	\$1,921,443	\$1,928,912	\$1,916,305	\$1,915,831	\$1,936,302	\$1,954,758	\$23,329,960
5		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Volumes (Mcf) [1]		1,331,907.1	1,291,151.8	968,403.0	552,553.4	259,776.4	123,911.3	88,930.0	85,940.7	88,922.9	141,784.3	408,542.4	906,257.2	6,248,080.5
7		Commodity Charge \$/Mcf	\$3.8690	\$5,153,149	\$4,995,466	\$3,746,751	\$2,137,829	\$1,005,075	\$479,413	\$344,070	\$332,505	\$344,043	\$548,563	\$1,580,651	\$3,506,309	\$24,173,823
8		Revenue Less Gas Cost		\$7,115,099	\$6,961,053	\$5,713,701	\$4,104,384	\$2,962,105	\$2,417,750	\$2,265,513	\$2,261,416	\$2,260,348	\$2,464,394	\$3,516,953	\$5,461,067	\$47,503,784
9		Gas Cost Revenue \$/Mcf [2]	\$2.2091	\$2,942,316	\$2,852,283	\$2,139,299	\$1,220,646	\$573,872	\$273,732	\$196,455	\$189,852	\$196,440	\$313,216	\$902,511	\$2,002,013	\$13,802,635
10		Revenue Excluding Riders		\$10,057,415	\$9,813,336	\$7,853,000	\$5,325,030	\$3,535,977	\$2,691,483	\$2,461,968	\$2,451,268	\$2,456,787	\$2,777,610	\$4,419,464	\$7,463,080	\$61,306,418
11		Riders:														
12		Energy Efficiency Conservation Program	\$0.6900	\$68,509	\$68,636	\$68,684	\$68,670	\$68,338	\$67,685	\$67,095	\$67,356	\$66,916	\$66,899	\$67,614	\$68,258	\$814,660
13		Gas Cost Uncollectible Charge \$/Mcf	\$0.0260	\$4,630	\$3,570	\$2,178	\$14,366	\$6,754	\$3,222	\$2,312	\$2,234	\$2,312	\$3,686	\$10,622	\$23,563	\$162,450
14		EAP Recovery \$/Mcf	\$0.0597	\$79,515	\$77,082	\$71,814	\$32,987	\$15,509	\$7,398	\$5,309	\$5,131	\$5,309	\$8,465	\$24,390	\$4,104	\$73,010
15		Total Riders		\$182,654	\$179,288	\$151,676	\$116,024	\$90,600	\$78,304	\$74,716	\$74,721	\$74,536	\$79,050	\$102,626	\$145,924	\$1,350,120
16		Total Revenue		\$10,240,069	\$9,992,624	\$8,004,676	\$5,441,054	\$3,626,578	\$2,769,787	\$2,536,684	\$2,525,989	\$2,531,324	\$2,856,660	\$4,522,090	\$7,609,004	\$62,656,538
17	G1C	LG&E Commercial														
18		COMMERCIAL														
19		Customer Bills		3	3	4	4	4	4	4	3	3	3	3	3	41
20		Customer Charge	\$56.92	\$171	\$171	\$228	\$228	\$228	\$228	\$228	\$171	\$171	\$171	\$171	\$171	\$2,334
21		Volumes (Mcf) [1]		307.2	374.8	373.1	173.3	68.9	18.0	29.1	16.7	8.8	22.2	83.3	222.4	1,697.8
22		Commodity Charge	\$2.1558	\$662	\$808	\$804	\$374	\$149	\$39	\$63	\$36	\$19	\$48	\$180	\$479	\$3,660
23		Revenue Less Gas Cost		\$833	\$979	\$1,032	\$601	\$376	\$266	\$290	\$207	\$190	\$219	\$350	\$650	\$5,994
24		Gas Cost Revenue [2]	\$2.2091	\$679	\$828	\$824	\$383	\$152	\$40	\$64	\$37	\$19	\$49	\$184	\$491	\$3,751
25		Total Revenue		\$1,512	\$1,807	\$1,856	\$984	\$528	\$306	\$355	\$244	\$209	\$268	\$534	\$1,142	\$9,744

[1] Reflects Normalized Volumes.
 [2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 9 of 21
Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	G1R	LG&E Residential														
2		RESIDENTIAL														
3		Customer Bills		16	16	16	16	16	16	16	16	16	16	16	16	192
4		Customer Charge	\$17.27	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$276	\$3,316
5		Volumes (Mcf) [1]		458.3	345.9	279.4	174.8	81.1	33.4	24.1	27.6	28.4	68.0	159.2	338.7	2,018.9
6		Commodity Charge	\$2.9600	\$1,357	\$1,024	\$827	\$517	\$240	\$99	\$71	\$82	\$84	\$201	\$471	\$1,003	\$5,976
7		Revenue Less Gas Cost		\$1,633	\$1,300	\$1,103	\$794	\$516	\$375	\$348	\$358	\$360	\$478	\$748	\$1,279	\$9,292
8		Gas Cost Revenue [2]	\$2.2091	\$1,012	\$764	\$617	\$386	\$179	\$74	\$53	\$61	\$63	\$150	\$352	\$748	\$4,460
9		Total Revenue		\$2,645	\$2,064	\$1,721	\$1,180	\$696	\$449	\$401	\$419	\$423	\$628	\$1,099	\$2,027	\$13,752
10	IN3	Inland Gas General Service - Residential														
11		RESIDENTIAL														
12		Customer Bills		9	9	9	10	8	9	9	9	9	9	9	9	108
13		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14		Volumes (Mcf) [1]		247.9	172.9	116.2	84.5	36.3	17.0	11.6	10.8	11.5	34.0	90.2	157.3	990.2
15		Commodity Charge	\$0.4000	\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
16		Revenue Less Gas Cost		\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
17		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18		Total Revenue		\$99	\$69	\$46	\$34	\$15	\$7	\$5	\$4	\$5	\$14	\$36	\$63	\$396
1	IN4	Inland Gas General Service - Residential														
2		RESIDENTIAL														
3		Customer Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
4		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5		Volumes (Mcf) [1]		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6		Commodity Charge	\$0.5500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9		Total Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

[1] Reflects Normalized Volumes.
[2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 10 of 21
Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	IN5	Inland Gas General Service - Residential														
2		RESIDENTIAL														
3		Customer Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
4		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5		Volumes (Mcf) [1]		84.3	54.6	43.5	25.4	12.3	4.9	2.4	2.9	4.3	14.9	32.1	52.0	333.6
6		Commodity Charge	\$0.6000	\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200
7		Revenue Less Gas Cost		\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200
8		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9		Total Revenue		\$51	\$33	\$26	\$15	\$7	\$3	\$1	\$2	\$3	\$9	\$19	\$31	\$200
10	LG2	LG&E Residential														
11		RESIDENTIAL														
12		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
13		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14		Volumes (Mcf) [1]		161.1	142.8	70.5	36.6	15.2	2.9	3.2	3.4	3.8	19.0	51.7	95.0	605.2
15		Commodity Charge	\$0.3500	\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
16		Revenue Less Gas Cost		\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
17		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18		Total Revenue		\$56	\$50	\$25	\$13	\$5	\$1	\$1	\$1	\$1	\$7	\$18	\$33	\$212
19	LG2	LG&E Commercial														
20		COMMERCIAL														
21		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
22		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23		Volumes (Mcf) [1]		191.8	167.7	88.3	54.0	20.2	7.6	7.9	6.8	6.6	14.8	41.5	103.7	710.9
24		Commodity Charge	\$0.3500	\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249
25		Revenue Less Gas Cost		\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249
26		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27		Total Revenue		\$67	\$59	\$31	\$19	\$7	\$3	\$3	\$2	\$2	\$5	\$15	\$36	\$249

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 11 of 21
Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	LG3	LG&E Residential														
2		RESIDENTIAL														
3		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
4		Customer Charge	\$1.20	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$14
5		Volumes (Mcf) [1]														
6		First 2 Mcf		2.0	2.0	2.0	2.0	2.0	2.4	2.0	2.0	2.0	2.0	2.0	2.0	24.4
7		Over 2 Mcf		89.8	71.4	43.4	102.5	65.4	24.1	24.2	9.8	24.2	73.9	103.5	57.5	689.7
8		Commodity Charge		91.8	73.4	45.4	104.5	67.4	26.5	26.2	11.8	26.2	75.9	105.5	59.5	714.1
9		First 2 Mcf	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10		Over 2 Mcf	\$0.3500	31.43	24.99	15.19	35.88	22.89	8.44	8.47	3.43	8.47	25.87	36.23	20.13	241.42
				\$31	\$25	\$15	\$36	\$23	\$8	\$8	\$3	\$8	\$26	\$36	\$20	\$241
11		Revenue Less Gas Cost		\$33	\$26	\$16	\$37	\$24	\$10	\$10	\$5	\$10	\$27	\$37	\$21	\$256
12		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Total Revenue		\$33	\$26	\$16	\$37	\$24	\$10	\$10	\$5	\$10	\$27	\$37	\$21	\$256
14	LG4	LG&E Residential														
15		RESIDENTIAL														
16		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
17		Customer Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18		Volumes (Mcf) [1]		49.5	58.7	42.0	20.7	11.2	4.0	2.6	2.8	3.0	3.9	18.9	40.3	257.6
19		Commodity Charge	\$0.4000	\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103
20		Revenue Less Gas Cost		\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103
21		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22		Total Revenue		\$20	\$23	\$17	\$8	\$4	\$2	\$1	\$1	\$1	\$2	\$8	\$16	\$103

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 12 of 21
Witness: M. J. Bell

Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Proposed Annualized												Total (P)	
				Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)		
1	GSO	General Service - Commercial															
2		COMMERCIAL															
3		Customer Bills		10,207	10,271	10,035	10,003	9,882	9,780	9,783	9,770	9,739	9,772	9,915	10,076		119,233
4		Customer Charge	\$50.94	\$519,945	\$523,205	\$511,183	\$509,553	\$503,389	\$498,193	\$498,346	\$497,684	\$496,105	\$497,786	\$505,070	\$513,271		\$6,073,729
5		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6		Volumes (Mcf) [1]															
7		First 50 Mcf		267,674.0	278,751.2	227,896.5	149,381.8	76,805.7	48,735.1	38,320.5	36,243.0	36,349.0	49,862.3	96,888.0	195,908.3		1,502,815.4
8		Next 350 Mcf		283,489.2	279,296.2	181,833.2	106,946.4	47,813.0	28,650.6	16,633.3	15,250.7	14,035.7	24,169.7	64,078.0	176,923.0		1,239,119.0
9		Next 600 Mcf		79,219.5	70,800.1	38,109.6	16,494.1	7,331.2	3,286.7	1,774.7	1,292.0	1,416.5	3,112.1	8,498.8	39,805.4		271,140.7
10		Over 1,000 Mcf		30,357.3	26,213.4	9,008.2	4,479.6	2,530.3	45.9	0.0	0.0	0.0	0.0	1,571.1	10,934.2		85,140.0
				660,740.0	655,060.9	456,847.5	277,301.9	134,480.2	80,718.3	56,728.5	52,785.7	51,801.2	77,144.1	171,035.9	423,570.9		3,098,215.1
11		Commodity Charge															
12		First 50 Mcf	\$3.4683	\$928,374	\$966,793	\$790,413	\$518,101	\$266,385	\$169,028	\$132,907	\$125,702	\$126,069	\$172,937	\$336,037	\$679,469		\$5,212,215
13		Next 350 Mcf	\$2.6809	760,006	748,765	487,477	286,713	128,182	76,809	44,592	40,886	37,628	64,797	171,787	474,313		3,321,954
14		Next 600 Mcf	\$2.5491	201,938	180,477	97,145	42,045	18,688	8,378	4,524	3,293	3,611	7,933	21,664	101,468		691,165
15		Over 1,000 Mcf	\$2.3203	70,438	60,823	20,902	10,394	5,871	107	-	-	-	-	3,645	25,371		197,550
				\$1,960,756	\$1,956,857	\$1,395,937	\$857,253	\$419,126	\$254,322	\$182,023	\$169,881	\$167,308	\$245,667	\$533,133	\$1,280,620		\$9,422,884
16		Revenue Less Gas Cost		\$2,480,701	\$2,480,062	\$1,907,120	\$1,366,805	\$922,515	\$752,515	\$680,369	\$667,564	\$663,413	\$743,453	\$1,038,203	\$1,793,892		\$15,496,613
17		Gas Cost Revenue [2]	\$2.2091	\$1,459,641	\$1,447,095	\$1,009,222	\$612,588	\$297,080	\$178,315	\$125,319	\$116,609	\$114,434	\$170,419	\$377,835	\$935,710		\$6,844,267
18		Revenue Excluding Riders		\$3,940,342	\$3,927,157	\$2,916,342	\$1,979,393	\$1,219,595	\$930,830	\$805,688	\$784,173	\$777,847	\$913,872	\$1,416,039	\$2,729,602		\$22,340,880
19		Riders:															
20		Gas Cost Uncollectible Charge	\$0.0260	\$17,179	\$17,032	\$11,878	\$7,210	\$3,496	\$2,099	\$1,475	\$1,372	\$1,347	\$2,006	\$4,447	\$11,013		\$80,554
21		Total Revenue		\$3,957,521	\$3,944,189	\$2,928,220	\$1,986,603	\$1,223,092	\$932,929	\$807,163	\$785,546	\$779,194	\$915,877	\$1,420,486	\$2,740,615		\$22,421,433

[1] Reflects Normalized Volumes.
[2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 13 of 21
Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GSO	General Service - Industrial														
2		INDUSTRIAL														
3		Customer Bills		43	43	43	43	43	44	44	45	44	44	44	44	524
4		Customer Charge	\$50.94	\$2,190	\$2,190	\$2,190	\$2,190	\$2,190	\$2,241	\$2,241	\$2,292	\$2,241	\$2,241	\$2,241	\$2,241	\$26,693
5		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Volumes (Mcf) [1]														
7		First 50 Mcf		1,708.9	1,701.3	1,750.8	1,513.3	1,170.7	916.7	785.3	882.2	940.1	1,050.0	1,434.4	1,636.5	15,490.2
8		Next 350 Mcf		7,148.9	6,006.8	6,156.4	6,215.5	4,577.2	4,111.5	4,287.7	4,689.2	4,390.5	4,922.5	5,568.0	5,921.9	63,996.1
9		Next 600 Mcf		5,057.5	5,060.1	5,050.7	4,677.9	4,645.7	4,385.0	4,760.5	5,222.2	5,369.0	5,769.7	4,707.2	4,633.4	59,338.9
10		Over 1,000 Mcf		19,084.9	19,231.7	17,942.1	17,393.2	18,406.7	18,336.7	17,916.4	17,956.6	18,050.6	19,107.7	19,190.4	18,808.3	221,425.3
				33,000.2	31,999.9	30,900.0	29,799.9	28,800.3	27,749.9	27,749.9	28,750.2	28,750.2	30,849.9	30,900.0	31,000.1	360,250.5
11		Commodity Charge														
12		First 50 Mcf	\$3.4683	\$5,927	\$5,901	\$6,072	\$5,249	\$4,060	\$3,179	\$2,724	\$3,060	\$3,261	\$3,642	\$4,975	\$5,676	\$53,725
13		Next 350 Mcf	\$2.6809	19,165	16,104	16,505	16,663	12,271	11,023	11,495	12,571	11,770	13,197	14,927	15,876	171,567
14		Next 600 Mcf	\$2.5491	12,892	12,899	12,875	11,924	11,842	11,178	12,135	13,312	13,686	14,708	11,999	11,811	151,261
15		Over 1,000 Mcf	\$2.3203	44,283	44,623	41,631	40,357	42,709	42,547	41,571	41,665	41,883	44,336	44,527	43,641	513,773
				\$82,267	\$79,526	\$77,083	\$74,194	\$70,883	\$67,926	\$67,925	\$70,608	\$70,600	\$75,882	\$76,429	\$77,004	\$890,326
16		Revenue Less Gas Cost		\$84,458	\$81,717	\$79,273	\$76,384	\$73,073	\$70,168	\$70,166	\$72,900	\$72,841	\$78,123	\$78,670	\$79,245	\$917,018
17		Gas Cost Revenue [2]	\$2.2091	\$72,901	\$70,691	\$68,261	\$65,831	\$63,623	\$61,302	\$61,302	\$63,512	\$63,512	\$68,151	\$68,261	\$68,482	\$795,829
18		Revenue Excluding Riders		\$157,358	\$152,408	\$147,534	\$142,215	\$136,696	\$131,470	\$131,469	\$136,412	\$136,353	\$146,273	\$146,931	\$147,727	\$1,712,848
19		Riders:														
20		Gas Cost Uncollectible Charge	\$0.0260	\$858	\$832	\$803	\$775	\$749	\$722	\$722	\$748	\$748	\$802	\$803	\$806	\$9,367
21		Total Revenue		\$158,216	\$153,240	\$148,338	\$142,990	\$137,445	\$132,192	\$132,190	\$137,160	\$137,101	\$147,076	\$147,735	\$148,533	\$1,722,214

[1] Reflects Normalized Volumes.
[2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 14 of 21
 Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	IS	Interruptible Service - Industrial														
2		INDUSTRIAL														
3		Customer Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
4		Customer Charge	\$1,424.22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Volumes (Mcf) [1]														
7		First 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8		Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9		Commodity Charge														
10		First 30,000 Mcf	\$0.8769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11		Over 30,000 Mcf	\$0.4658	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13		Gas Cost Revenue [2]	\$2,2091	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14		Revenue Excluding Riders		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15		Riders:														
16		Gas Cost Uncollectible Charge	\$0.0260	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17		Total Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	IUS	Intrastate Utility Service - Wholesale														
19		WHOLESALE														
20		Customer Bills		2	2	2	2	2	2	2	2	2	2	2	2	24
21		Customer Charge	\$648.13	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$1,296	\$15,555
22		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23		Volumes (Mcf) [1]		3,136.7	2,307.2	1,098.6	641.7	362.9	221.4	245.0	196.3	196.6	705.2	1,014.3	1,194.8	11,320.7
24		Commodity Charge	\$1,3277	\$4,165	\$3,063	\$1,459	\$852	\$482	\$294	\$325	\$261	\$261	\$936	\$1,347	\$1,586	\$15,031
25		Revenue Less Gas Cost		\$5,461	\$4,360	\$2,755	\$2,148	\$1,778	\$1,590	\$1,622	\$1,557	\$1,557	\$2,233	\$2,643	\$2,883	\$30,586
26		Gas Cost Revenue [2]	\$2,2091	\$6,929	\$5,097	\$2,427	\$1,418	\$802	\$489	\$541	\$434	\$434	\$1,558	\$2,241	\$2,639	\$25,009
27		Revenue Excluding Riders		\$12,390	\$9,456	\$5,182	\$3,566	\$2,580	\$2,079	\$2,163	\$1,991	\$1,992	\$3,790	\$4,884	\$5,522	\$55,594
28		Riders:														
29		Gas Cost Uncollectible Charge	\$0.0260	\$82	\$60	\$29	\$17	\$9	\$6	\$6	\$5	\$5	\$18	\$26	\$31	\$294
30		Total Revenue		\$12,472	\$9,516	\$5,210	\$3,583	\$2,589	\$2,085	\$2,169	\$1,996	\$1,997	\$3,809	\$4,910	\$5,553	\$55,889

[1] Reflects Normalized Volumes.
 [2] Reflects Gas Cost Adjustment Rate as of March 1, 2016.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 15 of 21
 Witness: M. J. Bell

Proposed Annualized

Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GTR	GTS Choice - Residential														
2		RESIDENTIAL														
3		Customer Bills		23,720	23,785	23,786	23,694	23,612	23,386	23,238	23,223	23,179	23,188	23,458	23,677	281,946
4		Customer Charge	\$19.76	\$468,707	\$469,992	\$470,011	\$468,193	\$466,573	\$462,107	\$459,183	\$458,886	\$458,017	\$458,195	\$463,530	\$467,858	\$5,571,253
5		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Volumes (Mcf) [1]		364,000.0	353,000.0	265,000.0	151,000.0	71,000.0	34,000.0	24,000.0	23,000.0	25,000.0	39,000.0	111,000.0	247,000.0	1,707,000.0
7		Commodity Charge	\$3.8690	\$1,408,316	\$1,365,757	\$1,025,285	\$584,219	\$274,699	\$131,546	\$92,856	\$88,987	\$96,725	\$150,891	\$429,459	\$955,643	\$6,604,383
8		Revenue Less Gas Cost		\$1,877,023	\$1,835,749	\$1,495,296	\$1,052,412	\$741,272	\$593,653	\$552,039	\$547,873	\$554,742	\$609,086	\$892,989	\$1,423,501	\$12,175,636
9		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10		Revenue Excluding Riders		\$1,877,023	\$1,835,749	\$1,495,296	\$1,052,412	\$741,272	\$593,653	\$552,039	\$547,873	\$554,742	\$609,086	\$892,989	\$1,423,501	\$12,175,636
11		Riders:														
12		Energy Efficiency Conservation Program	\$0.6900	\$16,367	\$16,412	\$16,412	\$16,349	\$16,292	\$16,136	\$16,034	\$16,024	\$15,994	\$16,000	\$16,186	\$16,337	\$194,543
13		EAP Recovery	\$0.0597	\$21,731	\$21,074	\$15,821	\$9,015	\$4,239	\$2,030	\$1,433	\$1,373	\$1,493	\$2,328	\$6,627	\$14,746	\$101,908
14		Total Riders		\$38,098	\$37,486	\$32,233	\$25,364	\$20,531	\$18,166	\$17,467	\$17,397	\$17,486	\$18,328	\$22,813	\$31,083	\$296,451
15		Total Revenue		\$1,915,121	\$1,873,234	\$1,527,529	\$1,077,776	\$761,803	\$611,820	\$569,506	\$565,270	\$572,228	\$627,414	\$915,802	\$1,454,584	\$12,472,087
16	GTO	GTS Choice - Commercial														
17		COMMERCIAL														
18		Customer Bills		3,837	3,809	4,093	4,081	4,058	4,042	4,016	3,956	3,924	3,899	3,877	3,853	47,445
19		Customer Charge	\$50.94	\$195,457	\$194,030	\$208,497	\$207,886	\$206,715	\$205,899	\$204,575	\$201,519	\$199,889	\$198,615	\$197,494	\$196,272	\$2,416,848
20		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21		Volumes (Mcf) [1]														
22		First 50 Mcf		115,248.5	116,322.6	106,138.4	75,878.9	48,386.9	34,090.9	31,140.7	30,451.2	32,109.0	40,148.2	62,458.3	94,003.8	786,377.4
23		Next 350 Mcf		147,158.6	143,758.3	103,281.1	63,376.9	39,602.3	30,878.4	27,567.7	26,232.9	28,470.1	38,563.3	57,697.6	100,340.5	806,927.7
24		Next 600 Mcf		37,085.0	34,041.2	18,666.5	11,741.5	6,797.7	6,188.9	5,312.4	5,525.8	6,310.6	8,979.6	14,083.0	24,521.2	179,253.4
25		Over 1,000 Mcf		22,508.7	17,880.3	7,915.1	4,006.6	2,211.7	2,841.9	1,978.2	1,791.2	2,108.3	3,303.5	5,755.8	15,131.0	87,432.3
				322,000.8	312,002.4	236,001.1	155,003.9	96,998.6	74,000.1	65,999.0	64,001.1	68,998.0	90,994.6	139,994.7	233,996.5	1,859,990.8
26		Commodity Charge														
27		First 50 Mcf	\$3.4683	\$399,716	\$403,442	\$368,120	\$263,171	\$167,820	\$118,237	\$108,005	\$105,614	\$111,364	\$139,246	\$216,624	\$326,033	\$2,727,393
28		Next 350 Mcf	\$2.6809	\$394,517	\$385,402	\$276,886	\$169,907	\$106,170	\$82,782	\$73,906	\$70,328	\$76,325	\$103,384	\$154,682	\$269,003	2,163,292
29		Next 600 Mcf	\$2.5491	\$94,533	\$86,774	\$47,583	\$29,930	\$17,328	\$15,776	\$13,542	\$14,086	\$16,086	\$22,890	\$35,899	\$62,507	456,935
30		Over 1,000 Mcf	\$2.3203	\$22,227	\$18,488	\$18,365	\$9,297	\$5,132	\$6,594	\$4,590	\$4,156	\$4,892	\$7,665	\$13,355	\$35,108	202,869
				\$940,994	\$917,105	\$710,954	\$472,305	\$296,450	\$223,390	\$200,043	\$194,184	\$208,667	\$273,185	\$420,560	\$692,652	\$5,550,489
31		Revenue Less Gas Cost		\$1,136,451	\$1,111,136	\$919,452	\$680,191	\$503,164	\$429,289	\$404,618	\$395,702	\$408,556	\$471,800	\$618,054	\$888,924	\$7,967,338
32		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33		Total Revenue		\$1,136,451	\$1,111,136	\$919,452	\$680,191	\$503,164	\$429,289	\$404,618	\$395,702	\$408,556	\$471,800	\$618,054	\$888,924	\$7,967,338

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 16 of 21
Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GTO	GTS Choice - Industrial														
2		INDUSTRIAL														
3		Customer Bills		13	13	12	13	12	12	12	12	12	12	13	13	149
4		Customer Charge	\$50.94	\$662	\$662	\$611	\$662	\$611	\$611	\$611	\$611	\$611	\$611	\$662	\$662	\$7,590
5		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Volumes (Mcf) [1]														
7		First 50 Mcf		472.7	517.8	508.5	429.7	346.2	313.1	310.6	295.6	279.2	420.4	426.1	467.9	4,787.8
8		Next 350 Mcf		2,210.2	2,239.1	2,090.2	1,600.8	1,646.5	1,359.8	1,359.2	1,380.5	1,335.8	1,812.9	2,003.7	2,070.3	21,109.0
9		Next 600 Mcf		2,400.0	2,344.7	2,065.1	1,901.5	1,446.5	1,488.2	1,395.6	1,201.0	1,365.8	1,413.9	1,953.8	1,933.6	20,909.7
10		Over 1,000 Mcf		917.2	898.3	1,336.1	2,067.9	2,560.8	2,839.0	2,934.5	3,122.9	3,019.2	2,352.9	1,616.4	1,528.2	25,193.4
				6,000.1	5,999.9	5,999.9	6,000.0	6,000.0	6,000.1	5,999.9	6,000.0	6,000.0	6,000.1	6,000.0	6,000.0	71,999.9
11		Commodity Charge														
12		First 50 Mcf	\$3.4683	\$1,639	\$1,796	\$1,764	\$1,490	\$1,201	\$1,086	\$1,077	\$1,025	\$968	\$1,458	\$1,478	\$1,623	\$16,606
13		Next 350 Mcf	\$2.6809	5,925	6,003	5,604	4,292	4,414	3,645	3,644	3,701	3,581	4,860	5,372	5,550	56,591
14		Next 600 Mcf	\$2.5491	6,118	5,977	5,264	4,847	3,687	3,794	3,558	3,061	3,482	3,604	4,980	4,929	53,301
15		Over 1,000 Mcf	\$2.3203	2,128	2,084	3,100	4,798	5,942	6,587	6,809	7,246	7,005	5,459	3,751	3,546	58,456
				\$15,811	\$15,860	\$15,732	\$15,427	\$15,244	\$15,112	\$15,088	\$15,034	\$15,037	\$15,382	\$15,581	\$15,648	\$184,954
16		Revenue Less Gas Cost		16,473.04	16,522.11	16,342.83	16,089.39	15,855.20	15,723.59	15,698.85	15,645.02	15,647.79	15,993.15	16,242.74	16,310.13	192,543.84
17		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18		Total Revenue		\$16,473	\$16,522	\$16,343	\$16,089	\$15,855	\$15,724	\$15,699	\$15,645	\$15,648	\$15,993	\$16,243	\$16,310	\$192,544

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 17 of 21
 Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	DS	GTS Delivery Service - Commercial														
2		COMMERCIAL														
3		Customer Bills		41	32	32	32	32	32	34	33	33	33	34	60	428
4		Customer Charge	\$1,424.22	\$58,393	\$45,575	\$45,575	\$45,575	\$45,575	\$45,575	\$48,423	\$46,999	\$46,999	\$46,999	\$48,423	\$85,453	\$609,566
5		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Volumes (Mcf) [1]														
8		First 30,000 Mcf		188,859.0	169,110.1	147,265.6	103,565.2	83,423.1	69,626.2	68,394.7	69,858.1	76,451.3	101,603.3	139,898.5	162,514.9	1,380,570.0
9		Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
				188,859.0	169,110.1	147,265.6	103,565.2	83,423.1	69,626.2	68,394.7	69,858.1	76,451.3	101,603.3	139,898.5	162,514.9	1,380,570.0
10		Commodity Charge														
11		First 30,000 Mcf	\$0.8769	\$165,610	\$148,293	\$129,137	\$90,816	\$73,154	\$61,055	\$59,975	\$61,259	\$67,040	\$89,096	\$122,677	\$142,509	\$1,210,622
12		Over 30,000 Mcf	\$0.4658	0	0	0	0	0	0	0	0	0	0	0	0	0
				\$165,610	\$148,293	\$129,137	\$90,816	\$73,154	\$61,055	\$59,975	\$61,259	\$67,040	\$89,096	\$122,677	\$142,509	\$1,210,622
13		Revenue Less Gas Cost		\$224,003	\$193,868	\$174,712	\$136,391	\$118,729	\$106,630	\$108,399	\$108,258	\$114,039	\$136,095	\$171,100	\$227,963	\$1,820,188
14		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15		Total Revenue		\$224,003	\$193,868	\$174,712	\$136,391	\$118,729	\$106,630	\$108,399	\$108,258	\$114,039	\$136,095	\$171,100	\$227,963	\$1,820,188
16	DS	GTS Delivery Service - Industrial														
17		INDUSTRIAL														
18		Customer Bills		39	39	39	39	39	39	39	39	39	39	39	39	468
19		Customer Charge	\$1,424.22	\$55,545	\$55,545	\$55,545	\$55,545	\$55,545	\$55,545	\$55,545	\$55,545	\$55,545	\$55,545	\$55,545	\$55,545	\$666,535
20		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22		Volumes (Mcf) [1]														
23		First 30,000 Mcf		362,633.5	336,268.5	309,008.7	289,709.6	275,128.8	268,134.1	242,645.5	267,869.2	280,511.7	309,636.4	327,494.0	334,941.4	3,603,981.4
24		Over 30,000 Mcf		312,276.0	266,310.0	216,432.0	137,874.0	93,864.0	71,370.0	52,470.0	74,304.0	81,150.0	144,720.0	223,938.0	238,608.0	1,913,316.0
				674,909.5	602,578.5	525,440.7	427,583.6	368,992.8	339,504.1	295,115.5	342,173.2	361,661.7	454,356.4	551,432.0	573,549.4	5,517,297.4
25		Commodity Charge														
26		First 30,000 Mcf	\$0.8769	\$317,993	\$294,874	\$270,970	\$254,046	\$241,260	\$235,127	\$212,776	\$234,895	\$245,981	\$271,520	\$287,179	\$293,710	\$3,160,331
27		Over 30,000 Mcf	\$0.4658	145,458	124,047	100,814	64,222	43,722	33,244	24,441	34,611	37,800	67,411	104,310	111,144	891,223
				\$463,451	\$418,921	\$371,784	\$318,268	\$284,982	\$268,371	\$237,216	\$269,505	\$283,780	\$338,931	\$391,490	\$404,854	\$4,051,554
28		Revenue Less Gas Cost		\$518,996	\$474,466	\$427,328	\$373,813	\$340,527	\$323,916	\$292,761	\$325,050	\$339,325	\$394,475	\$447,034	\$460,398	\$4,718,089
29		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30		Total Revenue		\$518,996	\$474,466	\$427,328	\$373,813	\$340,527	\$323,916	\$292,761	\$325,050	\$339,325	\$394,475	\$447,034	\$460,398	\$4,718,089

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
 Type of Filing: X Original _ Update _ Revised
 Work Paper Reference No(s):
 12 Months Forecasted

Schedule M-2.3
 Page 18 of 21
 Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	GDS	GTS Grandfathered Delivery Service - Commercial														
2		COMMERCIAL														
3		Customer Bills		12	12	12	12	12	12	12	12	12	12	13	12	145
4		Customer Charge	\$50.94	\$611	\$611	\$611	\$611	\$611	\$611	\$611	\$611	\$611	\$611	\$662	\$611	\$7,386
5		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Volumes (Mcf) [1]														
8		First 50 Mcf		600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	550.0	600.0	7,150.0
9		Next 350 Mcf		4,200.0	4,200.0	4,200.0	4,182.5	4,127.0	4,044.2	3,998.9	3,891.4	4,069.2	4,045.0	3,850.0	4,200.0	49,008.2
10		Next 600 Mcf		7,070.0	6,882.7	6,964.3	6,167.1	6,270.1	4,699.5	5,144.3	4,257.5	4,801.3	6,031.9	6,494.6	6,960.4	71,743.7
11		Over 1,000 Mcf		<u>13,932.9</u>	<u>13,803.3</u>	<u>10,302.3</u>	<u>5,333.3</u>	<u>4,075.8</u>	<u>1,525.9</u>	<u>2,402.3</u>	<u>1,889.0</u>	<u>1,772.2</u>	<u>3,743.8</u>	<u>7,560.9</u>	<u>9,386.9</u>	<u>75,728.6</u>
				25,802.9	25,486.0	22,066.6	16,282.9	15,072.9	10,869.6	12,145.5	10,637.9	11,242.7	14,420.7	18,455.5	21,147.3	203,630.5
12		Commodity Charge														
13		First 50 Mcf	\$3,4683	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	\$2,081	\$1,908	\$2,081	\$24,798
14		Next 350 Mcf	\$2,6809	11,260	11,260	11,260	11,213	11,064	10,842	10,721	10,432	10,909	10,844	10,321	11,260	131,386
15		Next 600 Mcf	\$2,5491	18,022	17,545	17,753	15,721	15,983	11,980	13,113	10,853	12,239	15,376	16,555	17,743	182,882
16		Over 1,000 Mcf	\$2,3203	<u>32,329</u>	<u>32,028</u>	<u>23,904</u>	<u>12,375</u>	<u>9,457</u>	<u>3,541</u>	<u>5,574</u>	<u>4,383</u>	<u>4,112</u>	<u>8,687</u>	<u>17,544</u>	<u>21,780</u>	<u>175,713</u>
				\$63,691	\$62,913	\$54,998	\$41,389	\$38,585	\$28,443	\$31,489	\$27,749	\$29,341	\$36,988	\$46,328	\$52,864	\$514,779
17		Revenue Less Gas Cost		\$64,303	\$63,525	\$55,609	\$42,001	\$39,197	\$29,054	\$32,100	\$28,361	\$29,952	\$37,599	\$46,990	\$53,475	\$522,166
18		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19		Total Revenue		\$64,303	\$63,525	\$55,609	\$42,001	\$39,197	\$29,054	\$32,100	\$28,361	\$29,952	\$37,599	\$46,990	\$53,475	\$522,166
20	GDS	GTS Grandfathered Delivery Service - Industrial														
21		INDUSTRIAL														
22		Customer Bills		15	15	15	15	15	15	15	15	15	15	15	15	180
23		Customer Charge	\$50.94	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$764	\$9,169
24		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26		Volumes (Mcf) [1]														
27		First 50 Mcf		609.9	622.4	750.0	735.6	694.2	473.6	460.0	510.6	530.3	604.5	606.1	666.9	7,264.1
28		Next 350 Mcf		3,896.3	3,965.4	4,483.7	4,484.4	3,857.7	2,799.5	2,736.4	3,003.2	2,907.0	3,132.7	3,912.5	4,183.5	43,362.3
29		Next 600 Mcf		5,621.7	5,802.3	6,622.1	5,166.4	4,115.7	2,754.1	2,958.6	3,457.3	3,411.2	3,405.2	4,279.4	5,280.7	52,874.7
30		Over 1,000 Mcf		<u>7,716.4</u>	<u>6,439.2</u>	<u>7,195.5</u>	<u>3,680.8</u>	<u>4,450.7</u>	<u>2,848.5</u>	<u>1,893.4</u>	<u>2,095.7</u>	<u>2,937.8</u>	<u>2,954.3</u>	<u>3,905.0</u>	<u>4,849.5</u>	<u>50,966.8</u>
				17,844.3	16,829.3	19,051.3	14,067.2	13,118.3	8,875.7	8,048.4	9,066.8	9,786.3	10,096.7	12,703.0	14,980.6	154,467.9
31		Commodity Charge														
32		First 50 Mcf	\$3,4683	\$2,115	\$2,159	\$2,601	\$2,551	\$2,408	\$1,643	\$1,595	\$1,771	\$1,839	\$2,097	\$2,102	\$2,313	\$25,194
33		Next 350 Mcf	\$2,6809	10,446	10,631	12,020	12,022	10,342	7,505	7,336	8,051	7,793	8,398	10,489	11,216	116,250
34		Next 600 Mcf	\$2,5491	14,330	14,791	16,880	13,170	10,491	7,020	7,542	8,813	8,695	8,680	10,909	13,461	134,783
35		Over 1,000 Mcf	\$2,3203	<u>17,904</u>	<u>14,941</u>	<u>16,696</u>	<u>8,541</u>	<u>10,327</u>	<u>6,609</u>	<u>4,393</u>	<u>4,863</u>	<u>6,817</u>	<u>6,855</u>	<u>9,061</u>	<u>11,252</u>	<u>118,258</u>
				\$44,796	\$42,521	\$48,198	\$36,284	\$33,568	\$22,778	\$20,866	\$23,498	\$25,145	\$26,030	\$32,561	\$38,242	\$394,485
36		Revenue Less Gas Cost		\$45,560	\$43,285	\$48,962	\$37,048	\$34,332	\$23,542	\$21,631	\$24,262	\$25,909	\$26,794	\$33,325	\$39,006	\$403,654
37		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38		Total Revenue		\$45,560	\$43,285	\$48,962	\$37,048	\$34,332	\$23,542	\$21,631	\$24,262	\$25,909	\$26,794	\$33,325	\$39,006	\$403,654

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 19 of 21
Witness: M. J. Bell

Line No.	Rate Code	Class/Description	Proposed Rates	Proposed Annualized												Total
				Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	
1	DS3	GTS Main Line Service - Industrial														
2		INDUSTRIAL														
3		Customer Bills		3	3	3	3	3	3	3	3	3	3	3	36	
4		Customer Charge	\$255.90	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$9,212	
5		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6		Volumes (Mcf)[1]		58,289.0	56,724.0	56,724.0	57,213.0	57,995.0	58,484.0	55,942.0	54,866.0	55,746.0	58,093.0	57,604.0	53,301.0	
7		Commodity Charge	\$0.0858	\$5,001	\$4,867	\$4,867	\$4,909	\$4,976	\$5,018	\$4,800	\$4,708	\$4,783	\$4,984	\$4,942	\$4,573	
8		Revenue Less Gas Cost		\$5,769	\$5,635	\$5,635	\$5,677	\$5,744	\$5,786	\$5,568	\$5,475	\$5,551	\$5,752	\$5,710	\$5,341	
9		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
10		Total Revenue		\$5,769	\$5,635	\$5,635	\$5,677	\$5,744	\$5,786	\$5,568	\$5,475	\$5,551	\$5,752	\$5,710	\$5,341	
11	FX1	GTS Flex Rate - Commercial														
12		COMMERCIAL														
13		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	12	
14		Customer Charge	\$1,062.95	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$12,755	
15		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
16		Volumes (Mcf) [1]		74,328.0	58,680.0	70,416.0	34,230.0	29,340.0	29,340.0	29,340.0	29,340.0	34,230.0	39,120.0	49,878.0	63,570.0	
17		Commodity Charge	\$0.3900	\$28,988	\$22,885	\$27,462	\$13,350	\$11,443	\$11,443	\$11,443	\$11,443	\$13,350	\$15,257	\$19,452	\$24,792	
18		Revenue Less Gas Cost		\$30,051	\$23,948	\$28,525	\$14,413	\$12,506	\$12,506	\$12,506	\$12,506	\$14,413	\$16,320	\$20,515	\$25,855	
19		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
20		Total Revenue		\$30,051	\$23,948	\$28,525	\$14,413	\$12,506	\$12,506	\$12,506	\$12,506	\$14,413	\$16,320	\$20,515	\$25,855	
21	FX2	GTS Flex Rate - Commercial														
22		COMMERCIAL														
23		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	12	
24		Customer Charge	\$1,062.95	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$12,755	
25		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
26		Volumes (Mcf) [1]		44,010.0	56,724.0	33,252.0	47,922.0	37,164.0	37,164.0	39,120.0	37,164.0	41,076.0	50,856.0	54,768.0	54,768.0	
27		Commodity Charge	\$0.3900	\$17,164	\$22,122	\$12,968	\$18,690	\$14,494	\$14,494	\$15,257	\$14,494	\$16,020	\$19,834	\$21,360	\$21,360	
28		Revenue Less Gas Cost		\$18,227	\$23,185	\$14,031	\$19,753	\$15,557	\$15,557	\$16,320	\$15,557	\$17,083	\$20,897	\$22,422	\$22,422	
29		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
30		Total Revenue		\$18,227	\$23,185	\$14,031	\$19,753	\$15,557	\$15,557	\$16,320	\$15,557	\$17,083	\$20,897	\$22,422	\$22,422	

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 20 of 21
Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code	Class/Description	Proposed Rates	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	
1	FX5	GTS Flex Rate - Industrial														
2		INDUSTRIAL														
3		Customer Bills		3	3	3	3	3	3	3	3	3	3	3	3	36
4		Customer Charge	\$255.90	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$768	\$9,212
5		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Volumes (Mcf) [1]		411,738.0	369,684.0	397,068.0	381,420.0	392,178.0	381,420.0	392,178.0	392,178.0	381,420.0	397,068.0	391,200.0	401,958.0	4,689,510.0
7		Commodity Charge	\$0.0858	\$35,327	\$31,719	\$34,068	\$32,726	\$33,649	\$32,726	\$33,649	\$33,649	\$32,726	\$34,068	\$33,565	\$34,488	\$402,360
8		Revenue Less Gas Cost		\$36,095	\$32,487	\$34,836	\$33,494	\$34,417	\$33,494	\$34,417	\$34,417	\$33,494	\$34,836	\$34,333	\$35,256	\$411,572
9		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10		Total Revenue		\$36,095	\$32,487	\$34,836	\$33,494	\$34,417	\$33,494	\$34,417	\$34,417	\$33,494	\$34,836	\$34,333	\$35,256	\$411,572
11	FX7	GTS Flex Rate - Industrial														
12		INDUSTRIAL														
13		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
14		Customer Charge	\$1,062.95	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$12,755
15		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16		Volumes (Mcf) [1]														
17		First 25,000 Mcf		25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	25,000.0	300,000.0
18		Over 25,000 Mcf		19,077.0	1,389.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	20,000.0	20,000.0	14,555.0	14,979.0	120,000.0
				44,077.0	26,389.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	30,000.0	45,000.0	45,000.0	39,555.0	39,979.0	420,000.0
19		Commodity Charge														
20		First 25,000 Mcf	\$0.4900	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$12,250	\$147,000
21		Over 25,000 Mcf	\$0.2700	5,151	375	1,350	1,350	1,350	1,350	1,350	1,350	5,400	5,400	3,930	4,044	32,400
				\$17,401	\$12,625	\$13,600	\$13,600	\$13,600	\$13,600	\$13,600	\$13,600	\$17,650	\$17,650	\$16,180	\$16,294	\$179,400
22		Revenue Less Gas Cost		\$18,464	\$13,688	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$18,713	\$18,713	\$17,243	\$17,357	\$192,155
23		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24		Total Revenue		\$18,464	\$13,688	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$14,663	\$18,713	\$18,713	\$17,243	\$17,357	\$192,155

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Case No. 2016-00162
Annualized Test Year Revenues at Proposed Rates
For the 12 Months Ended December 31, 2017
(Gas Service)

Data: ___ Base Period _X_ Forecasted Period
Type of Filing: X Original _ Update _ Revised
Work Paper Reference No(s):
12 Months Forecasted

Schedule M-2.3
Page 21 of 21
Witness: M. J. Bell

Proposed Annualized																
Line No.	Rate Code (A)	Class/Description (B)	Proposed Rates (C)	Jan-17 (D)	Feb-17 (E)	Mar-17 (F)	Apr-17 (G)	May-17 (H)	Jun-17 (I)	Jul-17 (J)	Aug-17 (K)	Sep-17 (L)	Oct-17 (M)	Nov-17 (N)	Dec-17 (O)	Total (P)
1	SAS	GTS Special Agency Service														
2		COMMERCIAL														
3		Customer Bills		0	0	0	0	0	0	0	0	0	0	0	0	0
4		Customer Charge	\$1,424.22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6		Accelerated Main Replacement Program	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7		Volumes (Mcf) [1]														
8		First 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9		Over 30,000 Mcf		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10		Commodity Charge														
11		First 30,000 Mcf	\$0.8769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12		Over 30,000 Mcf	\$0.4658	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13		Revenue Less Gas Cost		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14		Gas Cost Revenue	\$0.0000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15		Total Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	SC3	GTS Special Rate - Industrial														
17		INDUSTRIAL														
18		Customer Bills		1	1	1	1	1	1	1	1	1	1	1	1	12
19		Customer Charge	\$1,062.95	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063	\$12,755
20		Administrative Charge	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21		Volumes (Mcf) [1]														
22		First 150,000 Mcf		150,000.0	150,000.0	140,000.0	140,000.0	130,000.0	130,000.0	130,000.0	130,000.0	130,000.0	130,000.0	140,000.0	150,000.0	1,650,000.0
23		Over 150,000 Mcf		15,000.0	5,000.0	0.0	(12,000.0)	(19,000.0)	(28,000.0)	(28,000.0)	(28,000.0)	(10,000.0)	15,000.0	10,000.0	10,000.0	(70,000.0)
24		Commodity Charge		165,000.0	155,000.0	140,000.0	128,000.0	111,000.0	102,000.0	102,000.0	102,000.0	120,000.0	145,000.0	150,000.0	160,000.0	1,580,000.0
25		First 150,000 Mcf	\$0.2900	\$43,500	\$43,500	\$40,600	\$40,600	\$37,700	\$37,700	\$37,700	\$37,700	\$37,700	\$37,700	\$40,600	\$43,500	\$478,500
26		Over 150,000 Mcf	\$0.1600	2,400	800	0	(1,920)	(3,040)	(4,480)	(4,480)	(4,480)	(1,600)	2,400	1,600	1,600	(11,200)
				\$45,900	\$44,300	\$40,600	\$38,680	\$34,660	\$33,220	\$33,220	\$33,220	\$36,100	\$40,100	\$42,200	\$45,100	\$467,300
27		Revenue Less Gas Cost		\$46,963	\$45,363	\$41,663	\$39,743	\$35,723	\$34,283	\$34,283	\$34,283	\$37,163	\$41,163	\$43,263	\$46,163	\$480,055
28		Adjustment to Minimum Bill		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,945	\$185,945
29		Total Revenue		\$46,963	\$45,363	\$41,663	\$39,743	\$35,723	\$34,283	\$34,283	\$34,283	\$37,163	\$41,163	\$43,263	\$232,108	\$666,000

[1] Reflects Normalized Volumes.

Columbia Gas of Kentucky, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2017

<u>Line No.</u>	<u>Description</u>	<u>Adjusted Bills</u> (1)	<u>Adjusted Volumes</u> (2) Mcf	<u>Revenue @ Current Rates</u> (3) \$	<u>Proposed Revenue Increase</u> (4) \$	<u>Total Proposed Revenue</u> (5=3+4) \$	<u>Proposed Increase By Rate Sched</u> (6) %	<u>Proposed Increase by Rate Class</u> (7)
		WPM B.2	WPM C.2	Sch. M2.2 & D2.4		Sch. M 2.3		
1	Total Revenues							
2	GSR/GTR Residential	1,462,612	7,955,080.5	\$58,710,248	\$16,418,377	\$75,128,625	27.97%	27.96%
3	GSO/GTO/GDS	167,676	5,748,554.7	26,463,106	\$6,766,243	33,229,349	25.57%	25.56%
4	DS/SAS	896	6,897,867.4	4,621,276	\$1,917,001	6,538,277	41.48%	32.36%
5	IS	0	0.0	0	\$0	0	0.00%	32.36%
6	IUS	24	11,320.7	47,824	\$8,064	55,889	16.86%	16.86%
7	IN3 Residential	108	990.2	396	\$0	396	0.00%	27.96%
8	IN4	0	0.0	0	\$0	0	0.00%	27.96%
9	IN5	36	333.6	200	\$0	200	0.00%	27.96%
10	G1C	41	1,697.8	9,744	\$0	9,744	0.00%	25.56%
11	G1R	192	2,018.9	13,752	\$0	13,752	0.00%	27.96%
12	LG2 Residential	12	605.2	212	\$0	212	0.00%	27.96%
13	LG2 Commercial	12	710.9	249	\$0	249	0.00%	25.56%
14	LG3 Residential	12	714.1	256	\$0	256	0.00%	27.96%
15	LG4 Residential	12	257.6	103	\$0	103	0.00%	27.96%
16	DS3	36	680,981.0	67,641	\$0	67,641	0.00%	0.00%
17	FX1	12	541,812.0	224,062	\$0	224,062	0.00%	32.36%
18	FX2	12	533,988.0	221,011	\$0	221,011	0.00%	32.36%
19	FX5	36	4,689,510.0	411,572	\$0	411,572	0.00%	0.00%
20	FX7	12	420,000.0	192,155	\$0	192,155	0.00%	0.00%
21	SC3	12	1,580,000.0	666,000	\$0	666,000	0.00%	32.36%
22	Other Gas Department Revenue							
23	Acct. 487 Forefited Discounts			476,000	\$130,932	606,932	27.51%	
24	Acct. 488 Miscellaneous Service Revenue			137,000	\$0	137,000	0.00%	
25	Acct. 495 Non-Traditional Sales			72,000	\$0	72,000	0.00%	
26	Acct. 495 Prior Yr. Rate Refund - Net.			0	\$0	0	0.00%	
27	Acct. 495 Other Gas Revenues - Other			515,000	\$0	515,000	0.00%	
28	Total Revenues	1,631,753	29,066,442.6	92,849,807	25,240,618	118,090,425	27.18%	

Columbia Gas of Kentucky, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2017

Line No.	<u>Description</u>	Adjusted Bills (1)	Adjusted Volumes (2) Mcf	Revenue @ Current Rates (3) \$	Proposed Revenue Increase (4) \$	Total Proposed Revenue (5=3+4) \$	Proposed Increase By Rate Sched (6) %	Proposed Increase by Rate Class (7)
		WPM B.2	WPM C.2	Sch. M 2.2		Sch. M 2.3		
1	Delivery Charge Revenue Only (Base Rates, Admin. Charge & AMRP Charge)							
2	GSR/GTR Residential	1,462,612	7,955,080.5	\$43,261,042	\$16,418,377	\$59,679,420	37.95%	37.94%
3	GSO/GTO/GDS	167,676	5,748,554.7	18,733,089	6,766,243	25,499,333	36.12%	36.11%
4	DS/SAS	896	6,897,867.4	4,621,276	1,917,001	6,538,277	41.48%	32.36%
5	IS	0	0.0	0	0	0	0.00%	32.36%
6	IUS	24	11,320.7	22,521	8,064	30,586	35.81%	35.81%
7	IN3 Residential	108	990.2	396	0	396	0.00%	37.94%
8	IN4	0	0.0	0	0	0	0.00%	37.94%
9	IN5	36	333.6	200	0	200	0.00%	37.94%
10	G1C	41	1,697.8	5,994	0	5,994	0.00%	36.11%
11	G1R	192	2,018.9	9,292	0	9,292	0.00%	37.94%
12	LG2 Residential	12	605.2	212	0	212	0.00%	37.94%
13	LG2 Commercial	12	710.9	249	0	249	0.00%	36.11%
14	LG3 Residential	12	714.1	256	0	256	0.00%	37.94%
15	LG4 Residential	12	257.6	103	0	103	0.00%	37.94%
16	DS3	36	680,981.0	67,641	0	67,641	0.00%	0.00%
17	FX1	12	541,812.0	224,062	0	224,062	0.00%	32.36%
18	FX2	12	533,988.0	221,011	0	221,011	0.00%	32.36%
19	FX5	36	4,689,510.0	411,572	0	411,572	0.00%	0.00%
20	FX7	12	420,000.0	192,155	0	192,155	0.00%	0.00%
21	SC3	12	1,580,000.0	666,000	0	666,000	0.00%	32.36%
22	Total Base Revenues	<u>1,631,753</u>	<u>29,066,442.6</u>	<u>\$68,437,072</u>	<u>\$25,109,686</u>	<u>\$93,546,758</u>	36.69%	

Columbia Gas of Kentucky, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2017

<u>Line No.</u>	<u>Description</u>	<u>Adjusted Bills</u> (1)	<u>Adjusted Volumes</u> (2) Mcf	<u>Revenue @ Current Rates</u> (3) \$	<u>Proposed Revenue Increase</u> (4) \$	<u>Total Proposed Revenue</u> (5=3+4) \$	<u>Proposed Increase By Rate Sched</u> (6) %	<u>Proposed Increase by Rate Class</u> (7)
		WPM B.2	WPM C.2	Sch. M 2.2		Sch. M 2.3		
1	Gas Cost Revenue Only							
2	GSR/GTR Residential			\$13,802,635	\$0	\$13,802,635	0.00%	
3	GSO/GTO/GDS			7,640,096	0	7,640,096	0.00%	
4	G1C			3,751	0	3,751	0.00%	
5	G1R			4,460	0	4,460	0.00%	
6	IUS			25,009	0	25,009	0.00%	
7	Total Gas Cost Revenues			<u>\$21,475,950</u>	<u>\$0</u>	<u>\$21,475,950</u>	0.00%	
8	EAP Revenue							
9	GSR/GTR Residential			\$474,918	\$0	\$474,918	0.00%	
10	Total EAP Revenues			<u>\$474,918</u>	<u>\$0</u>	<u>\$474,918</u>	0.00%	
11	Energy Efficiency Conservation Program							
12	GSR/GTR Residential			\$1,009,202	\$0	\$1,009,202	0.00%	
13	Total Energy Efficiency Conservation Revenues			<u>\$1,009,202</u>	<u>\$0</u>	<u>\$1,009,202</u>	0.00%	
14	Gas Cost Uncollectible Charge							
15	GSR/GTR Residential			162,450	0	162,450	0.00%	
16	GSO/GTO/GDS			89,920	0	89,920	0.00%	
17	IUS			294	(0)	294	-0.01%	
18	Total Gas Cost Uncollectible Charge			<u>\$252,665</u>	<u>\$0</u>	<u>\$252,665</u>	0.00%	

Columbia Gas of Kentucky, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2017

Line No.	Description	Total (1)	GSR/GTR (2)	GSO/GTO/GDS (3)	IS/DS (4)	IUS (5)	DS-ML (6)
1	Determination of Revenue Distribution						
2	Rate Base (Attachment CEN-3 Page 4, Line 12)	\$253,360,797	\$162,668,511	\$57,415,257	\$32,693,845	\$97,824	\$485,360
3	Unitized Return @ Current Rates	1.000000	0.144680	3.702130	0.187230	3.191490	22.319150
4	Proposed Unitized Return	1.000000	0.769391	1.886000	0.512255	1.491500	6.235450
5	Change in Unitized Return	0.000000	0.624711	(1.816130)	0.325025	(1.699990)	(16.083700)
6	Rate of Return Requested	8.410%	6.471%	15.861%	4.308%	12.544%	52.440%
7	Net Operating Income @ Requested Return (Line 2 x Line 6)	\$21,307,643	\$10,525,593	\$9,106,783	\$1,408,472	\$12,271	\$254,523
8	Net Operating Income @ Current Rates	\$6,057,270	\$553,639	\$4,995,219	\$246,522	\$7,338	\$254,552
9	Income Deficiency (Line 7 - Line 8)	\$15,250,373	\$9,971,954	\$4,111,564	\$1,161,950	\$4,933	(\$29)
10	Gross Conversion Factor	<u>1.655089</u>	<u>1.655089</u>	<u>1.655089</u>	<u>1.655089</u>	<u>1.655089</u>	<u>1.655089</u>
11	Revenue Required Increase	25,240,723	16,504,471	6,805,004	1,923,131	8,165	(48)
12	Percent Distribution to Rate Classes	100.000%	65.389%	26.960%	7.619%	0.032%	0.000%
13	Plus: Gas Cost Uncollectible Charge @ Current Rates	252,665	162,450	89,920	0	294	0
14	Less: Gas Cost Uncollectible Charge @ Proposed Rates	252,665	162,450	89,920	0	294	0
15	Less: Proposed Change Other Gas Department Revenue (Attachment MPB-2)	130,935	86,253	38,851	5,836	43	(48)
16	Proposed Increase to Base Revenue	\$25,109,788	\$16,418,218	\$6,766,153	\$1,917,295	\$8,122	\$0
17	Percent Distribution to Rate Classes	100.000%	65.386%	26.946%	7.636%	0.032%	0.000%
18	Current Base Revenue	68,437,072	43,271,501	18,739,332	5,924,504	22,521	479,213
19	Current Percent Distribution of Rate Classes	100.000%	63.228%	27.382%	8.657%	0.033%	0.700%
20	Proposed Base Revenue	93,546,860	59,689,719	25,505,485	7,841,799	30,643	479,213
21	Proposed Percent Distribution of Rate Classes	100.000%	63.807%	27.265%	8.383%	0.033%	0.512%

Columbia Gas of Kentucky, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2017

	<u>Bills</u>	<u>Dth</u>	<u>Proposed Rate</u> (\$)	<u>Proposed Revenue</u> (\$)	<u>Current Rev Revenue</u> (\$)	<u>Current Rate</u> (\$)	<u>Proposed Inc. (Dec.)</u> (\$)		
1	GSR/GTR Rate Design								
2	Total Revenue @ Current Rates			58,725,166					
3	Less: Gas Cost Revenue			13,807,095					
4	Less: Gas Cost Uncollectible Charge			162,450					
5	Less: EAP Revenue			474,918					
6	Less: EECF Revenue			1,009,202					
7	Less: G1R Base Revenue			9,292					
8	Less: IN3 Base Revenue			396					
9	Less: IN4 Base Revenue			0					
10	Less: IN5 Base Revenue			200					
11	Less: LG2 - Residential Base Revenue			212					
12	Less: LG3 - Residential Base Revenue			256					
13	Less: LG4 - Residential Base Revenue			103					
14	Plus: Proposed Increase to Base Rates			<u>16,418,218</u>					
15	Proposed Base Revenue			59,679,260					
16	Less: Customer Charge Revenue	1,462,612	19.76	28,901,213	21,939,180	15.00	6,962,033		
17	Less: Accelerated Mains Replacement Program	1,462,612	0.00	0	3,290,877	2.25	(3,290,877)		
18	Net Volumetric Base Revenue			30,778,047					
19	All Gas Consumed			7,955,080.5	3.8690	30,778,206	18,030,985	2.2666	<u>12,747,221</u>
20	Total Base Revenue Change							16,418,377	

Columbia Gas of Kentucky, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2017

	<u>Bills</u>	<u>Dth</u>	<u>Proposed Rate</u> (\$)	<u>Proposed Revenue</u> (\$)	<u>Current Revenue</u> (\$)	<u>Pct. Of Current Rev</u>	<u>Current Rate</u> (\$)	<u>Proposed Inc. (Dec.)</u> (\$)
1 GSO/GTO/GDS Rate Design								
2 Total Revenue @ Current Rates				26,473,099				
3 Less: Gas Cost Revenue				7,643,847				
4 Less: Gas Cost Uncollectible Charge				89,920				
5 Less: G1C Base Revenue				5,994				
6 Less: LG2 Commercial Base Revenue				249				
7 Plus: Proposed Increase to Base Rates				<u>6,766,153</u>				
8 Net Base Revenue				25,499,242				
9 Less: Customer Charge Revenue	167,676		50.94	8,541,415	6,287,850		37.50	2,253,565
10 Less: Administrative Charge Revenue	325		0.00	0	18,168		55.90	(18,168)
11 Less: Accelerated Mains Replacement Program	167,676		0.00	0	1,344,762		8.02	(1,344,762)
12 Net Volumetric Base Revenue				16,957,827				
13 First 50 Mcf		2,323,884.9	3.4683	8,059,895	5,267,318	0.475290566	2.2666	2,792,577
14 Next 350 Mcf		2,223,522.3	2.6809	5,960,950	3,895,611	0.351516154	1.752	2,065,339
15 Next 600 Mcf		655,261.1	2.5491	1,670,334	1,091,599	0.098499272	1.6659	578,735
16 Over 1,000 Mcf		<u>545,886.4</u>	2.3203	<u>1,266,648</u>	<u>827,782</u>	<u>0.074694008</u>	1.5164	<u>438,866</u>
17 Total Commodity		5,748,554.7		16,957,827	11,082,310	1.000000000		5,875,517
18 Total Base Revenue Change								6,766,153

Columbia Gas of Kentucky, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the 12 Months Ended December 31, 2017

	<u>Bills</u>	<u>Dth</u>	<u>Proposed Rate</u> (\$)	<u>Proposed Revenue</u> (\$)	<u>Current Revenue</u> (\$)	<u>Pct. Of Current Rev</u>	<u>Current Rate</u> (\$)	<u>Proposed Inc. (Dec.)</u> (\$)
1	IS/DS Rate Design							
2	Total Revenue @ Current Rates			5,924,504				
3	Less: FX1 Base Revenue			224,062				
4	Less: FX2 Base Revenue			221,011				
5	Less: FX7 Base Revenue			192,155				
6	Less: SC3 Base Revenue			666,000				
7	Plus: Proposed Increase to Base Rates			<u>1,917,295</u>				
8	Net Base Revenue			6,538,571				
9	Less: Customer Charge Revenue	896	1,424.22	1,276,101	902,317		1,007.05	373,784
10	Less: Administrative Charge Revenue	896	0.00	0	50,086		55.90	(50,086)
11	Less: Accelerated Mains Replacement Program	896	0.00	0	402,833		449.59	(402,833)
12	Net Volumetric Base Revenue			5,262,470				
13	First 30,000 Mcf	4,984,551.4	0.8769	4,371,521	2,713,091	0.830697607	0.5443	1,658,430
14	Over 30,000 Mcf	<u>1,913,316.0</u>	0.4658	<u>890,949</u>	<u>552,948</u>	<u>0.169302393</u>	0.2890	<u>338,001</u>
15	Total Commodity			6,897,867.4	5,262,470	3,266,040	1.000000000	1,996,430
16	Total Base Revenue Change							1,917,296

Columbia Gas of Kentucky, Inc.
Schedule of Additional Revenues by Rate Schedule Based on Revenue Requirement - Late Payment Charge
For the 12 Months Ended December 31, 2017

<u>Line No.</u>	<u>Reference</u>	<u>Detail</u> (\$)	<u>Amount</u> (\$)
1	Change in Forfeited Discounts Revenue		
2	Test Year Forfeited Discounts (Account 487)		476,000
3	Test Year Revenue Subject to Late Payment Penalties:		
4	GSR General Service - Residential	Schedule M-2.1	257,981
5	G1C LG&E Commercial	Schedule M-2.1	51
6	G1R LG&E Residential	Schedule M-2.1	71
7	GSO General Service - Commercial	Schedule M-2.1	96,079
8	GSO General Service - Industrial	Schedule M-2.1	7,317
9	IS Interruptible Service - Industrial	Schedule M-2.1	0
10	IUS Intrastate Utility Service - Wholesale	Schedule M-2.1	248
11	GTR GTS Choice - Residential	Schedule M-2.1	46,945
12	GTO GTS Choice - Commercial	Schedule M-2.1	30,088
13	GTO GTS Choice - Industrial	Schedule M-2.1	664
14	DS GTS Delivery Service - Commercial	Schedule M-2.1	7,273
15	DS GTS Delivery Service - Industrial	Schedule M-2.1	16,754
16	GDS GTS Grandfathered Delivery Service - Commercial	Schedule M-2.1	1,826
17	GDS GTS Grandfathered Delivery Service - Industrial	Schedule M-2.1	1,435
18	DS3 GTS Main Line Service - Industrial	Schedule M-2.1	352
19	FX1 GTS Flex Rate - Commercial	Schedule M-2.1	1,165
20	FX2 GTS Flex Rate - Commercial	Schedule M-2.1	1,149
21	FX5 GTS Flex Rate - Industrial	Schedule M-2.1	2,140
22	FX7 GTS Flex Rate - Industrial	Schedule M-2.1	999
23	SAS GTS Special Agency Service	Schedule M-2.1	0
24	SC3 GTS Special Rate - Industrial	Schedule M-2.1	3,463
25	Total		476,000
26	Ratio of Late Payment Penalties to Total Revenue	Line 2 / Line 25	0.005199276
27	Proposed Revenue Subject to Late Payment Penalties:		
28	GSR/GTR Residential	Attachment MPB-1, Page 1	390,613
29	GSO/GTO/GDS	Attachment MPB-1, Page 1	172,769
30	DS/SAS	Attachment MPB-1, Page 1	33,994
31	IS	Attachment MPB-1, Page 1	0
32	IUS	Attachment MPB-1, Page 1	291
33	DS3	Attachment MPB-1, Page 1	352
34	FX1	Attachment MPB-1, Page 1	1,165
35	FX2	Attachment MPB-1, Page 1	1,149
36	FX5	Attachment MPB-1, Page 1	2,140
37	FX7	Attachment MPB-1, Page 1	999
38	SC3	Attachment MPB-1, Page 1	3,463
39	Total		606,935
40	Proposed Forfeited Discounts (Account 487)	Line 26 x Line 39	606,935
41	Proposed Adjustment to Account 487 Revenue	Line 40 - Line 2	130,935

Exhibit No.: _____
Witness: M. P. Balmert
Attachment MPB-3
Page 1 of 1

Columbia Gas of Kentucky, Inc.
[Case No. 2016-00162](#)
Non-Gas Base Rates

	<u>Current Rates</u>	<u>Proposed Rates</u>
General Service - Residential (GSR & GRT)		
Customer Charge	\$15.00	\$19.76
All Gas Consumed	\$2.2666	\$3.8690
General Service - Other (GSO/GTR/GDS)		
Customer Charge	\$37.50	\$50.94
First 50 Mcf	\$2.2666	\$3.4683
Next 350 Mcf	\$1.7520	\$2.6809
Next 600 Mcf	\$1.6659	\$2.5491
Over 1,000 Mcf	\$1.5164	\$2.3203
Interruptible / Delivery Service (IS/DS)		
Customer Charge	\$1,007.05	\$1,424.22
First 30,000 Mcf	\$0.5443	\$0.8769
Over 30,000 Mcf	\$0.2890	\$0.4658
Intrastate Utility Sales Service (IUS)		
Customer Charge	\$477.00	\$648.13
All Gas Consumed	\$0.8150	\$1.3277
Delivery Service - Mainline (DS-ML)		
Customer Charge	\$200.00	\$255.90
All Gas Consumed	\$0.0858	\$0.0858

Exhibit No. _____
Worksheet: W-9 - Rates
Attachment: W-9-4
Page 1 of 5

Columbia Gas of Kentucky, Inc.
Calculation of Average GSGGTR Bill
March 2016

Line No.	Component	Rate \$/Mcf	Rate \$/1000 ft ³	Rate \$/1000 ft ³ Adjusted
1	Prior Approved Rates			
2	Monthly Customer Charge			15.00
3	Accumulated Meter Replacement Program (AMRP)			2.00
4	Administrative Charge			0.00
5	All Gas Consumed	5.5	2,266.0	12.47
6	Reservoir & Development	5.5	0,073.9	0.08
7	Energy Assistance Plan (EAP)	5.5	0,000.0	0.00
8	Gas Cost Adjustment (GCA)	5.5	2,266.0	12.10
9	Gas Cost Unrecoverable Charge			0.00
10	Total Bill	5.5		43.55
11	Proposed Rates			
12	Monthly Customer Charge			15.70
13	Accumulated Meter Replacement Program (AMRP)			2.00
14	Administrative Charge			0.00
15	All Gas Consumed	5.5	2,266.0	12.28
16	Reservoir & Development	5.5	0,073.9	0.08
17	Energy Assistance Plan (EAP)	5.5	0,000.0	0.00
18	Gas Cost Adjustment (GCA)	5.5	2,266.0	12.15
19	Gas Cost Unrecoverable Charge	5.5	0,000.0	0.14
20	Total Bill	5.5		44.17
21	Percent Increase - Total			1.43%
22	Percent Increase - Delivery Charges only			38.89%

1) Prior Approved Rates as of 3-1-2016. Commodity cost implied for GGT for illustrative purposes.

Exhibit No. _____
Worksheet: W-9 - Rates
Attachment: W-9-4
Page 2 of 5

Columbia Gas of Kentucky, Inc.
Calculation of Average GSGGTO Bill
March 2016

Line No.	Component	Rate \$/Mcf	Rate \$/1000 ft ³	Rate \$/1000 ft ³ Adjusted
1	Prior Approved Rates			
2	Monthly Customer Charge			37.00
3	Accumulated Meter Replacement Program (AMRP)			0.00
4	Administrative Charge			0.00
5	First 50 Mcf	20.4	2,266.0	73.44
6	Next 50 Mcf	0.0	1,720.0	0.00
7	Next 1,000 Mcf	0.0	1,850.0	0.00
8	Over 1,000 Mcf	0.0	1,534.0	0.00
9	Reservoir & Development	0.0	0,073.9	0.00
10	Energy Assistance Plan (EAP)	0.0	0,000.0	0.00
11	Gas Cost Adjustment (GCA)	0.0	2,266.0	12.10
12	Gas Cost Unrecoverable Charge	0.0	0,000.0	0.00
13	Total Bill	20.4		122.54
14	Proposed Rates			
15	Monthly Customer Charge			50.94
16	Accumulated Meter Replacement Program (AMRP)			0.00
17	Administrative Charge			0.00
18	First 50 Mcf	20.4	2,266.0	112.20
19	Next 50 Mcf	0.0	2,266.0	0.00
20	Next 1,000 Mcf	0.0	2,350.0	0.00
21	Over 1,000 Mcf	0.0	2,350.0	0.00
22	Reservoir & Development	0.0	0,073.9	0.00
23	Energy Assistance Plan (EAP)	0.0	0,000.0	0.00
24	Gas Cost Adjustment (GCA)	0.0	2,266.0	12.10
25	Gas Cost Unrecoverable Charge	0.0	0,000.0	0.00
26	Total Bill	20.4		155.24
27	Percent Increase - Total			25.52%
28	Percent Increase - Delivery Charges only			37.28%

1) Prior Approved Rates as of 3-1-2016. Commodity cost implied for GTO for illustrative purposes.

Exhibit No. _____
Worksheet: W-9 - Rates
Attachment: W-9-4
Page 3 of 5

Columbia Gas of Kentucky, Inc.
Calculation of Average GDS Bill
March 2016

Line No.	Component	Rate \$/Mcf	Rate \$/1000 ft ³	Rate \$/1000 ft ³ Adjusted
1	Prior Approved Rates			
2	Monthly Customer Charge			37.00
3	Accumulated Meter Replacement Program (AMRP)			0.00
4	Administrative Charge			0.00
5	First 50 Mcf	20.0	2,266.0	113.20
6	Next 50 Mcf	0.0	1,720.0	0.00
7	Next 1,000 Mcf	0.0	1,850.0	0.00
8	Over 1,000 Mcf	0.0	1,534.0	0.00
9	Reservoir & Development	1,101.8	0,073.9	15.32
10	Energy Assistance Plan (EAP)	1,101.8	0,000.0	0.00
11	Gas Cost Adjustment (GCA)	1,101.8	2,266.0	12,100.00
12	Gas Cost Unrecoverable Charge	1,101.8	0,000.0	0.00
13	Total Bill	1,101.8		14,618.52
14	Proposed Rates			
15	Monthly Customer Charge			50.94
16	Accumulated Meter Replacement Program (AMRP)			0.00
17	Administrative Charge			0.00
18	First 50 Mcf	20.0	2,266.0	113.42
19	Next 50 Mcf	0.0	2,266.0	0.00
20	Next 1,000 Mcf	0.0	2,340.0	0.00
21	Over 1,000 Mcf	0.0	2,340.0	0.00
22	Reservoir & Development	1,101.8	0,073.9	15.32
23	Energy Assistance Plan (EAP)	1,101.8	0,000.0	0.00
24	Gas Cost Adjustment (GCA)	1,101.8	2,266.0	12,100.00
25	Gas Cost Unrecoverable Charge	1,101.8	0,000.0	0.00
26	Total Bill	1,101.8		15,077.68
27	Percent Increase - Total			3.15%
28	Percent Increase - Delivery Charges only			32.89%

1) Prior Approved Rates as of 3-1-2016. Commodity cost implied for GDS for illustrative purposes.

Exhibit No. _____
Worksheet: W-9 - Rates
Attachment: W-9-4
Page 4 of 5

Columbia Gas of Kentucky, Inc.
Calculation of Average DS-9L Bill
March 2016

Line No.	Component	Rate \$/Mcf	Rate \$/1000 ft ³	Rate \$/1000 ft ³ Adjusted
1	Prior Approved Rates			
2	Monthly Customer Charge			1,007.00
3	Accumulated Meter Replacement Program (AMRP)			465.00
4	Administrative Charge			55.00
5	First 30,000 Mcf	7,734.2	0,045.0	4,242.36
6	Over 30,000 Mcf	0.0	0,000.0	0.00
7	Reservoir & Development	7,734.2	0,073.9	108.24
8	Energy Assistance Plan (EAP)	7,734.2	0,000.0	0.00
9	Gas Cost Adjustment (GCA)	7,734.2	2,810.0	21,844.07
10	Gas Cost Unrecoverable Charge	7,734.2	0,000.0	0.00
11	Total Bill	7,734.2		27,857.67
12	Proposed Rates			
13	Monthly Customer Charge			1,424.22
14	Accumulated Meter Replacement Program (AMRP)			0.00
15	Administrative Charge			0.00
16	First 30,000 Mcf	7,734.2	0,076.0	6,854.73
17	Over 30,000 Mcf	0.0	0,000.0	0.00
18	Reservoir & Development	7,734.2	0,073.9	108.24
19	Energy Assistance Plan (EAP)	7,734.2	0,000.0	0.00
20	Gas Cost Adjustment (GCA)	7,734.2	2,810.0	21,844.07
21	Gas Cost Unrecoverable Charge	7,734.2	0,000.0	0.00
22	Total Bill	7,734.2		30,111.26
23	Percent Increase - Total			8.80%
24	Percent Increase - Delivery Charges only			45.57%

1) Prior Approved Rates as of 3-1-2016. Commodity cost implied for DS for illustrative purposes.

Exhibit No. _____
Worksheet: W-9 - Rates
Attachment: W-9-4
Page 5 of 5

Columbia Gas of Kentucky, Inc.
Calculation of Average DS-9L Bill
March 2016

Line No.	Component	Rate \$/Mcf	Rate \$/1000 ft ³	Rate \$/1000 ft ³ Adjusted
1	Prior Approved Rates			
2	Monthly Customer Charge			260.00
3	Accumulated Meter Replacement Program (AMRP)			0.00
4	Administrative Charge			0.00
5	All Gas Consumed	18,916.1	0,060.0	1,023.00
6	Reservoir & Development	18,916.1	0,073.9	20.20
7	Energy Assistance Plan (EAP)	18,916.1	0,000.0	0.00
8	Gas Cost Adjustment (GCA)	18,916.1	2,810.0	53,252.28
9	Gas Cost Unrecoverable Charge	18,916.1	0,000.0	0.00
10	Total Bill	18,916.1		54,305.48
11	Proposed Rates			
12	Monthly Customer Charge			265.00
13	Accumulated Meter Replacement Program (AMRP)			0.00
14	Administrative Charge			0.00
15	All Gas Consumed	18,916.1	0,060.0	1,023.00
16	Reservoir & Development	18,916.1	0,073.9	20.20
17	Energy Assistance Plan (EAP)	18,916.1	0,000.0	0.00
18	Gas Cost Adjustment (GCA)	18,916.1	2,810.0	53,252.28
19	Gas Cost Unrecoverable Charge	18,916.1	0,000.0	0.00
20	Total Bill	18,916.1		54,560.48
21	Percent Increase - Total			0.46%
22	Percent Increase - Delivery Charges only			0.80%

1) Prior Approved Rates as of 3-1-2016. Commodity cost implied for DS-9L for illustrative purposes.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

4. Refer to Staff's Second Request, Item 4.
 - a. Refer to Attachment A. Explain why actual capital expenditures for Columbia's Accelerated Main Replacement Program ("AMRP") have consistently exceeded budgeted capital expenditures during the years covered by the attachment, while actual Non-AMRP capital expenditures have consistently fallen short of budgeted amounts during that same timeframe.
 - b. Using Columbia's actual capital expenditures for all months that are available and Columbia's budgeted capital expenditures, including those identified in Columbia's application associated with its Distribution Integrity Management Plan, for all remaining months through the end of the test period, provide the impact on Columbia's requested rate increase. Provide all affected schedules in electronic Excel spreadsheet format, with formulas intact and cells unprotected.

Response:

- a. Please refer to Columbia's Staff 2-4b response. Columbia's Non-AMRP budgeted expenditures are based largely on projected new customer additions and municipal projects. This includes planned expenditures for Growth and Public Improvement work. Those budgets are largely driven by outside forces and necessarily change dependent on factors including customers that decide not to proceed with a project, to municipalities changing or deferring work that affects Columbia's facilities. When the required budget for Non-AMRP projects decreases, Columbia's general practice has been to reallocate those funds to AMRP budget projects.
- b. Please refer to Staff 3-4 Attachment A. The electronic Excel file, filed in this docket as CKY_R_PSCDR3_NUM4_ATT_A_081916.xlsx, is the same as the file provided in Columbia's response to AG 1-1 but with actual information through July 2016 and budgeted information excluding slippage for the months of August 2016 through December 2017. The affected schedules are Schedule A (Financial Summary) and those under Schedule B (Jurisdictional Rate Base Summary for the Base and Forecasted Period).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
OVERALL FINANCIAL SUMMARY
BASE PERIOD: TWELVE MONTHS ENDED AUGUST 31, 2016
FORECASTED TEST PERIOD: TWELVE MONTHS ENDED DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE A
PAGE 1 OF 1
WITNESS: J. T. Croom

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	BASE PERIOD JURISDICTIONAL REVENUE REQUIREMENT	FORECASTED PERIOD JURISDICTIONAL REVENUE REQUIREMENT
1	RATE BASE	B-1	242,714,502	250,883,559
2	ADJUSTED OPERATING INCOME	C-1	14,218,507	6,000,418
3	EARNED RATE OF RETURN (2 / 1)		5.86%	2.39%
4	REQUIRED RATE OF RETURN	J	8.62%	8.41%
5	REQUIRED OPERATING INCOME (1 x 4)	C-1	20,921,990	21,099,307
6	OPERATING INCOME DEFICIENCY (5 - 2)	C-1	6,703,483	15,098,889
7	GROSS REVENUE CONVERSION FACTOR	H	1.65509	1.65509
8	REVENUE DEFICIENCY (6 x 7)		11,094,861	24,990,005
9	REVENUE INCREASE REQUESTED	C-1		24,990,005
10	ADJUSTED OPERATING REVENUES	C-1		92,682,167
11	REVENUE REQUIREMENTS (9 + 10)			<u>117,672,172</u>

SCHEDULE B

JURISDICTIONAL RATE BASE SUMMARY FOR THE BASE AND FORECASTED PERIOD

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2016 - 00162

BASE PERIOD: FOR THE TWELVE MONTHS ENDED AUGUST 31, 2016

FORECASTED TEST PERIOD: FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

SCHEDULE

DESCRIPTION

B-1	RATE BASE SUMMARY
B-2	PLANT IN SERVICE BY MAJOR GROUPING
B-2.1	PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
B-2.2	PROPOSED ADJUSTMENTS TO PLANT IN SERVICE
B-2.3	GROSS ADDITIONS, RETIREMENTS AND TRANSFERS
B-2.4	PROPERTY MERGED OR ACQUIRED
B-2.5	LEASED PROPERTY
B-2.6	PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE
B-2.7	PROPERTY EXCLUDED FROM RATE BASE
B-3	ACCUMULATED DEPRECIATION AND AMORTIZATION
B-3.1	ADJUSTMENTS TO ACCUMULATED DEPRECIATION AND AMORTIZATION
B-4	CONSTRUCTION WORK IN PROGRESS
B-5	ALLOWANCE FOR WORKING CAPITAL
B-5.1	WORKING CAPITAL COMPONENTS
B-5.2	CASH WORKING CAPITAL
B-6	DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
B-7	JURISDICTIONAL PERCENTAGE

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
JURISDICTIONAL RATE BASE SUMMARY
AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE B-1
SHEET 1 OF 2
WITNESS: S. M. KATKO

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	BASE PERIOD
			\$
1	PLANT IN SERVICE	B-2	413,147,046
2	PROPERTY HELD FOR FUTURE USE	B-2.6	0
3	PLANT AQUISITION ADJUSTMENTS	B-2.4	0
4	ACCUMULATED DEPRECIATION AND AMORTIZATION	B-3	<u>(144,486,934)</u>
5	NET PLANT IN SERVICE (1 THRU 4)		268,660,112
6	CASH WORKING CAPITAL ALLOWANCE	B-5.2	4,883,309
7	OTHER WORKING CAPITAL ALLOWANCES	B-5.1	43,834,207
8	DEFERRED INC. TAXES AND INVESTMENT TAX CREDITS	B-6	(74,663,126)
9	OTHER ITEMS		<u>0</u>
10	RATE BASE (5 THROUGH 9)		<u>242,714,502</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
JURISDICTIONAL RATE BASE SUMMARY
AS OF DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE B-1
SHEET 2 OF 2
WITNESS: S. M. KATKO

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	END OF FORECASTED TEST PERIOD \$	13 MONTH AVERAGE FORECASTED PERIOD \$
1	PLANT IN SERVICE	B-2	455,066,635	435,160,689
2	PROPERTY HELD FOR FUTURE USE	B-2.6	0	0
3	PLANT AQUISITION ADJUSTMENTS	B-2.4	0	0
4	ACCUMULATED DEPRECIATION AND AMORTIZATION	B-3	(157,252,420)	(152,037,513)
5	NET PLANT IN SERVICE (1 THRU 4)		297,814,216	283,123,177
6	CASH WORKING CAPITAL ALLOWANCE	B-5.2	5,636,879	5,636,879
7	OTHER WORKING CAPITAL ALLOWANCES (13 MO. AVG)	B-5.1	42,324,080	42,324,080
8	DEFERRED INC. TAXES AND INVESTMENT TAX CREDITS	B-6	(83,475,982)	(80,200,577)
9	OTHER ITEMS		0	0
10	RATE BASE (5 THROUGH 9)		<u>262,299,193</u>	<u>250,883,559</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING
AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE B-2
SHEET 1 OF 2
WITNESS: S. M. KATKO

LINE NO.	MAJOR PROPERTY GROUPINGS	BASE PERIOD	JURISDICTIONAL	BASE PERIOD	JURISDICTIONAL	END OF PERIOD
		TOTAL COMPANY	PERCENT	TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
		\$		\$	\$	\$
1	INTANGIBLES	6,097,080	100.00%	6,097,080	0	6,097,080
2	PRODUCTION	0	100.00%	0	0	0
3	STORAGE AND PROCESSING	0	100.00%	0	0	0
4	TRANSMISSION	0	100.00%	0	0	0
5	DISTRIBUTION	402,582,234	100.00%	402,582,234	0	402,582,234
6	GENERAL	5,244,824	100.00%	5,244,824	0	5,244,824
7	COMMON	0	100.00%	0	0	0
8	OTHER	<u>(777,092)</u>	100.00%	<u>(777,092)</u>	0	<u>(777,092)</u>
9	TOTAL	<u>413,147,046</u>		<u>413,147,046</u>	<u>0</u>	<u>413,147,046</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PLANT IN SERVICE BY MAJOR PROPERTY GROUPING
AS OF DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE B-2
SHEET 2 OF 2

WITNESS: S. M. KATKO

LINE NO.	MAJOR PROPERTY GROUPING	FORECASTED PERIOD	JURISDICTIONAL	FORECASTED PERIOD	ADJUSTMENTS	FORECASTED PERIOD	13 MONTH
		TOTAL COMPANY	PERCENT	TOTAL JURISDICTIONAL	JURISDICTIONAL	ADJUSTED JURISDICTIONAL	AVERAGE
		\$		\$	\$	\$	\$
1	INTANGIBLES	9,792,055	100.00%	9,792,055	0	9,792,055	8,263,224
2	PRODUCTION	0	100.00%	0	0	0	0
3	STORAGE AND PROCESSING	0	100.00%	0	0	0	0
4	TRANSMISSION	0	100.00%	0	0	0	0
5	DISTRIBUTION	439,276,986	100.00%	439,276,986	0	439,276,986	421,752,060
6	GENERAL	6,774,686	100.00%	6,774,686	0	6,774,686	5,922,498
7	COMMON	0	100.00%	0	0	0	0
8	OTHER	<u>(777,092)</u>	100.00%	<u>(777,092)</u>	0	<u>(777,092)</u>	<u>(777,092)</u>
9	TOTAL	<u>455,066,635</u>		<u>455,066,635</u>	<u>0</u>	<u>455,066,635</u>	<u>435,160,689</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF AUGUST 31, 2016

DATA: X BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): WPB-2.1

SCHEDULE B-2.1
SHEET 1 OF 2
WITNESS: S. M. KATKO

LN	ACCT.	ACCOUNT /	BASE PERIOD	JURIS.	JURISDICTIONAL	ADJUSTED
NO.	NO.	SUBACCOUNT TITLES	TOTAL COMPANY	PERCENT	TOTAL	ADJUSTMENTS JURISDICTION
			\$		\$	\$
1		<u>INTANGIBLE PLANT</u>				
2	301.00	ORGANIZATION	521	<u>100%</u>	521	0 521
3	303.00	MISCELLANEOUS INTANGIBLE PLANT	74,348		74,348	0 74,348
4	303.10	MISC INTANGIBLE PLANT-DIS SOFTWARE	0		0	0 0
5	303.20	MISC INTANGIBLE PLANT-FARA SOFTWARE	0		0	0 0
6	303.30	MISC INTANGIBLE PLANT-OTHER SOFTWARE	6,022,211		6,022,211	0 6,022,211
7		TOTAL INTANGIBLE PLANT	6,097,080		6,097,080	0 6,097,080
8		<u>PRODUCTION PLANT - LPG</u>				
9	304.10	LAND	0		0	0 0
10		TOTAL PRODUCTION PLANT - LPG	0		0	0 0
11		<u>DISTRIBUTION PLANT</u>				
12	374.10	LAND-CITY GATE & MAIN LINE IND. M & R	206		206	0 206
13	374.20	LAND-OTHER DISTRIBUTION SYSTEMS	877,756		877,756	0 877,756
14	374.40	LAND RIGHTS-OTHER DISTR SYSTEMS	661,306		661,306	0 661,306
15	374.50	RIGHTS OF WAY	2,697,933		2,697,933	0 2,697,933
16	375.20	STRUC & IMPROV-CITY GATE M & R	2,125		2,125	0 2,125
17	375.30	STRUC & IMPROV-GENERAL M & R	0		0	0 0
18	375.40	STRUC & IMPROV-REGULATING	1,921,438		1,921,438	0 1,921,438
19	375.60	STRUC & IMPROV-DISTR. IND. M & R	0		0	0 0
20	375.70	STRUC & IMPROV-OTHER DISTR. SYSTEMS	8,045,754		8,045,754	0 8,045,754
21	375.71	STRUC & IMPROV-OTHER DISTR SYS-ILP	259,809		259,809	0 259,809
22	375.80	STRUC & IMPROV-COMMUNICATIONS	0		0	0 0
23	376.00	MAINS	209,830,261		209,830,261	0 209,830,261
24	378.10	M & R STATION EQUIP-GENERAL	518,504		518,504	0 518,504
25	378.20	M & R STA EQUIP-GENERAL-REGULATING	9,597,980		9,597,980	0 9,597,980
26	378.30	M & R STA EQUIP-GEN-LOCAL GAS PURCH	45,443		45,443	0 45,443
27	379.10	M & R STA EQUIP-CITY GATE CHECK STA	254,901		254,901	0 254,901
28	380.00	SERVICES	120,631,825		120,631,825	0 120,631,825
29	381.00	METERS	13,641,249		13,641,249	0 13,641,249
30	381.10	METERS - AMI	8,764,800		8,764,800	0 8,764,800
31	382.00	METER INSTALLATIONS	9,109,897		9,109,897	0 9,109,897
32	383.00	HOUSE REGULATORS	5,590,609		5,590,609	0 5,590,609
33	384.00	HOUSE REGULATOR INSTALLATIONS	2,257,522		2,257,522	0 2,257,522
34	385.00	INDUSTRIAL M & R STATION EQUIPMENT	3,175,963		3,175,963	0 3,175,963
35	387.20	OTHER EQUIP-ODORIZATION	0		0	0 0
36	387.41	OTHER EQUIP-TELEPHONE	735,771		735,771	0 735,771
37	387.42	OTHER EQUIPMENT-RADIO	795,187		795,187	0 795,187
38	387.44	OTHER EQUIP-OTHER COMMUNICATION	143,284		143,284	0 143,284
39	387.45	OTHER EQUIP-TELEMETERING	2,909,069		2,909,069	0 2,909,069
40	387.46	OTHER EQUIP-CUST INFO SERVICE	113,644		113,644	0 113,644
41		TOTAL DISTRIBUTION PLANT	402,582,234		402,582,234	0 402,582,234
42		<u>GENERAL PLANT</u>				
43	391.10	OFFICE FURN & EQUIP-UNSPECIFIED	730,377		730,377	0 730,377
44	391.11	OFFICE FURN & EQUIP-DATA HANDLING	18,816		18,816	0 18,816
45	391.12	OFFICE FURN & EQUIP-INFO SYSTEMS	853,483		853,483	0 853,483
46	392.20	TRANS EQUIP-TRAILERS OVER \$1,000	95,778		95,778	0 95,778
47	392.21	TRANS EQUIP-TRAILERS \$1,000 or LESS	24,462		24,462	0 24,462
48	393.00	STORES EQUIPMENT	0		0	0 0
49	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	24,241		24,241	0 24,241
50	394.11	TOOLS,SHOP, & GAR EQ-CNG STATIONARY	0		0	0 0
51	394.13	TOOLS,SHOP, & GAR EQ-CNG PORTABLE	0		0	0 0
52	394.20	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	0		0	0 0
53	394.30	TOOLS,SHOP, & GAR EQ-SHOP EQUIP	3,110,581		3,110,581	0 3,110,581
54	395.00	TOOLS,SHOP, & GAR EQ-TOOLS & OTHER	9,258		9,258	0 9,258
55	396.00	LABORATORY	253,135		253,135	0 253,135
56	398.00	POWER OPERATED EQUIP-GENERAL TOOLS	124,694		124,694	0 124,694
57		TOTAL GENERAL PLANT	5,244,824		5,244,824	0 5,244,824
58		<u>OTHER PLANT</u>				
59	378.21	M & R STA EQUIP REG FMV	(777,092)		(777,092)	0 (777,092)
60		TOTAL PLANT IN SERVICE	<u>413,147,046</u>		<u>413,147,046</u>	<u>0 413,147,046</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DECEMBER 31, 2017

DATA: ___ BASE PERIOD ___ X ___ FORECASTED PERIOD
TYPE OF FILING: ___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WPB-2.1

SCHEDULE B-2.1
SHEET 2 OF 2
WITNESS: S. M. KATKO

LIN NO.	ACCT. NO.	ACCOUNT / SUBACCOUNT TITLES	FORECASTED		JURIS. TOTAL	ADJUSTMENTS	ADJUSTED JURIS.	13 MONTH AVERAGE
			TOTAL COMPANY	PERCENT				
			\$		\$	\$	\$	\$
1		<u>INTANGIBLE PLANT</u>						
2	301.00	ORGANIZATION	521	100%	521	0	521	521
3	303.00	MISCELLANEOUS INTANGIBLE PLANT	74,348		74,348	0	74,348	74,348
4	303.10	MISC INTANGIBLE PLANT-DIS SOFTWARE	0		0	0	0	0
5	303.20	MISC INTANGIBLE PLANT-FARA SOFTWARE	0		0	0	0	0
6	303.30	MISC INTANGIBLE PLANT-OTHER SOFTWARE	9,717,186		9,717,186	0	9,717,186	8,188,355
7		TOTAL INTANGIBLE PLANT	9,792,055		9,792,055	0	9,792,055	8,263,224
8		<u>PRODUCTION PLANT - LPG</u>						
9	304.10	LAND	0		0	0	0	0
10		TOTAL PRODUCTION PLANT - LPG	0		0	0	0	0
11		<u>DISTRIBUTION PLANT</u>						
12	374.10	LAND-CITY GATE & MAIN LINE IND. M & R	206		206	0	206	206
13	374.20	LAND-OTHER DISTRIBUTION SYSTEMS	877,756		877,756	0	877,756	877,756
14	374.40	LAND RIGHTS-OTHER DISTR SYSTEMS	661,306		661,306	0	661,306	661,306
15	374.50	RIGHTS OF WAY	2,750,973		2,750,973	0	2,750,973	2,726,642
16	375.20	STRUC & IMPROV-CITY GATE M & R	2,125		2,125	0	2,125	2,125
17	375.30	STRUC & IMPROV-GENERAL M & R	0		0	0	0	0
18	375.40	STRUC & IMPROV-REGULATING	2,351,830		2,351,830	0	2,351,830	2,205,199
19	375.60	STRUC & IMPROV-DISTR. IND. M & R	0		0	0	0	0
20	375.70	STRUC & IMPROV-OTHER DISTR. SYSTEMS	10,137,950		10,137,950	0	10,137,950	8,721,689
21	375.71	STRUC & IMPROV-OTHER DISTR SYS-ILP	259,809		259,809	0	259,809	259,809
22	375.80	STRUC & IMPROV-COMMUNICATIONS	0		0	0	0	0
23	376.00	MAINS	228,158,045		228,158,045	0	228,158,045	219,567,764
24	378.10	M & R STA EQUIP-GENERAL	518,504		518,504	0	518,504	518,504
25	378.20	M & R STA EQUIP-GENERAL-REGULATING	10,151,124		10,151,124	0	10,151,124	9,929,886
26	378.30	M & R STA EQUIP-GEN-LOCAL GAS PURCH	45,443		45,443	0	45,443	45,443
27	379.10	M & R STA EQUIP-CITY GATE CHECK STA	254,901		254,901	0	254,901	254,901
28	380.00	SERVICES	132,472,185		132,472,185	0	132,472,185	126,907,586
29	381.00	METERS	14,249,009		14,249,009	0	14,249,009	13,929,424
30	381.10	METERS - AMI	8,855,612		8,855,612	0	8,855,612	8,824,212
31	382.00	METER INSTALLATIONS	9,634,193		9,634,193	0	9,634,193	9,439,600
32	383.00	HOUSE REGULATORS	5,856,121		5,856,121	0	5,856,121	5,757,998
33	384.00	HOUSE REGULATOR INSTALLATIONS	2,257,522		2,257,522	0	2,257,522	2,257,522
34	385.00	INDUSTRIAL M & R STATION EQUIPMENT	3,505,583		3,505,583	0	3,505,583	3,358,953
35	387.20	OTHER EQUIP-ODORIZATOR	0		0	0	0	0
36	387.41	OTHER EQUIP-TELEPHONE	735,771		735,771	0	735,771	735,771
37	387.42	OTHER EQUIPMENT-RADIO	795,187		795,187	0	795,187	795,187
38	387.44	OTHER EQUIP-OTHER COMMUNICATION	143,284		143,284	0	143,284	143,284
39	387.45	OTHER EQUIP-TELEMETERING	4,488,905		4,488,905	0	4,488,905	3,717,651
40	387.46	OTHER EQUIP-CUST INFO SERVICE	113,644		113,644	0	113,644	113,644
41		TOTAL DISTRIBUTION PLANT	439,276,986		439,276,986	0	439,276,986	421,752,060
42		<u>GENERAL PLANT</u>						
43	391.10	OFFICE FURN & EQUIP-UNSPECIFIED	848,031		848,031	0	848,031	734,181
44	391.11	OFFICE FURN & EQUIP-DATA HANDLING	18,816		18,816	0	18,816	18,816
45	391.12	OFFICE FURN & EQUIP-INFO SYSTEMS	1,407,883		1,407,883	0	1,407,883	1,237,299
46	392.20	TRANS EQUIP-TRAILERS OVER \$1,000	95,778		95,778	0	95,778	95,778
47	392.21	TRANS EQUIP-TRAILERS \$1,000 or LESS	24,462		24,462	0	24,462	24,462
48	393.00	STORES EQUIPMENT	0		0	0	0	0
49	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	24,241		24,241	0	24,241	24,241
50	394.11	TOOLS,SHOP, & GAR EQ-CNG STATIONARY	0		0	0	0	0
51	394.13	TOOLS,SHOP, & GAR EQ-CNG PORTABLE	0		0	0	0	0
52	394.20	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	0		0	0	0	0
53	394.30	TOOLS,SHOP, & GAR EQ-SHOP EQUIP	3,780,921		3,780,921	0	3,780,921	3,241,398
54	395.00	TOOLS,SHOP, & GAR EQ-TOOLS & OTHER	9,258		9,258	0	9,258	9,258
55	396.00	LABORATORY	253,135		253,135	0	253,135	253,135
56	398.00	POWER OPERATED EQUIP-GENERAL TOOLS	312,162		312,162	0	312,162	283,931
57		TOTAL GENERAL PLANT	6,774,686		6,774,686	0	6,774,686	5,922,498
58		<u>OTHER PLANT</u>						
59	378.21	M & R STA EQUIP REG FMV	(777,092)		(777,092)	0	(777,092)	(777,092)
60		TOTAL PLANT IN SERVICE	<u>455,066,635</u>		<u>455,066,635</u>	<u>0</u>	<u>455,066,635</u>	<u>435,160,689</u>

COLUMBIA GAS OF KENTUCKY, INC.
 CASE NO. 2016 - 00162
 PLANT IN SERVICE BY GAS PLANT ACCOUNT
 BASE PERIOD 09/30/2015 TO 08/31/2016

WPB-2.1
 SHEET 1 OF 4
 WITNESS: S. M. KATKO

DATA: X BASE PERIOD FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED REVISED

LINE NO.	ACCT. NO.	09/30/2015	10/31/2015	11/30/2015	12/31/2015	01/31/2016	02/29/2016	03/31/2016	04/30/2016	05/31/2016	06/30/2016	07/31/2016	08/31/2016
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	301.00	521	521	521	521	521	521	521	521	521	521	521	521
2	303.00	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348
3	303.10	0	0	0	0	0	0	0	0	0	0	0	0
4	303.20	0	0	0	0	0	0	0	0	0	0	0	0
5	303.30	5,174,690	5,181,924	5,188,933	5,266,272	5,268,409	5,301,761	5,353,893	5,448,872	5,611,138	5,720,873	5,820,092	6,022,211
6	INTANGIBLE	5,249,559	5,256,792	5,263,802	5,341,141	5,343,278	5,376,630	5,428,762	5,523,741	5,686,007	5,795,742	5,894,961	6,097,080
7	304.10	0	0	0	0	0	0	0	0	0	0	0	0
8	PRODUCTION	0	0	0	0	0	0	0	0	0	0	0	0
9	374.10	206	206	206	206	206	206	206	206	206	206	206	206
10	374.20	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756
11	374.40	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306
12	374.50	2,666,575	2,666,575	2,666,575	2,666,576	2,666,576	2,666,576	2,666,712	2,689,701	2,689,953	2,691,007	2,696,473	2,697,933
13	375.20	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125
14	375.30	0	0	0	0	0	0	0	0	0	0	0	0
15	375.40	1,845,331	1,849,829	1,849,830	1,866,689	1,866,689	1,871,441	1,871,604	1,871,767	1,871,897	1,875,520	1,877,190	1,921,438
16	375.60	0	0	0	0	0	0	0	0	0	0	0	0
17	375.70	7,416,801	7,416,801	7,416,802	7,969,800	7,980,989	7,980,989	7,980,989	7,980,989	7,980,989	7,993,345	8,134,694	8,045,754
18	375.71	256,845	256,845	256,845	259,809	259,809	259,809	259,809	259,809	259,809	259,809	286,166	259,809
19	375.80	0	0	0	0	0	0	0	0	0	0	0	0
20	376.00	193,637,671	194,304,028	196,359,597	198,409,232	199,917,669	200,467,453	202,128,849	204,712,194	206,595,337	207,999,898	213,059,163	209,830,261
21	378.10	513,596	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504
22	378.20	8,312,662	8,358,118	9,303,591	9,428,604	9,527,217	9,495,354	9,507,449	9,528,599	9,526,628	9,538,712	9,554,300	9,597,980
23	378.30	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443
24	379.10	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901
25	380.00	113,118,049	113,873,940	114,613,930	115,258,005	115,734,653	116,344,344	116,993,807	117,779,145	118,483,450	119,374,131	119,897,242	120,631,825

COLUMBIA GAS OF KENTUCKY, INC.
 CASE NO. 2016 - 00162
 PLANT IN SERVICE BY GAS PLANT ACCOUNT
 BASE PERIOD 09/30/2015 TO 08/31/2016

WPB-2.1
 SHEET 2 OF 4
 WITNESS: S. M. KATKO

DATA: X_ BASE PERIOD FORECASTED PERIOD
 TYPE OF FILING: X_ ORIGINAL UPDATED REVISED

LINE NO.	ACCT. NO.	09/30/2015	10/31/2015	11/30/2015	12/31/2015	01/31/2016	02/29/2016	03/31/2016	04/30/2016	05/31/2016	06/30/2016	07/31/2016	08/31/2016
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	13,204,305	13,245,723	13,177,602	13,270,915	13,317,385	13,358,441	13,437,029	13,497,096	13,548,682	13,615,779	13,621,084	13,641,249
2	381.10	8,607,905	8,607,905	8,607,871	8,705,079	8,705,079	8,705,079	8,705,985	8,754,021	8,754,899	8,755,468	8,761,997	8,764,800
3	382.00	8,649,024	8,666,787	8,681,694	8,991,831	8,996,004	9,009,271	9,019,187	9,033,559	9,045,894	9,058,152	9,061,200	9,109,897
4	383.00	5,435,534	5,468,863	5,477,371	5,504,717	5,509,636	5,526,145	5,536,735	5,546,038	5,557,042	5,565,297	5,581,519	5,590,609
5	384.00	2,255,592	2,255,592	2,255,592	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522
6	385.00	3,058,989	3,057,596	3,057,594	3,047,363	3,046,795	3,049,398	3,074,245	3,098,094	3,132,433	3,144,090	3,217,276	3,175,963
7	387.20	0	0	0	0	0	0	0	0	0	0	0	0
8	387.41	735,336	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771
9	387.42	796,185	796,603	796,603	795,187	795,187	795,187	795,187	795,187	795,187	795,187	795,187	795,187
10	387.44	135,927	135,927	135,927	133,590	133,590	133,590	133,590	133,590	133,590	143,284	143,284	143,284
11	387.45	2,493,380	2,481,880	2,482,491	2,682,977	2,744,867	2,744,231	2,756,219	2,764,386	2,838,053	2,838,053	2,824,086	2,909,069
12	387.46	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644
13	DISTRIBUTION	375,095,087	376,652,669	380,349,570	384,457,553	386,669,321	387,874,484	390,334,572	393,911,351	396,681,019	399,114,908	404,978,037	402,582,234
14	391.10	223,185	223,185	223,185	713,481	713,481	713,481	733,454	733,509	733,558	734,548	734,601	730,377
15	391.11	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816
16	391.12	612,195	612,195	612,195	668,138	853,483	853,483	853,483	853,483	853,483	853,483	853,483	853,483
17	392.20	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778
18	392.21	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462
19	393.00	0	0	0	0	0	0	0	0	0	0	0	0
20	394.10	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241
21	394.11	0	0	0	0	0	0	0	0	0	0	0	0
22	394.13	0	0	0	0	0	0	0	0	0	0	0	0
23	394.20	0	0	0	0	0	0	0	0	0	0	0	0
24	394.30	2,932,960	2,933,915	2,918,228	2,921,176	2,921,176	2,910,614	2,956,323	2,986,817	3,008,263	3,037,387	3,112,446	3,110,581
25	395.00	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258
26	396.00	258,255	258,255	258,255	258,255	258,255	253,135	253,135	253,135	253,135	253,135	253,135	253,135
27	398.00	104,079	104,079	91,077	91,077	91,077	91,077	91,077	91,077	91,077	91,077	91,077	124,694
28	GENERAL	4,303,227	4,304,183	4,275,493	4,824,681	5,010,026	4,994,344	5,060,026	5,090,575	5,112,070	5,142,184	5,217,296	5,244,824
29	TOTAL	384,647,874	386,213,644	389,888,865	394,623,374	397,022,625	398,245,458	400,823,360	404,525,667	407,479,096	410,052,834	416,090,294	413,924,138
30	378.21	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)
31	OTHER	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)
32	TOTAL	383,870,782	385,436,552	389,111,773	393,846,282	396,245,533	397,468,366	400,046,268	403,748,575	406,702,004	409,275,742	415,313,202	413,147,046

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PLANT IN SERVICE BY GAS PLANT ACCOUNT
FORECASTED TEST PERIOD 12/31/2016 to 12/31/2017

DATA: ___ BASE PERIOD ___X___ FORECASTED PERIOD
TYPE OF FILING: ___X___ ORIGINAL ___ UPDATED ___ REVISED

WPB-2.1
SHEET 3 OF 4
WITNESS: S. M. KATKO

LINE ACCT.															13 MONTH
NO.	NO.	12/31/2016	01/31/2017	02/28/2017	03/31/2017	04/30/2017	05/31/2017	06/30/2017	07/31/2017	08/31/2017	09/30/2017	10/31/2017	11/30/2017	12/31/2017	AVERAGE
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	301.00	521	521	521	521	521	521	521	521	521	521	521	521	521	521
2	303.00	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348	74,348
3	303.10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	303.20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	303.30	6,830,686	6,830,686	6,830,686	6,830,686	7,018,586	7,018,586	7,018,586	9,670,586	9,670,586	9,670,586	9,670,586	9,670,586	9,717,186	8,188,355
6	INTANGIBLE	6,905,555	6,905,555	6,905,555	6,905,555	7,093,455	7,093,455	7,093,455	9,745,455	9,745,455	9,745,455	9,745,455	9,745,455	9,792,055	8,263,224
7	304.10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	PRODUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9															
10	374.10	206	206	206	206	206	206	206	206	206	206	206	206	206	206
11	374.20	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756	877,756
12	374.40	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306	661,306
13	374.50	2,703,773	2,705,873	2,709,573	2,712,673	2,717,773	2,721,973	2,726,173	2,731,073	2,734,773	2,739,573	2,744,373	2,747,773	2,750,973	2,726,642
14	375.20	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125	2,125
15	375.30	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	375.40	2,098,430	2,108,930	2,119,430	2,129,430	2,145,330	2,163,430	2,185,530	2,209,130	2,241,230	2,274,930	2,309,130	2,330,830	2,351,830	2,205,199
17	375.60	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	375.70	8,255,550	8,298,050	8,340,550	8,383,050	8,425,550	8,468,050	8,510,550	8,553,050	8,595,550	8,638,050	8,680,550	10,095,450	10,137,950	8,721,689
19	375.71	259,809	259,809	259,809	259,809	259,809	259,809	259,809	259,809	259,809	259,809	259,809	259,809	259,809	259,809
20	375.80	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	376.00	213,379,005	213,870,725	214,363,445	214,934,165	215,804,785	216,878,305	218,450,525	219,871,345	222,026,665	223,834,385	225,744,205	227,065,325	228,158,045	219,567,764
22	378.10	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504	518,504
23	378.20	9,783,924	9,798,624	9,808,624	9,819,524	9,836,424	9,860,324	9,892,224	9,924,824	9,978,024	10,031,124	10,085,324	10,118,424	10,151,124	9,929,886
24	378.30	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443	45,443
25	379.10	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901	254,901
26	380.00	123,059,033	123,450,479	123,769,225	124,095,971	124,596,217	125,236,063	126,053,209	126,902,855	128,188,401	129,494,447	130,825,393	131,655,139	132,472,185	126,907,586

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PLANT IN SERVICE BY GAS PLANT ACCOUNT
FORECASTED TEST PERIOD 12/31/2016 to 12/31/2017

WPB-2.1
SHEET 4 OF 4
WITNESS: S. M. KATKO

DATA: ___ BASE PERIOD ___ X ___ FORECASTED PERIOD
TYPE OF FILING: ___ X ___ ORIGINAL ___ UPDATED ___ REVISED

LINE ACCT.																13 MONTH
NO.	NO.	12/31/2016	01/31/2017	02/28/2017	03/31/2017	04/30/2017	05/31/2017	06/30/2017	07/31/2017	08/31/2017	09/30/2017	10/31/2017	11/30/2017	12/31/2017	AVERAGE	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1	381.00	13,721,909	13,742,909	13,756,109	13,771,009	13,793,809	13,827,609	13,873,309	13,919,709	13,997,509	14,074,709	14,153,509	14,201,409	14,249,009	13,929,424	
2	381.10	8,776,012	8,799,312	8,804,012	8,808,712	8,813,412	8,822,712	8,827,412	8,832,112	8,836,812	8,841,512	8,846,212	8,850,912	8,855,612	8,824,212	
3	382.00	9,287,593	9,302,193	9,320,093	9,336,193	9,362,193	9,388,593	9,418,993	9,452,393	9,491,793	9,534,993	9,578,593	9,606,993	9,634,193	9,439,600	
4	383.00	5,666,421	5,674,821	5,689,621	5,701,821	5,722,021	5,738,721	5,755,521	5,775,321	5,790,521	5,810,121	5,829,521	5,843,421	5,856,121	5,757,998	
5	384.00	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	2,257,522	
6	385.00	3,252,183	3,262,683	3,273,183	3,283,183	3,299,083	3,317,183	3,339,283	3,362,883	3,394,983	3,428,683	3,462,883	3,484,583	3,505,583	3,358,953	
7	387.20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	387.41	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	735,771	
9	387.42	795,187	795,187	795,187	795,187	795,187	795,187	795,187	795,187	795,187	795,187	795,187	795,187	795,187	795,187	
10	387.44	143,284	143,284	143,284	143,284	143,284	143,284	143,284	143,284	143,284	143,284	143,284	143,284	143,284	143,284	
11	387.45	3,265,505	3,247,905	3,230,305	3,303,605	3,376,905	3,518,405	3,625,905	3,747,005	3,888,505	4,064,205	4,205,705	4,366,605	4,488,905	3,717,651	
12	387.46	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	113,644	
13	DISTRIBUTION	409,914,794	410,927,960	411,849,626	412,944,792	414,558,958	416,606,824	419,324,090	421,947,156	425,830,222	429,432,188	433,130,854	437,032,320	439,276,986	421,752,060	
14	391.10	713,481	713,481	713,481	713,481	713,481	713,481	713,481	713,481	713,481	713,481	713,481	848,031	848,031	734,181	
15	391.11	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	18,816	
16	391.12	853,483	853,483	853,483	853,483	1,407,883	1,407,883	1,407,883	1,407,883	1,407,883	1,407,883	1,407,883	1,407,883	1,407,883	1,237,299	
17	392.20	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	95,778	
18	392.21	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	24,462	
19	393.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	394.10	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	24,241	
21	394.11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	394.13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	394.20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	394.30	3,103,121	3,094,521	3,085,921	3,087,321	3,088,721	3,123,721	3,141,921	3,166,921	3,201,921	3,253,721	3,288,721	3,720,721	3,780,921	3,241,398	
25	395.00	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	9,258	
26	396.00	253,135	253,135	253,135	253,135	253,135	253,135	253,135	253,135	253,135	253,135	253,135	253,135	253,135	253,135	
27	398.00	259,162	263,162	267,162	271,162	275,162	279,162	283,162	287,162	291,162	295,162	299,162	308,162	312,162	283,931	
28	GENERAL	5,354,936	5,350,336	5,345,736	5,351,136	5,910,936	5,949,936	5,972,136	6,001,136	6,040,136	6,095,936	6,134,936	6,710,486	6,774,686	5,922,498	
29	378.21	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	
30	OTHER	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	(777,092)	
30	TOTAL	421,398,193	422,406,759	423,323,825	424,424,391	426,786,257	428,873,123	431,612,589	436,916,655	440,838,721	444,496,487	448,234,153	452,711,169	455,066,635	435,160,689	

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 1 OF 45
WITNESS: S. M. KATKO

Line No.	Month	Gas Plant in Service				Reserve for Depreciation & Amortization				
		Plant Beginning Balance	Additions	Retirements	Plant Ending Balance	Reserve Beginning Balance	Depreciation Accrual	Retirements	Cost of Removal	Reserve Ending Balance
		(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)	(7)	(8)	(9= 5+6-7+8)
1	February 2016				397,468,366					142,470,379
2	March 2016	397,468,366	2,922,324	(344,422)	400,046,268	142,470,379	726,857	344,422	(78,658)	142,774,156
3	April 2016	400,046,268	4,194,215	(491,908)	403,748,575	142,774,156	743,715	491,908	(106,857)	142,919,106
4	May 2016	403,748,575	3,334,044	(380,615)	406,702,004	142,919,106	750,849	380,615	(86,922)	143,202,418
5	June 2016	406,702,004	2,909,740	(336,002)	409,275,742	143,202,418	757,383	336,002	(89,808)	143,533,991
6	July 2016	409,275,742	2,041,602	(233,085)	411,084,259	143,533,991	762,670	233,085	(63,961)	143,999,616
7	August 2016	411,084,259	2,316,514	(253,727)	413,147,046	143,999,616	768,287	253,727	(61,002)	144,453,174
8	September 2016	413,147,046	2,316,514	(253,727)	415,209,833	144,453,174	773,126	253,727	(61,002)	144,911,570
9	October 2016	415,209,833	2,316,514	(253,727)	417,272,620	144,911,570	777,966	253,727	(61,002)	145,374,807
10	November 2016	417,272,620	2,316,514	(253,727)	419,335,407	145,374,807	784,587	253,727	(61,002)	145,844,666
11	December 2016	419,335,407	2,316,513	(253,727)	421,398,193	145,844,666	791,146	253,727	(61,002)	146,321,082
12	January 2017	421,398,193	1,146,066	(137,500)	422,406,759	146,321,082	1,262,041	137,500	(37,300)	147,408,324
13	February 2017	422,406,759	1,042,066	(125,000)	423,323,825	147,408,324	1,262,191	125,000	(32,300)	148,513,215
14	March 2017	423,323,825	1,250,666	(150,100)	424,424,391	148,513,215	1,264,992	150,100	(34,500)	149,593,607
15	April 2017	424,424,391	2,658,266	(296,400)	426,786,257	149,593,607	1,274,942	296,400	(52,600)	150,519,549
16	May 2017	426,786,257	2,371,766	(284,900)	428,873,123	150,519,549	1,286,305	284,900	(66,400)	151,454,554
17	June 2017	428,873,123	3,112,866	(373,400)	431,612,589	151,454,554	1,292,442	373,400	(88,900)	152,284,696
18	July 2017	431,612,589	5,665,666	(361,600)	436,916,655	152,284,696	1,321,362	361,600	(88,000)	153,156,458
19	August 2017	436,916,655	4,456,966	(534,900)	440,838,721	153,156,458	1,352,544	534,900	(133,200)	153,840,902
20	September 2017	440,838,721	4,156,566	(498,800)	444,496,487	153,840,902	1,363,298	498,800	(127,500)	154,577,899
21	October 2017	444,496,487	4,247,666	(510,000)	448,234,153	154,577,899	1,373,502	510,000	(131,300)	155,310,101
22	November 2017	448,234,153	4,830,816	(353,800)	452,711,169	155,310,101	1,383,057	353,800	(84,500)	156,254,858
23	December 2017	452,711,169	2,670,366	(314,900)	455,066,635	156,254,858	1,391,462	314,900	(79,000)	157,252,420
24	13 Month Average December 31, 2017				435,160,689					152,037,513
25	Forecasted Test Period TME December 31, 2017 Depreciation Expense						15,828,137			

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 2 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 3 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 4 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 5 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 6 OF 45
WITNESS: S. M. KATKO

Line No.	Acct. No.	Description	Gas Plant in Service				Reserve for Depreciation & Amortization					
			Plant Balance 04/30/2016	Additions	Retirements	Balance as of 05/31/2016	Reserve Beginning Balance 04/30/2016	Depreciation Accrual Rates	Depreciation Accrual	Retirements	Cost of Removal	Balance as of 05/31/2016
			(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)	(7)=((1+4)/2*6/12)	(8)	(9)	(10)=(5+7-8+9)
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1		<u>ACCOUNT 101/106 GAS PLANT IN SERVICE</u>										
2		<u>INTANGIBLE PLANT</u>										
3	301.00	Organization	521	0	0	521	0	Amort.	0	0	0	0
4	303.00	Miscellaneous Intangible Plant	74,348	0	0	74,348	46,212	Amort.	207	0	0	46,419
5	303.10	Misc Intangible Plant-Dis Software	0	0	0	0	0	Amort.	0	0	0	0
6	303.20	Misc Intangible Plant-Fara Software	0	0	0	0	0	Amort.	0	0	0	0
7	303.30	Misc Intangible Plant-Other Software	<u>5,448,872</u>	<u>162,266</u>	<u>0</u>	<u>5,611,138</u>	<u>2,283,055</u>	Amort.	<u>69,139</u>	<u>0</u>	<u>0</u>	<u>2,352,194</u>
8		Total Intangible Plant	5,523,741	162,266	0	5,686,007	2,329,267		69,346	0	0	2,398,613
9		<u>PRODUCTION PLANT - LPG</u>										
10	304.10	Land	0	0	0	0	0	Non-Dep.	0	0	0	0
11		Total Production Plant	0	0	0	0	0		0	0	0	0
12		<u>DISTRIBUTION PLANT</u>										
13	374.10	Land-City Gate & Main Line Ind. M & R	206	0	0	206	0	Non-Dep.	0	0	0	0
14	374.20	Land-Other Distribution Systems	877,756	0	0	877,756	(523)	Non-Dep.	0	0	0	(523)
15	374.40	Land Rights-Other Distr Systems	661,306	0	0	661,306	172,139	1.53%	843	0	0	172,982
16	374.50	Rights Of Way	2,689,701	286	(34)	2,689,953	908,811	1.22%	2,735	34	0	911,512
17	375.20	Struc & Improv-City Gate M & R	2,125	0	0	2,125	2,003	1.96%	3	0	0	2,006
18	375.30	Struc & Improv-General M & R	0	0	0	0	(78)	1.96%	0	0	0	(78)
19	375.40	Struc & Improv-Regulating	1,871,767	148	(18)	1,871,897	492,532	1.96%	3,057	18	(2)	495,569
20	375.60	Struc & Improv-Distr. Ind. M & R	0	0	0	0	0	1.96%	0	0	0	0
21	375.70	Struc & Improv-Other Distr. Systems	7,980,989	0	0	7,980,989	3,246,537	1.99%	13,235	0	0	3,259,772
22	375.71	Struc & Improv-Other Distr Sys-Ilp	259,809	0	0	259,809	160,663	Amort.	2,754	0	0	163,417
23	375.80	Struc & Improv-Communications	0	0	0	0	0	5.32%	0	0	0	0
24	376.00	Mains:										
		Cast Iron										
		Bare Steel										
		Coated Steel										
		Plastic										
		All Mains Activity	204,712,194	2,139,935	(256,792)	206,595,337	56,619,491	1.57%	269,064	256,792	(38,519)	56,593,244
25	378.10	M & R Station Equip-General	518,504	0	0	518,504	355,342	2.35%	1,015	0	0	356,357
26	378.20	M & R Sta Equip-General-Regulating	9,528,599	(2,240)	269	9,526,628	3,254,335	2.35%	18,658	(269)	13	3,273,275
27	378.30	M & R Sta Equip-Gen-Local Gas Purch	45,443	0	0	45,443	35,166	2.35%	89	0	0	35,255
28	379.10	M & R Sta Equip-City Gate Check Sta	254,901	0	0	254,901	267,731	2.27%	0	0	0	267,731
29	380.00	Services	117,779,145	800,347	(96,042)	118,483,450	57,787,650	2.59%	254,967	96,042	(48,021)	57,898,554

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 7 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve for Depreciation & Amortization (Balance, Accrual, Depreciation, Retirements, Cost of Removal), and Balance as of 05/31/2016. Includes sub-sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 8 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 9 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Beginning Balance, Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal), and Balance as of 06/30/2016. Includes sub-sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 10 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 11 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve for Depreciation & Amortization (Balance, Accrual, Depreciation, Retirements, Cost of Removal), and Balance as of 07/31/2016. Includes sub-sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 12 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 13 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 14 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 15 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 16 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal), and Balance as of 10/31/2016. Rows include categories like ACCOUNT 101/106 GAS PLANT IN SERVICE, PRODUCTION PLANT - LPG, and DISTRIBUTION PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 17 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation, Retirements, Cost of Removal), and Balance as of 10/31/2016. Includes sub-sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 18 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of 11/30/2016), Reserve (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of 11/30/2016). Rows include ACCOUNT 101/106 GAS PLANT IN SERVICE, INTANGIBLE PLANT, PRODUCTION PLANT - LPG, and DISTRIBUTION PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 19 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation, Retirements), Cost of Removal, and Balance as of 11/30/2016. Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 20 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include categories like ACCOUNT 101/106 GAS PLANT IN SERVICE, PRODUCTION PLANT - LPG, and DISTRIBUTION PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 21 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve for Depreciation & Amortization (Balance, Accrual, Depreciation, Retirements, Cost of Removal), and Balance as of 12/31/2016. Includes sub-sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 22 OF 45
WITNESS: S. M. KATKO

Line No.	Acct. No.	Description	Gas Plant in Service				Reserve for Depreciation & Amortization				
			Plant Beginning Balance 12/31/2016 (1)	Additions (2)	Retirements (3)	Balance as of 01/31/2017 (4)=(1+2+3)	Reserve Beginning Balance 12/31/2016 (5)	Depreciation Accrual Rates (6)	Depreciation Accrual (7)=((1+4)/2*6/12)	Retirements (8)	Cost of Removal (9)
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1		<u>ACCOUNT 101/106 GAS PLANT IN SERVICE</u>									
2		<u>INTANGIBLE PLANT</u>									
3	301.00	Organization	521	0	0	521	0	Amort.	0	0	0
4	303.00	Miscellaneous Intangible Plant	74,348	0	0	74,348	47,865	Amort.	207	0	48,071
5	303.10	Misc Intangible Plant-Dis Software	0	0	0	0	0	Amort.	0	0	0
6	303.20	Misc Intangible Plant-Fara Software	0	0	0	0	0	Amort.	0	0	0
7	303.30	Misc Intangible Plant-Other Software	<u>6,830,686</u>	<u>0</u>	<u>0</u>	<u>6,830,686</u>	<u>2,896,198</u>	Amort.	<u>84,501</u>	<u>0</u>	<u>2,980,700</u>
8		Total Intangible Plant	6,905,555	0	0	6,905,555	2,944,063		84,708	0	3,028,771
9		<u>PRODUCTION PLANT - LPG</u>									
10	304.10	Land	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	Non-Dep.	<u>0</u>	<u>0</u>	<u>0</u>
11		Total Production Plant	0	0	0	0	0		0	0	0
12		<u>DISTRIBUTION PLANT</u>									
13	374.10	Land-City Gate & Main Line Ind. M & R	206	0	0	206	0	Non-Dep.	0	0	0
14	374.20	Land-Other Distribution Systems	877,756	0	0	877,756	(523)	Non-Dep.	0	0	(523)
15	374.40	Land Rights-Other Distr Systems	661,306	0	0	661,306	178,883	1.74%	959	0	179,842
16	374.50	Rights Of Way	2,703,773	2,400	(300)	2,705,873	928,828	1.29%	2,908	300	931,436
17	375.20	Struc & Improv-City Gate M & R	2,125	0	0	2,125	2,027	3.18%	6	0	2,033
18	375.30	Struc & Improv-General M & R	0	0	0	0	(78)	3.18%	0	0	(78)
19	375.40	Struc & Improv-Regulating	2,098,430	11,900	(1,400)	2,108,930	483,948	3.18%	5,575	1,400	(100)
20	375.60	Struc & Improv-Distr. Ind. M & R	0	0	0	0	0	3.18%	0	0	0
21	375.70	Struc & Improv-Other Distr. Systems	8,255,550	48,300	(5,800)	8,298,050	3,316,198	2.13%	14,691	5,800	3,325,089
22	375.71	Struc & Improv-Other Distr Sys-llp	259,809	0	0	259,809	182,696	Amort.	2,754	0	185,450
23	375.80	Struc & Improv-Communications	0	0	0	0	0	0.00%	0	0	0
24	376.00	Mains:									
		Cast Iron									
		Bare Steel									
		Coated Steel									
		Plastic									
		All Mains Activity	213,379,005	558,720	(67,000)	213,870,725	57,454,750	2.30%	409,448	67,000	(10,100)
25	378.10	M & R Station Equip-General	518,504	0	0	518,504	363,462	3.32%	1,435	0	364,897
26	378.20	M & R Sta Equip-General-Regulating	9,783,924	16,700	(2,000)	9,798,624	3,368,460	3.32%	27,089	2,000	(100)
27	378.30	M & R Sta Equip-Gen-Local Gas Purch	45,443	0	0	45,443	35,878	3.32%	126	0	36,004
28	379.10	M & R Sta Equip-City Gate Check Sta	254,901	0	0	254,901	267,731	0.60%	0	0	267,731
29	380.00	Services	123,059,033	444,846	(53,400)	123,450,479	58,789,319	5.10%	523,833	53,400	(26,700)

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 23 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal), and Balance as of 01/31/2017. Includes sub-sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 24 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 25 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 26 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 27 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 28 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal), and Balance as of 04/30/2017. Rows include ACCOUNT 101/106 GAS PLANT IN SERVICE, INTANGIBLE PLANT, PRODUCTION PLANT - LPG, and DISTRIBUTION PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 29 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Balance as of 04/30/2017. Includes sub-sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 30 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 31 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 32 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 33 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 34 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 35 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 36 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 37 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation, Retirements, Cost of Removal), and Balance as of 08/31/2017. Includes sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 38 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 39 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal), Balance as of 09/30/2017. Includes sub-sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 40 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 41 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 42 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Depreciation Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 43 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal), Balance as of 11/30/2017. Includes sub-sections for DISTRIBUTION PLANT, GENERAL PLANT, and OTHER PLANT.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 44 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Beginning Balance, Additions, Retirements, Balance as of), Reserve for Depreciation & Amortization (Beginning Balance, Accrual Rates, Depreciation Accrual, Retirements, Cost of Removal, Balance as of).

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DETAIL OF FORECASTED PLANT, ACCUMULATED RESERVE & DEPRECIATION EXPENSE
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2
SHEET 45 OF 45
WITNESS: S. M. KATKO

Table with columns: Line No., Acct. No., Description, Gas Plant in Service (Balance, Additions, Retirements), Reserve (Balance, Accrual, Depreciation), and Reserve for Depreciation & Amortization (Depreciation, Retirements, Cost of Removal). Rows include Distribution Plant, General Plant, and Other Plant categories.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
AMORTIZATION OF UTILITY PLANT DETAIL
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2a
SHEET 2 OF 4
WITNESS: S. M. KATKO

Line	Gas Plant	Plant	Initial	Remaining	Reserve	3/31/2016	4/30/2016	5/31/2016	6/30/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	12/31/2016	
No.	Account	Balance	Life	Post Life as of	Balance	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1	March Additions	303.30	52,132	60.0		434	869	869	869	869	869	869	869	869	869	
2	April Additions	303.30	94,979	60.0			791	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	
3	May Additions	303.30	162,266	60.0				1,352	2,704	2,704	2,704	2,704	2,704	2,704	2,704	
4	June Additions	303.30	109,735	60.0					914	1,829	1,829	1,829	1,829	1,829	1,829	
5	July Additions	303.30	99,219	60.0						827	1,654	1,654	1,654	1,654	1,654	
6	August Additions	303.30	202,119	60.0							1,684	3,369	3,369	3,369	3,369	
7	September Additions	303.30	202,119	60.0								1,684	3,369	3,369	3,369	
8	October Additions	303.30	202,119	60.0									1,684	3,369	3,369	
9	November Additions	303.30	202,119	60.0										1,684	3,369	
10	December Additions	303.30	202,118	60.0											1,684	
11	Subtotal					2,150,291	65,769	66,995	69,139	71,405	73,147	75,658	77,247	78,835	82,204	85,508
12	Total Intangible Plant					2,196,091	65,976	67,202	69,346	71,612	73,354	75,865	77,453	79,042	82,411	85,714

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
AMORTIZATION OF UTILITY PLANT DETAIL
FROM FEBRUARY 29, 2016 THROUGH DECEMBER 31, 2017

DATA: X BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

WPB-2.2a
SHEET 4 OF 4
WITNESS: S. M. KATKO

Line	Gas Plant	Plant	Initial	Remaining	1/31/2017	2/28/2017	3/31/2017	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017
No.	Account	Balance	Life	Post Life as of	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	March Additions	303.30	52,132	60.0		869	869	869	869	869	869	869	869	869	869	869
2	April Additions	303.30	94,979	60.0	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583	1,583
3	May Additions	303.30	162,266	60.0	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704	2,704
4	June Additions	303.30	109,735	60.0	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829
5	July Additions	303.30	99,219	60.0	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654	1,654
6	August Additions	303.30	202,119	60.0	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369
7	September Additions	303.30	202,119	60.0	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369
8	October Additions	303.30	202,119	60.0	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369
9	November Additions	303.30	202,119	60.0	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369
10	December Additions	303.30	202,118	60.0	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369	3,369
11	Planning and Budgeting Solution-Apr. 2017	303.30	187,860	60.0				1,566	3,131	3,131	3,131	3,131	3,131	3,131	3,131	3,131
12	Budgeted Items/Projects TBD-Est. Jul. 2017	303.30	2,652,000	60.0							22,100	44,200	44,200	44,200	44,200	44,200
13	Modernize Training and Standards- Dec. 2017	303.30	11,760	60.0												98
14	Supply Chain Transformation-Dec. 2017	303.30	34,845	60.0												290
15	Subtotal				84,501	81,875	81,875	83,441	85,006	84,464	105,933	127,912	127,879	127,413	125,787	125,015
16	Total Intangible Plant				84,708	82,082	82,082	83,648	85,213	84,670	106,140	128,118	128,085	127,619	125,993	125,221

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE
AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S): _____

SCHEDULE B-2.2
SHEET 1 OF 2
WITNESS: S. M. KATKO
DESCRIPTION AND
PURPOSE OF
ADJUSTMENT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY ADJUSTMENT	JURISDICTIONAL PERCENT	JURISDICTIONAL ADJUSTMENTS	WORKPAPER REFERENCE NO.	DESCRIPTION AND PURPOSE OF ADJUSTMENT
----------	-----------	---------------	--------------------------	------------------------	----------------------------	-------------------------	---------------------------------------

ADJUSTMENTS ARE INCORPORATED INTO SCHEDULE B-2.1.
PLEASE SEE THE TESTIMONY OF S. M. KATKO.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PROPOSED ADJUSTMENTS TO PLANT IN SERVICE
AS OF DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S): _____

SCHEDULE B-2.2
SHEET 2 OF 2
WITNESS: S. M. KATKO
DESCRIPTION AND
PURPOSE OF
ADJUSTMENT

LINE NO.	ACCT. NO.	ACCOUNT TITLE	TOTAL COMPANY ADJUSTMENT	JURISDICTIONAL PERCENT	JURISDICTIONAL ADJUSTMENTS	WORKPAPER REFERENCE NO.	DESCRIPTION AND PURPOSE OF ADJUSTMENT
----------	-----------	---------------	--------------------------	------------------------	----------------------------	-------------------------	---------------------------------------

ADJUSTMENTS ARE INCORPORATED INTO SCHEDULE B-2.1.
PLEASE SEE THE TESTIMONY OF S. M. KATKO.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
SEPTEMBER 2015 TO AUGUST 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S): WPB-2.1, 2.2

SCHEDULE B-2.3
SHEET 1 OF 4
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD				BASE PERIOD
			BEGINNING BALANCE	ADDITIONS	RETIREMENTS	TRANSFERS	ENDING BALANCE
			\$	\$	\$	\$	\$
1		<u>ACCOUNT 101/106 GAS PLANT IN SERVICE - GENERAL</u>					
2		<u>INTANGIBLE PLANT</u>					
3	301.00	Organization	521	0	0	0	521
4	303.00	Miscellaneous Intangible Plant	74,348	0	0	0	74,348
5	303.10	Misc Intangible Plant-Dis Software	0	0	0	0	0
6	303.20	Misc Intangible Plant-Fara Software	0	0	0	0	0
7	303.30	Misc Intangible Plant-Other Software	5,149,229	1,118,484	(12,181)	0	6,255,533
8		Total Intangible Plant	5,224,098	1,118,484	(12,181)	0	6,330,401
9		<u>PRODUCTION PLANT - LPG</u>					
10	304.10	Land	0	0	0	0	0
11		Total Production Plant - Lpg	0	0	0	0	0
12		<u>Distribution Plant</u>					
13	374.10	Land-City Gate & Main Line Ind. M & R	206	0	0	0	206
14	374.20	Land-Other Distribution Systems	877,756	0	0	0	877,756
15	374.40	Land Rights-Other Distr Systems	661,306	0	0	0	661,306
16	374.50	Rights Of Way	2,666,575	35,633	(4,275)	0	2,697,933
17	375.20	Struc & Improv-City Gate M & R	2,125	0	0	0	2,125
18	375.30	Struc & Improv-General M & R	0	0	0	0	0
19	375.40	Struc & Improv-Regulating	1,762,372	171,148	(12,083)	0	1,921,438
20	375.60	Struc & Improv-Distr. Ind. M & R	0	0	0	0	0
21	375.70	Struc & Improv-Other Distr. Systems	7,416,801	637,785	(8,832)	0	8,045,754
22	375.71	Struc & Improv-Other Distr Sys-llp	256,845	2,964	0	0	259,809
23	375.80	Struc & Improv-Communications	0	0	0	0	0
24	376.00	Mains	192,769,030	18,807,106	(1,745,874)	0	209,830,261
25	378.10	M & R Station Equip-General	513,596	4,908	0	0	518,504
26	378.20	M & R Sta Equip-General-Regulating	8,295,455	1,384,025	(81,500)	0	9,597,980
27	378.30	M & R Sta Equip-Gen-Local Gas Purch	45,443	0	0	0	45,443
28	379.10	M & R Sta Equip-City Gate Check Sta	254,901	0	0	0	254,901
29	380.00	Services	112,120,039	9,645,164	(1,133,379)	0	120,631,825

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
SEPTEMBER 2015 TO AUGUST 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S): WPB-2.1, 2.2

SCHEDULE B-2.3
SHEET 2 OF 4
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLE	BASE PERIOD				BASE PERIOD
			BEGINNING BALANCE	ADDITIONS	RETIREMENTS	TRANSFERS	ENDING BALANCE
			\$	\$	\$	\$	\$
1	381.00	Meters	13,219,369	634,000	(212,120)	0	13,641,249
2	381.10	Meters - AMI	8,607,905	165,039	(8,144)	0	8,764,800
3	382.00	Meter Installations	8,631,041	509,766	(30,910)	0	9,109,897
4	383.00	House Regulators	5,422,700	178,129	(10,220)	0	5,590,609
5	384.00	House Regulator Installations	2,255,592	1,930	0	0	2,257,522
6	385.00	Industrial M & R Station Equipment	3,061,300	160,863	(46,200)	0	3,175,963
7	387.20	Other Equip-Odorization	0	0	0	0	0
8	387.41	Other Equip-Telephone	735,336	434	0	0	735,771
9	387.42	Other Equipment-Radio	796,185	418	(1,416)	0	795,187
10	387.44	Other Equip-Other Communication	165,500	11,016	(33,232)	0	143,284
11	387.45	Other Equip-Telemetry	2,296,542	650,055	(37,528)	0	2,909,069
12	387.46	Other Equip-Cust Info Service	113,644	0	0	0	113,644
13		Total Distribution Plant	372,947,566	33,000,383	(3,365,715)	0	402,582,235
14		<u>GENERAL PLANT</u>					
15	391.10	M & R STA EQUIP REG FMV	224,371	509,496	(3,490)	0	730,377
16	391.11	Office Furn & Equip-Data Handling	18,816	0	0	0	18,816
17	391.12	Office Furn & Equip-Info Systems	612,195	241,289	0	0	853,483
18	392.20	Trans Equip-Trailers Over \$1,000	95,778	0	0	0	95,778
19	392.21	Trans Equip-Trailers \$1,000 Or Less	24,462	0	0	0	24,462
20	393.00	Stores Equipment	0	0	0	0	0
21	394.10	Tools,Shop, & Gar Eq-Garage & Serv	24,241	0	0	0	24,241
22	394.11	Tools,Shop, & Gar Eq-Cng Stationary	0	0	0	0	0
23	394.13	Tools,Shop, & Gar Eq-Und Tank Cleanup	0	0	0	0	0
24	394.20	Tools,Shop, & Gar Eq-Shop Equip	0	0	0	0	0
25	394.30	Tools,Shop, & Gar Eq-Tools & Other	2,932,960	233,705	(56,084)	0	3,110,581
26	395.00	Laboratory	9,258	0	0	0	9,258
27	396.00	Power Operated Equip-General Tools	258,255	0	(5,120)	0	253,135
28	398.00	Miscellaneous Equipment	104,079	38,201	(17,586)	0	124,694
29		Total General Plant	4,304,414	1,022,690	(82,280)	0	5,244,824
30		<u>OTHER PLANT</u>					
31	378.21	M & R Sta Equip Reg FMV	(777,092)	0	0	0	(777,092)
32		TOTAL GAS PLANT IN SERVICE	<u>381,698,986</u>	<u>35,141,558</u>	<u>(3,460,175)</u>	<u>0</u>	<u>413,380,368</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
JANUARY 2017 TO DECEMBER 2017

DATA: _____ BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL _____ UPDATED
WORKPAPER REFERENCE NO(S): WPB-2.1, 2.2

SCHEDULE B-2.3
SHEET 3 OF 4
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLE	FORECAST PERIOD				FORECAST PERIOD	
			BEGINNING BALANCE	ADDITIONS	RETIREMENTS	TRANSFERS	ENDING BALANCE	13 MONTH AVERAGE
			\$	\$	\$	\$	\$	\$
1		<u>ACCOUNT 101/106 GAS PLANT IN SERVICE - GENERAL</u>						
2		<u>INTANGIBLE PLANT</u>						
3	301.00	Organization	521	0	0	0	521	521
4	303.00	Miscellaneous Intangible Plant	74,348	0	0	0	74,348	74,348
5	303.10	Misc Intangible Plant-Dis Software	0	0	0	0	0	0
6	303.20	Misc Intangible Plant-Fara Software	0	0	0	0	0	0
7	303.30	Misc Intangible Plant-Other Software	6,830,686	2,886,500	0	0	9,717,186	8,188,355
8		Total Intangible Plant	6,905,555	2,886,500	0	0	9,792,055	8,263,224
9		<u>PRODUCTION PLANT - LPG</u>						
10	304.10	Land	0	0	0	0	0	0
11		Total Production Plant - Lpg	0	0	0	0	0	0
12		<u>Distribution Plant</u>						
13	374.10	Land-City Gate & Main Line Ind. M & R	206	0	0	0	206	206
14	374.20	Land-Other Distribution Systems	877,756	0	0	0	877,756	877,756
15	374.40	Land Rights-Other Distr Systems	661,306	0	0	0	661,306	661,306
16	374.50	Rights Of Way	2,703,773	53,800	(6,600)	0	2,750,973	2,726,642
17	375.20	Struc & Improv-City Gate M & R	2,125	0	0	0	2,125	2,125
18	375.30	Struc & Improv-General M & R	0	0	0	0	0	0
19	375.40	Struc & Improv-Regulating	2,098,430	288,000	(34,600)	0	2,351,830	2,205,199
20	375.60	Struc & Improv-Distr. Ind. M & R	0	0	0	0	0	0
21	375.70	Struc & Improv-Other Distr. Systems	8,255,550	1,952,000	(69,600)	0	10,137,950	8,721,689
22	375.71	Struc & Improv-Other Distr Sys-Ilp	259,809	0	0	0	259,809	259,809
23	375.80	Struc & Improv-Communications	0	0	0	0	0	0
24	376.00	Mains	213,379,005	16,794,240	(2,015,200)	0	228,158,045	219,567,764
25	378.10	M & R Station Equip-General	518,504	0	0	0	518,504	518,504
26	378.20	M & R Sta Equip-General-Regulating	9,783,924	417,200	(50,000)	0	10,151,124	9,929,886
27	378.30	M & R Sta Equip-Gen-Local Gas Purch	45,443	0	0	0	45,443	45,443
28	379.10	M & R Sta Equip-City Gate Check Sta	254,901	0	0	0	254,901	254,901
29	380.00	Services	123,059,033	10,696,852	(1,283,700)	0	132,472,185	126,907,586

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
GROSS ADDITIONS, RETIREMENTS, AND TRANSFERS
JANUARY 2017 TO DECEMBER 2017

DATA: BASE PERIOD X FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S): WPB-2.1, 2.2

SCHEDULE B-2.3
SHEET 4 OF 4
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLE	FORECAST PERIOD				FORECAST PERIOD	
			BEGINNING BALANCE	ADDITIONS	RETIREMENTS	TRANSFERS	ENDING BALANCE	13 MONTH AVERAGE
			\$	\$	\$	\$	\$	\$
1	381.00	Meters	13,721,909	598,900	(71,800)	0	14,249,009	13,929,424
2	381.10	Meters - AMI	8,776,012	90,100	(10,500)	0	8,855,612	8,824,212
3	382.00	Meter Installations	9,287,593	393,900	(47,300)	0	9,634,193	9,439,600
4	383.00	House Regulators	5,666,421	215,600	(25,900)	0	5,856,121	5,757,998
5	384.00	House Regulator Installations	2,257,522	0	0	0	2,257,522	2,257,522
6	385.00	Industrial M & R Station Equipment	3,252,183	288,000	(34,600)	0	3,505,583	3,358,953
7	387.20	Other Equip-Odorization	0	0	0	0	0	0
8	387.41	Other Equip-Telephone	735,771	0	0	0	735,771	735,771
9	387.42	Other Equipment-Radio	795,187	0	0	0	795,187	795,187
10	387.44	Other Equip-Other Communication	143,284	0	0	0	143,284	143,284
11	387.45	Other Equip-Telemetry	3,265,505	1,390,100	(166,700)	0	4,488,905	3,717,651
12	387.46	Other Equip-Cust Info Service	113,644	0	0	0	113,644	113,644
13		Total Distribution Plant	409,914,794	33,178,692	(3,816,500)	0	439,276,986	421,752,060
14		<u>GENERAL PLANT</u>						
15	391.10	M & R STA EQUIP REG FMV	713,481	134,550	0	0	848,031	734,181
16	391.11	Office Furn & Equip-Data Handling	18,816	0	0	0	18,816	18,816
17	391.12	Office Furn & Equip-Info Systems	853,483	630,000	(75,600)	0	1,407,883	1,237,299
18	392.20	Trans Equip-Trailers Over \$1,000	95,778	0	0	0	95,778	95,778
19	392.21	Trans Equip-Trailers \$1,000 Or Less	24,462	0	0	0	24,462	24,462
20	393.00	Stores Equipment	0	0	0	0	0	0
21	394.10	Tools,Shop, & Gar Eq-Garage & Serv	24,241	0	0	0	24,241	24,241
22	394.11	Tools,Shop, & Gar Eq-Cng Stationary	0	0	0	0	0	0
23	394.13	Tools,Shop, & Gar Eq-Und Tank Cleanup	0	0	0	0	0	0
24	394.20	Tools,Shop, & Gar Eq-Shop Equip	0	0	0	0	0	0
25	394.30	Tools,Shop, & Gar Eq-Tools & Other	3,103,121	719,800	(42,000)	0	3,780,921	3,241,398
26	395.00	Laboratory	9,258	0	0	0	9,258	9,258
27	396.00	Power Operated Equip-General Tools	253,135	0	0	0	253,135	253,135
28	398.00	Miscellaneous Equipment	259,162	60,200	(7,200)	0	312,162	283,931
29		Total General Plant	5,354,936	1,544,550	(124,800)	0	6,774,686	5,922,498
30		<u>OTHER PLANT</u>						
31	378.21	M & R Sta Equip Reg FMV	(777,092)	0	0	0	(777,092)	(777,092)
32		TOTAL GAS PLANT IN SERVICE	<u>421,398,193</u>	<u>37,609,742</u>	<u>(3,941,300)</u>	<u>0</u>	<u>455,066,635</u>	<u>435,160,689</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PROPERTY MERGED OR ACQUIRED
AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE B-2.4
SHEET 1 OF 2
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	DESCRIPTION OF PROPERTY	ACQUISITION COST	COST BASIS	ACQUISITION ADJUSTMENT	COMMISSION APPROVAL DATE (DOCKET NO.)	DATE OF ACQUISITION	EXPLANATION OF TREATMENT
----------	-----------	-------------------------	------------------	------------	------------------------	---------------------------------------	---------------------	--------------------------

NONE

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PROPERTY MERGED OR ACQUIRED
AS OF DECEMBER 31, 2017

DATA: ___ BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL _____ UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE B-2.4
SHEET 2 OF 2
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	DESCRIPTION OF PROPERTY	ACQUISITION COST	COST BASIS	ACQUISITION ADJUSTMENT	COMMISSION APPROVAL DATE (DOCKET NO.)	DATE OF ACQUISITION	EXPLANATION OF TREATMENT
----------	-----------	-------------------------	------------------	------------	------------------------	---------------------------------------	---------------------	--------------------------

NONE

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
LEASED PROPERTY
AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2.5
SHEET 1 OF 2
WITNESS: S. M. KATKO

IDENTIFICATION				FREQUENCY	AMOUNT OF	DOLLAR	EXPLAIN METHOD OF
LINE	OR REFERENCE	DESCRIPTION OF TYPE	NAME OF	OF PAYMENT	LEASE PAYMENT	VALUE OF	CAPITALIZATION
NO.	NUMBER	AND USE OF PROPERTY	LESSEE			PROPERTY	
						INVOLVED	

COLUMBIA GAS OF KENTUCKY, INC. DOES NOT HAVE ANY CAPITAL LEASES.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
LEASED PROPERTY
AS OF DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S):

SCHEDULE B-2.5
SHEET 2 OF 2
WITNESS: S. M. KATKO

IDENTIFICATION				FREQUENCY	AMOUNT OF	DOLLAR	EXPLAIN METHOD OF
LINE	OR REFERENCE	DESCRIPTION OF TYPE	NAME OF	OF PAYMENT	LEASE PAYMENT	VALUE OF	CAPITALIZATION
NO.	NUMBER	AND USE OF PROPERTY	LESSEE			PROPERTY	
						INVOLVED	

COLUMBIA GAS OF KENTUCKY, INC. DOES NOT HAVE ANY CAPITAL LEASES.

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2016 - 00162

PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE

AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD

SCHEDULE B-2.6

TYPE OF FILING: ORIGINAL UPDATED

SHEET 1 OF 2

WORKPAPER REFERENCE NO(S).

WITNESS: S. M. KATKO

DESCRIPTION		NET		REVENUE REALIZED		EXPENSES INCURRED				
LINE AND LOCATION NO. OF PROPERTY	ACQUISITION DATE	ORIGINAL COST	ACCUMULATED DEPRECIATION	ORIGINAL COST	AMOUNT	ACCT. NO.	DESCRIPTION	AMOUNT	ACCT. NO.	DESCRIPTION

NONE

COLUMBIA GAS OF KENTUCKY, INC.

CASE NO. 2016 - 00162

PROPERTY HELD FOR FUTURE USE INCLUDED IN RATE BASE

AS OF DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD

SCHEDULE B-2.6

TYPE OF FILING: ORIGINAL UPDATED

SHEET 2 OF 2

WORKPAPER REFERENCE NO(S).

WITNESS: S. M. KATKO

DESCRIPTION				NET		REVENUE REALIZED		EXPENSES INCURRED	
LINE AND LOCATION NO. OF PROPERTY	ACQUISITION DATE	ORIGINAL COST	ACCUMULATED DEPRECIATION	ORIGINAL COST	AMOUNT	ACCT. NO.	DESCRIPTION	AMOUNT	ACCT. NO. DESCRIPTION

NONE

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PROPERTY EXCLUDED FROM RATE BASE
AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE B-2.7
SHEET 1 OF 2
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLE OR DESCRIPTION OF EXCLUDED PROPERTY	IN-SERVICE DATE	ORIGINAL COST	ACCUMULATED DEPRECIATION	NET ORIGINAL COST	AMOUNT	PERIOD REVENUE AND EXPENSE		REASONS FOR EXCLUSION
								ACCT. NO.	DESCRIPTION	

NONE

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
PROPERTY EXCLUDED FROM RATE BASE
AS OF DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE B-2.7
SHEET 2 OF 2
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLE OR DESCRIPTION OF EXCLUDED PROPERTY	IN-SERVICE DATE	ORIGINAL COST	ACCUMULATED DEPRECIATION	NET ORIGINAL COST	AMOUNT	PERIOD		REASONS FOR EXCLUSION
								REVENUE AND EXPENSE ACCT. NO.	DESCRIPTION	

NONE

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ACCUMULATED DEPRECIATION & AMORTIZATION
AS OF AUGUST 31, 2016

DATA: X BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WPB-3.1

SCHEDULE B-3
SHEET 1 OF 4
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLES	BASE PERIOD		RESERVE BALANCES			
			TOTAL COMPANY INVESTMENT	TOTAL COMPANY	JURISDICTIONAL PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	ADJUSTED JURISDICTION
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1		<u>INTANGIBLE PLANT</u>			<u>100%</u>			
2	301.00	ORGANIZATION	521	0		0	0	0
3	303.00	MISCELLANEOUS INTANGIBLE PLANT	74,348	47,039		47,039	0	47,039
4	303.10	MISC INTANGIBLE PLANT-DIS SOFTWARE	0	0		0	0	0
5	303.20	MISC INTANGIBLE PLANT-FARA SOFTWARE	0	0		0	0	0
6	303.30	MISC INTANGIBLE PLANT-OTHER SOFTWARE	6,022,211	2,572,405		2,572,405	0	2,572,405
7		TOTAL INTANGIBLE PLANT	6,097,080	2,619,443		2,619,443	0	2,619,443
8		<u>PRODUCTION PLANT - LPG</u>						
9	304.10	LAND	0	0		0	0	0
10		TOTAL PRODUCTION PLANT - LPG	0	0		0	0	0
11		<u>DISTRIBUTION PLANT</u>						
12	374.10	LAND-CITY GATE & MAIN LINE IND. M & R	206	0		0	0	0
13	374.20	LAND-OTHER DISTRIBUTION SYSTEMS	877,756	(523)		(523)	0	(523)
14	374.40	LAND RIGHTS-OTHER DISTR SYSTEMS	661,306	175,511		175,511	0	175,511
15	374.50	RIGHTS OF WAY	2,697,933	918,640		918,640	0	918,640
16	375.20	STRUC & IMPROV-CITY GATE M & R	2,125	2,015		2,015	0	2,015
17	375.30	STRUC & IMPROV-GENERAL M & R	0	(78)		(78)	0	(78)
18	375.40	STRUC & IMPROV-REGULATING	1,921,438	497,365		497,365	0	497,365
19	375.60	STRUC & IMPROV-DISTR. IND. M & R	0	0		0	0	0
20	375.70	STRUC & IMPROV-OTHER DISTR. SYSTEMS	8,045,754	3,290,740		3,290,740	0	3,290,740
21	375.71	STRUC & IMPROV-OTHER DISTR SYS-ILP	259,809	171,679		171,679	0	171,679
22	375.80	STRUC & IMPROV-COMMUNICATIONS	0	0		0	0	0
23	376.00	MAINS	209,830,261	56,903,861		56,903,861	0	56,903,861
24	378.10	M & R STATION EQUIP-GENERAL	518,504	359,402		359,402	0	359,402
25	378.20	M & R STA EQUIP-GENERAL-REGULATING	9,597,980	3,319,170		3,319,170	0	3,319,170
26	378.30	M & R STA EQUIP-GEN-LOCAL GAS PURCH	45,443	35,522		35,522	0	35,522
27	379.10	M & R STA EQUIP-CITY GATE CHECK STA	254,901	267,731		267,731	0	267,731
28	380.00	SERVICES	120,631,825	58,233,862		58,233,862	0	58,233,862

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ACCUMULATED DEPRECIATION & AMORTIZATION
AS OF AUGUST 31, 2016

DATA: X BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: X ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WPB-3.1

SCHEDULE B-3
SHEET 2 OF 4
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLES	BASE PERIOD		RESERVE BALANCES			ADJUSTED JURISDICTION
			TOTAL COMPANY INVESTMENT	TOTAL COMPANY	JURISDICTIONAL PERCENT	JURISDICTIONAL TOTAL	ADJUSTMENTS	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	381.00	METERS	13,641,249	4,823,001		4,823,001	0	4,823,001
2	381.10	METERS - AMI	8,764,800	478,489		478,489	0	478,489
3	382.00	METER INSTALLATIONS	9,109,897	4,576,242		4,576,242	0	4,576,242
4	383.00	HOUSE REGULATORS	5,590,609	1,489,794		1,489,794	0	1,489,794
5	384.00	HOUSE REGULATOR INSTALLATIONS	2,257,522	1,761,053		1,761,053	0	1,761,053
6	385.00	INDUSTRIAL M & R STATION EQUIPMENT	3,175,963	878,726		878,726	0	878,726
7	387.20	OTHER EQUIP-ODORIZATION	0	(59,912)		(59,912)	0	(59,912)
8	387.41	OTHER EQUIP-TELEPHONE	735,771	380,318		380,318	0	380,318
9	387.42	OTHER EQUIPMENT-RADIO	795,187	546,342		546,342	0	546,342
10	387.44	OTHER EQUIP-OTHER COMMUNICATION	143,284	45,833		45,833	0	45,833
11	387.45	OTHER EQUIP-TELEMETERING	2,909,069	557,526		557,526	0	557,526
12	387.46	OTHER EQUIP-CUST INFO SERVICE	113,644	111,345		111,345	0	111,345
13		TOTAL DISTRIBUTION PLANT	402,582,234	139,763,653		139,763,653	0	139,763,653
14		<u>GENERAL PLANT</u>						
15	391.10	OFFICE FURN & EQUIP-UNSPECIFIED	730,377	(64,912)		(64,912)	0	(64,912)
16	391.11	OFFICE FURN & EQUIP-DATA HANDLING	18,816	(12,405)		(12,405)	0	(12,405)
17	391.12	OFFICE FURN & EQUIP-INFO SYSTEMS	853,483	632,685		632,685	0	632,685
18	392.20	TRANS EQUIP-TRAILERS OVER \$1,000	95,778	21,715		21,715	0	21,715
19	392.21	TRANS EQUIP-TRAILERS \$1,000 or LESS	24,462	4,947		4,947	0	4,947
20	393.00	STORES EQUIPMENT	0	0		0	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	24,241	14,285		14,285	0	14,285
22	394.11	TOOLS,SHOP, & GAR EQ-CNG STATIONARY	0	0		0	0	0
23	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	0	37,937		37,937	0	37,937
24	394.20	TOOLS,SHOP, & GAR EQ-SHOP EQUIP	0	185		185	0	185
25	394.30	TOOLS,SHOP, & GAR EQ-TOOLS & OTHER	3,110,581	1,243,947		1,243,947	0	1,243,947
26	395.00	LABORATORY	9,258	7,374		7,374	0	7,374
27	396.00	POWER OPERATED EQUIP-GENERAL TOOLS	253,135	199,322		199,322	0	199,322
28	398.00	MISCELLANEOUS EQUIPMENT	124,694	18,758		18,758	0	18,758
29		TOTAL GENERAL PLANT	5,244,824	2,103,838		2,103,838	0	2,103,838
30		<u>OTHER PLANT</u>						
31	378.21	M & R STA EQUIP REG FMV	(777,092)	(33,761)		(33,761)	0	(33,761)
32		TOTAL PLANT IN SERVICE	413,924,138	144,486,934		144,486,934	0	144,486,934

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ACCUMULATED DEPRECIATION & AMORTIZATION
AS OF DECEMBER 31, 2017

DATA: ___ BASE PERIOD ___X___ FORECASTED PERIOD
TYPE OF FILING: ___X___ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WPB-3.1

SCHEDULE B-3
SHEET 3 OF 4
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLES	13 MONTH AVERAGE FORECASTED PERIOD TOTAL INVESTMENT							RESERVE BALANCES	
			(D)	(E)	(F)	(G)	(H)	(I)	(J)		
1		<u>INTANGIBLE PLANT</u>			<u>100%</u>						
2	301.00	ORGANIZATION	521	0		0	0	0	0	0	0
3	303.00	MISCELLANEOUS INTANGIBLE PLANT	74,348	50,343		50,343	0	50,343	49,104		
4	303.10	MISC INTANGIBLE PLANT-DIS SOFTWARE	0	0		0	0	0	0		
5	303.20	MISC INTANGIBLE PLANT-FARA SOFTWARE	0	0		0	0	0	0		
6	303.30	MISC INTANGIBLE PLANT-OTHER SOFTWARE	8,188,355	4,137,299		4,137,299	0	4,137,299	3,457,826		
7		TOTAL INTANGIBLE PLANT	8,263,224	4,187,641		4,187,641	0	4,187,641	3,506,929		
8		<u>PRODUCTION PLANT - LPG</u>									
9	304.10	LAND	0	0		0	0	0	0		
10		TOTAL PRODUCTION PLANT - LPG	0	0		0	0	0	0		
11		<u>DISTRIBUTION PLANT</u>									
12	374.10	LAND-CITY GATE & MAIN LINE IND. M & R	206	0		0	0	0	0		
13	374.20	LAND-OTHER DISTRIBUTION SYSTEMS	877,756	(523)		(523)	0	(523)	(523)		
14	374.40	LAND RIGHTS-OTHER DISTR SYSTEMS	661,306	190,391		190,391	0	190,391	184,637		
15	374.50	RIGHTS OF WAY	2,726,642	957,401		957,401	0	957,401	943,180		
16	375.20	STRUC & IMPROV-CITY GATE M & R	2,125	2,099		2,099	0	2,099	2,063		
17	375.30	STRUC & IMPROV-GENERAL M & R	0	(78)		(78)	0	(78)	(78)		
18	375.40	STRUC & IMPROV-REGULATING	2,205,199	516,122		516,122	0	516,122	502,448		
19	375.60	STRUC & IMPROV-DISTR. IND. M & R	0	0		0	0	0	0		
20	375.70	STRUC & IMPROV-OTHER DISTR. SYSTEMS	8,721,689	3,431,527		3,431,527	0	3,431,527	3,371,581		
21	375.71	STRUC & IMPROV-OTHER DISTR SYS-ILP	259,809	215,744		215,744	0	215,744	199,220		
22	375.80	STRUC & IMPROV-COMMUNICATIONS	0	0		0	0	0	0		
23	376.00	MAINS	219,567,764	60,184,707		60,184,707	0	60,184,707	58,979,408		
24	378.10	M & R STATION EQUIP-GENERAL	518,504	380,682		380,682	0	380,682	372,072		
25	378.20	M & R STA EQUIP-GENERAL-REGULATING	9,929,886	3,645,428		3,645,428	0	3,645,428	3,511,297		
26	378.30	M & R STA EQUIP-GEN-LOCAL GAS PURCH	45,443	37,390		37,390	0	37,390	36,634		
27	379.10	M & R STA EQUIP-CITY GATE CHECK STA	254,901	267,731		267,731	0	267,731	267,731		
28	380.00	SERVICES	126,907,586	63,332,562		63,332,562	0	63,332,562	61,197,158		

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ACCUMULATED DEPRECIATION & AMORTIZATION
AS OF DECEMBER 31, 2017

DATA: ___ BASE PERIOD __X__ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WPB-3.1

SCHEDULE B-3
SHEET 4 OF 4
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLES	13 MONTH AVERAGE FORECASTED PERIOD TOTAL INVESTMENT (D)	TOTAL COMPANY (E)	RESERVE BALANCES			ADJUSTED JURISDICTION (I)	13 MONTH AVERAGE (J)
					JURISDICTIONAL PERCENT (F)	JURISDICTIONAL TOTAL (G)	ADJUSTMENTS (H)		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	381.00	METERS	13,929,424	5,317,835		5,317,835	0	5,317,835	5,130,189
2	381.10	METERS - AMI	8,824,212	1,253,466		1,253,466	0	1,253,466	901,477
3	382.00	METER INSTALLATIONS	9,439,600	4,804,665		4,804,665	0	4,804,665	4,716,793
4	383.00	HOUSE REGULATORS	5,757,998	1,635,109		1,635,109	0	1,635,109	1,570,123
5	384.00	HOUSE REGULATOR INSTALLATIONS	2,257,522	1,792,129		1,792,129	0	1,792,129	1,780,729
6	385.00	INDUSTRIAL M & R STATION EQUIPMENT	3,358,953	1,024,454		1,024,454	0	1,024,454	959,063
7	387.20	OTHER EQUIP-ODORIZATION	0	(59,912)		(59,912)	0	(59,912)	(59,912)
8	387.41	OTHER EQUIP-TELEPHONE	735,771	413,574		413,574	0	413,574	399,816
9	387.42	OTHER EQUIPMENT-RADIO	795,187	582,282		582,282	0	582,282	567,414
10	387.44	OTHER EQUIP-OTHER COMMUNICATION	143,284	52,313		52,313	0	52,313	49,631
11	387.45	OTHER EQUIP-TELEMETERING	3,717,651	504,845		504,845	0	504,845	536,736
12	387.46	OTHER EQUIP-CUST INFO SERVICE	113,644	116,481		116,481	0	116,481	114,357
13		TOTAL DISTRIBUTION PLANT	421,752,060	150,598,423		150,598,423	0	150,598,423	146,233,243
14		<u>GENERAL PLANT</u>							
15	391.10	OFFICE FURN & EQUIP-UNSPECIFIED	734,181	(14,060)		(14,060)	0	(14,060)	(32,652)
16	391.11	OFFICE FURN & EQUIP-DATA HANDLING	18,816	(10,725)		(10,725)	0	(10,725)	(11,355)
17	391.12	OFFICE FURN & EQUIP-INFO SYSTEMS	1,237,299	863,225		863,225	0	863,225	751,383
18	392.20	TRANS EQUIP-TRAILERS OVER \$1,000	95,778	31,415		31,415	0	31,415	27,035
19	392.21	TRANS EQUIP-TRAILERS \$1,000 or LESS	24,462	7,431		7,431	0	7,431	6,309
20	393.00	STORES EQUIPMENT	0	0		0	0	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	24,241	15,581		15,581	0	15,581	15,095
22	394.11	TOOLS,SHOP, & GAR EQ-CNG STATIONARY	0	0		0	0	0	0
23	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	0	37,937		37,937	0	37,937	37,937
24	394.20	TOOLS,SHOP, & GAR EQ-SHOP EQUIP	0	185		185	0	185	185
25	394.30	TOOLS,SHOP, & GAR EQ-TOOLS & OTHER	3,241,398	1,373,374		1,373,374	0	1,373,374	1,338,095
26	395.00	LABORATORY	9,258	7,998		7,998	0	7,998	7,764
27	396.00	POWER OPERATED EQUIP-GENERAL TOOLS	253,135	205,874		205,874	0	205,874	202,598
28	398.00	MISCELLANEOUS EQUIPMENT	283,931	16,418		16,418	0	16,418	10,292
29		TOTAL GENERAL PLANT	5,922,498	2,534,653		2,534,653	0	2,534,653	2,352,686
30		<u>OTHER PLANT</u>							
31	378.21	M & R STA EQUIP REG FMV	(777,092)	(68,298)		(68,298)	0	(68,298)	(55,347)
32		TOTAL PLANT IN SERVICE	435,160,689	157,252,420		157,252,420	0	157,252,420	152,037,513

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ACCUMULATED DEPRECIATION & AMORTIZATION
BASE PERIOD 09/30/2015 TO 08/31/2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): WPB-2.2

WPB-3.1
SHEET 1 OF 4

LINE NO.	ACCT. NO.	Actual 09/30/2015	Actual 10/31/2015	Actual 11/30/2015	Actual 12/31/2015	Actual 01/31/2016	Actual 02/29/2016	Actual 03/31/2016	Actual 04/30/2016	Actual 05/31/2016	Actual 06/30/2016	Actual 07/31/2016	Projected 08/31/2016
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	301.00	0	0	0	0	0	0	0	0	0	0	0	0
2	303.00	44,767	44,973	45,180	45,386	45,593	45,799	46,006	46,212	46,419	46,626	46,832	47,039
3	303.10	0	0	0	0	0	0	0	0	0	0	0	0
4	303.20	0	0	0	0	0	0	0	0	0	0	0	0
5	303.30	1,827,487	1,893,422	1,959,573	2,027,215	2,094,397	2,150,290	2,216,060	2,283,055	2,352,194	2,423,599	2,496,746	2,572,405
6	INTANGIBLE	1,872,254	1,938,396	2,004,753	2,072,601	2,139,989	2,196,090	2,262,066	2,329,267	2,398,613	2,470,225	2,543,578	2,619,443
7	304.10	0	0	0	0	0	0	0	0	0	0	0	0
8	PRODUCTION	0	0	0	0	0	0	0	0	0	0	0	0
9													
10	374.10	0	0	0	0	0	0	0	0	0	0	0	0
11	374.20	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)
12	374.40	166,238	167,081	167,924	168,767	169,610	170,453	171,296	172,139	172,982	173,825	174,668	175,511
13	374.50	892,975	895,686	898,397	901,108	903,819	906,530	909,223	908,811	911,512	914,103	916,097	918,640
14	375.20	1,983	1,986	1,990	1,993	1,997	1,997	2,000	2,003	2,006	2,009	2,012	2,015
15	375.30	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)
16	375.40	482,491	485,508	488,530	486,300	489,349	486,466	489,499	492,532	495,569	498,086	500,900	497,365
17	375.60	0	0	0	0	0	0	0	0	0	0	0	0
18	375.70	3,156,249	3,168,548	3,180,848	3,193,606	3,206,832	3,220,067	3,233,302	3,246,537	3,259,772	3,271,332	3,284,593	3,290,740
19	375.71	130,414	135,299	140,185	145,132	150,144	155,155	157,909	160,663	163,417	166,171	168,925	171,679
20	375.80	0	0	0	0	0	0	0	0	0	0	0	0
21	376.00	55,879,160	56,061,221	56,194,485	56,331,198	56,763,773	56,755,636	56,758,464	56,619,491	56,593,244	56,644,197	56,769,040	56,903,861
22	378.10	348,240	349,250	350,266	351,281	352,296	353,312	354,327	355,342	356,357	357,372	358,387	359,402
23	378.20	3,198,198	3,189,646	3,196,504	3,190,544	3,203,222	3,221,848	3,238,724	3,254,335	3,273,275	3,290,213	3,307,075	3,319,170
24	378.30	34,543	34,632	34,721	34,810	34,899	34,988	35,077	35,166	35,255	35,344	35,433	35,522
25	379.10	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731
26	380.00	56,997,364	57,154,580	57,236,825	57,280,572	57,431,429	57,575,963	57,694,929	57,787,650	57,898,554	57,973,057	58,098,272	58,233,862

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ACCUMULATED DEPRECIATION & AMORTIZATION
BASE PERIOD 09/30/2015 TO 08/31/2016

DATA: _X_ BASE PERIOD ___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WPB-2.2

WPB-3.1
SHEET 2 OF 4

LINE NO.	ACCT. NO.	Actual 09/30/2015 \$	Actual 10/31/2015 \$	Actual 11/30/2015 \$	Actual 12/31/2015 \$	Actual 01/31/2016 \$	Actual 02/29/2016 \$	Actual 03/31/2016 \$	Actual 04/30/2016 \$	Actual 05/31/2016 \$	Actual 06/30/2016 \$	Actual 07/31/2016 \$	Projected 08/31/2016 \$
1	381.00	4,686,091	4,714,635	4,670,731	4,680,338	4,679,483	4,686,266	4,704,467	4,725,342	4,747,495	4,767,660	4,796,330	4,823,001
2	381.10	279,974	298,552	317,131	335,815	354,603	373,392	392,057	404,349	423,124	441,943	459,957	478,489
3	382.00	4,409,055	4,422,226	4,435,265	4,450,213	4,465,563	4,482,538	4,499,071	4,514,991	4,531,229	4,547,503	4,564,503	4,576,242
4	383.00	1,429,849	1,435,774	1,441,741	1,447,854	1,454,071	1,460,409	1,465,300	1,470,387	1,475,242	1,480,502	1,486,042	1,489,794
5	384.00	1,738,296	1,740,364	1,742,431	1,744,500	1,746,569	1,748,639	1,750,708	1,752,777	1,754,846	1,756,915	1,758,984	1,761,053
6	385.00	861,104	858,843	864,169	855,590	858,936	864,245	866,021	867,981	868,490	872,287	875,939	878,726
7	387.20	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)
8	387.41	364,535	365,969	367,404	368,838	370,273	371,708	373,143	374,578	376,013	377,448	378,883	380,318
9	387.42	530,693	532,246	533,799	533,935	535,485	537,036	538,587	540,138	541,689	543,240	544,791	546,342
10	387.44	48,328	48,593	48,858	46,784	45,283	45,544	45,805	46,066	46,327	45,275	45,554	45,833
11	387.45	536,838	529,168	534,009	536,516	541,808	547,160	550,888	555,157	550,573	556,107	564,091	557,526
12	387.46	108,905	109,126	109,348	109,570	109,791	110,013	110,235	110,457	110,679	110,901	111,123	111,345
13	DISTRIBUTION	136,488,739	136,906,153	137,162,778	137,402,482	138,076,453	138,316,582	138,548,249	138,604,109	138,794,867	139,032,707	139,408,816	139,763,653
14	391.10	(90,663)	(89,733)	(88,803)	(86,852)	(83,879)	(80,906)	(80,616)	(77,567)	(74,518)	(71,594)	(68,540)	(64,912)
15	391.11	(13,557)	(13,453)	(13,348)	(13,244)	(13,139)	(13,035)	(12,930)	(12,825)	(12,720)	(12,615)	(12,510)	(12,405)
16	391.12	489,355	499,558	509,761	520,430	533,111	547,335	561,560	575,785	590,010	604,235	618,460	632,685
17	392.20	19,132	19,366	19,601	19,836	20,070	20,305	20,540	20,775	21,010	21,245	21,480	21,715
18	392.21	3,095	3,155	3,215	4,468	4,527	4,587	4,647	4,707	4,767	4,827	4,887	4,947
19	393.00	0	0	0	0	0	0	0	0	0	0	0	0
20	394.10	13,395	13,476	13,556	13,637	13,718	13,799	13,880	13,961	14,042	14,123	14,204	14,285
21	394.11	0	0	0	0	0	0	0	0	0	0	0	0
22	394.13	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937
23	394.20	185	185	185	185	185	185	185	185	185	185	185	185
24	394.30	1,190,937	1,198,149	1,192,215	1,201,947	1,211,684	1,210,842	1,214,387	1,220,134	1,227,201	1,233,306	1,233,321	1,243,947
25	395.00	6,947	6,985	7,024	7,062	7,101	7,140	7,179	7,218	7,257	7,296	7,335	7,374
26	396.00	182,667	182,667	182,667	182,667	182,667	199,322	199,322	199,322	199,322	199,322	199,322	199,322
27	398.00	30,575	31,153	18,694	19,200	19,706	20,212	20,718	21,224	21,730	22,236	22,742	18,758
28	GENERAL	1,870,004	1,889,445	1,882,703	1,907,274	1,933,689	1,967,723	1,986,809	2,010,856	2,036,223	2,060,503	2,078,823	2,103,838
29	TOTAL	140,230,997	140,733,994	141,050,235	141,382,357	142,150,131	142,480,395	142,797,124	142,944,232	143,229,703	143,563,435	144,031,218	144,486,934
30	378.21	(2,415)	(3,935)	(5,455)	(6,976)	(8,496)	(10,016)	(22,968)	(25,126)	(27,285)	(29,444)	(31,602)	(33,761)
31	OTHER	(2,415)	(3,935)	(5,455)	(6,976)	(8,496)	(10,016)	(22,968)	(25,126)	(27,285)	(29,444)	(31,602)	(33,761)
32	TOTAL	140,228,582	140,730,059	141,044,780	141,375,381	142,141,635	142,470,379	142,774,156	142,919,106	143,202,418	143,533,991	143,999,616	144,453,174

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ACCUMULATED DEPRECIATION & AMORTIZATION
13 MONTH AVG - FORECAST PERIOD 12/31/2016 TO 12/31/2017

DATA: ___ BASE PERIOD ___X___ FORECASTED PERIOD
TYPE OF FILING: _X_ ORIGINAL ___ UPDATED ___ REVISED
WORKPAPER REFERENCE NO(S): WPB-2.2

WPB-3.1
SHEET 3 OF 4

LINE NO.	ACCT. NO.	12/31/2016	01/31/2017	02/28/2017	03/31/2017	04/30/2017	05/31/2017	06/30/2017	07/31/2017	08/31/2017	09/30/2017	10/31/2017	11/30/2017	12/31/2017	13 MONTH AVERAGE
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	301.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	303.00	47,865	48,071	48,278	48,484	48,691	48,897	49,104	49,310	49,517	49,723	49,930	50,136	50,343	49,104
3	303.10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	303.20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	303.30	2,896,198	2,980,700	3,062,575	3,144,450	3,227,891	3,312,897	3,397,361	3,503,294	3,631,206	3,759,084	3,886,497	4,012,284	4,137,299	3,457,826
6	INTANGIBLE	2,944,063	3,028,771	3,110,852	3,192,934	3,276,582	3,361,794	3,446,465	3,552,604	3,680,722	3,808,807	3,936,427	4,062,420	4,187,641	3,506,929
7	304.10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	PRODUCTION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9															
10	374.10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	374.20	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)	(523)
12	374.40	178,883	179,842	180,801	181,760	182,719	183,678	184,637	185,596	186,555	187,514	188,473	189,432	190,391	184,637
13	374.50	928,828	931,436	933,847	936,361	938,580	940,904	943,232	945,465	947,903	950,145	952,393	954,845	957,401	943,180
14	375.20	2,027	2,033	2,039	2,045	2,051	2,057	2,063	2,069	2,075	2,081	2,087	2,093	2,099	2,063
15	375.30	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)	(78)
16	375.40	483,948	488,023	492,126	496,256	499,520	502,529	504,991	507,314	508,411	509,295	510,169	513,117	516,122	502,448
17	375.60	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	375.70	3,316,198	3,325,089	3,334,056	3,343,098	3,352,216	3,361,409	3,370,678	3,380,022	3,389,441	3,398,936	3,408,506	3,419,370	3,431,527	3,371,581
19	375.71	182,696	185,450	188,204	190,958	193,712	196,466	199,220	201,974	204,728	207,482	210,236	212,990	215,744	199,220
20	375.80	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	376.00	57,454,750	57,787,098	58,120,189	58,442,099	58,718,390	58,964,645	59,135,235	59,332,493	59,417,979	59,561,763	59,693,109	59,919,851	60,184,707	58,979,408
22	378.10	363,462	364,897	366,332	367,767	369,202	370,637	372,072	373,507	374,942	376,377	377,812	379,247	380,682	372,072
23	378.20	3,368,460	3,393,449	3,419,072	3,444,624	3,469,415	3,493,162	3,515,986	3,538,800	3,558,732	3,578,811	3,598,839	3,622,088	3,645,428	3,511,297
24	378.30	35,878	36,004	36,130	36,256	36,382	36,508	36,634	36,760	36,886	37,012	37,138	37,264	37,390	36,634
25	379.10	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731	267,731
26	380.00	58,789,319	59,233,052	59,693,194	60,153,108	60,579,279	60,979,273	61,346,163	61,709,895	61,988,964	62,269,440	62,550,420	62,938,391	63,332,562	61,197,158

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ACCUMULATED DEPRECIATION & AMORTIZATION
13 MONTH AVG - FORECAST PERIOD 12/31/2016 TO 12/31/2017

DATA: ___BASE PERIOD ___X___ FORECASTED PERIOD
TYPE OF FILING: ___X___ ORIGINAL ___ ___ UPDATED ___ ___ REVISED
WORKPAPER REFERENCE NO(S): WPB-2.2

WPB-3.1
SHEET 4 OF 4

LINE NO.	ACCT. NO.	12/31/2016	01/31/2017	02/28/2017	03/31/2017	04/30/2017	05/31/2017	06/30/2017	07/31/2017	08/31/2017	09/30/2017	10/31/2017	11/30/2017	12/31/2017	13 MONTH AVERAGE
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	4,930,119	4,964,983	5,000,994	5,036,844	5,071,646	5,105,025	5,136,914	5,168,829	5,196,615	5,224,714	5,252,728	5,285,216	5,317,835	5,130,189
2	381.10	552,678	608,502	667,020	725,569	784,150	842,078	900,753	959,460	1,018,198	1,076,968	1,135,769	1,194,602	1,253,466	901,477
3	382.00	4,624,082	4,640,882	4,657,315	4,673,982	4,689,292	4,704,555	4,719,376	4,733,762	4,747,322	4,760,466	4,773,598	4,789,003	4,804,665	4,716,793
4	383.00	1,505,022	1,516,723	1,527,550	1,538,708	1,548,903	1,559,540	1,570,215	1,580,531	1,591,487	1,601,883	1,612,323	1,623,601	1,635,109	1,570,123
5	384.00	1,769,329	1,771,229	1,773,129	1,775,029	1,776,929	1,778,829	1,780,729	1,782,629	1,784,529	1,786,429	1,788,329	1,790,229	1,792,129	1,780,729
6	385.00	890,205	902,495	914,829	927,207	938,839	950,243	961,133	971,919	981,623	991,266	1,000,953	1,012,658	1,024,454	959,063
7	387.20	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)	(59,912)
8	387.41	386,058	388,351	390,644	392,937	395,230	397,523	399,816	402,109	404,402	406,695	408,988	411,281	413,574	399,816
9	387.42	552,546	555,024	557,502	559,980	562,458	564,936	567,414	569,892	572,370	574,848	577,326	579,804	582,282	567,414
10	387.44	46,949	47,396	47,843	48,290	48,737	49,184	49,631	50,078	50,525	50,972	51,419	51,866	52,313	49,631
11	387.45	533,003	545,553	558,048	558,230	558,640	550,085	546,618	541,607	534,206	522,699	516,286	507,745	504,845	536,736
12	387.46	112,233	112,587	112,941	113,295	113,649	114,003	114,357	114,711	115,065	115,419	115,773	116,127	116,481	114,357
13	DISTRIBUTION	141,213,889	142,187,314	143,181,021	144,151,619	145,037,155	145,854,486	146,565,084	147,296,639	147,820,175	148,398,432	148,969,891	149,758,037	150,598,423	146,233,243
14	391.10	(50,576)	(47,603)	(44,630)	(41,657)	(38,684)	(35,711)	(32,738)	(29,765)	(26,792)	(23,819)	(20,846)	(17,873)	(14,900)	(32,652)
15	391.11	(11,985)	(11,880)	(11,775)	(11,670)	(11,565)	(11,460)	(11,355)	(11,250)	(11,145)	(11,040)	(10,935)	(10,830)	(10,725)	(11,355)
16	391.12	689,585	703,810	718,035	732,260	675,505	698,970	722,435	745,900	769,365	792,830	816,295	839,760	863,225	751,383
17	392.20	22,655	23,385	24,115	24,845	25,575	26,305	27,035	27,765	28,495	29,225	29,955	30,685	31,415	27,035
18	392.21	5,187	5,374	5,561	5,748	5,935	6,122	6,309	6,496	6,683	6,870	7,057	7,244	7,431	6,309
19	393.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	394.10	14,609	14,690	14,771	14,852	14,933	15,014	15,095	15,176	15,257	15,338	15,419	15,500	15,581	15,095
21	394.11	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	394.13	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937
23	394.20	185	185	185	185	185	185	185	185	185	185	185	185	185	185
24	394.30	1,286,387	1,297,916	1,309,417	1,319,506	1,329,599	1,335,153	1,343,096	1,350,211	1,356,026	1,359,685	1,365,789	1,369,071	1,373,374	1,338,095
25	395.00	7,530	7,569	7,608	7,647	7,686	7,725	7,764	7,803	7,842	7,881	7,920	7,959	7,998	7,764
26	396.00	199,322	199,868	200,414	200,960	201,506	202,052	202,598	203,144	203,690	204,236	204,782	205,328	205,874	202,598
27	398.00	4,689	5,541	6,415	7,311	8,229	9,170	10,133	11,118	12,125	13,154	14,206	15,294	16,418	10,292
28	GENERAL	2,205,525	2,236,792	2,268,053	2,297,924	2,256,841	2,291,462	2,328,494	2,364,720	2,399,668	2,432,482	2,467,764	2,500,540	2,534,653	2,352,686
29	378.21	(42,395)	(44,554)	(46,712)	(48,871)	(51,029)	(53,188)	(55,347)	(57,505)	(59,664)	(61,822)	(63,981)	(66,139)	(68,298)	(55,347)
30	OTHER	(42,395)	(44,554)	(46,712)	(48,871)	(51,029)	(53,188)	(55,347)	(57,505)	(59,664)	(61,822)	(63,981)	(66,139)	(68,298)	(55,347)
31	TOTAL	146,321,082	147,408,324	148,513,215	149,593,607	150,519,549	151,454,554	152,284,696	153,156,458	153,840,902	154,577,899	155,310,101	156,254,858	157,252,420	152,037,513

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ADJUSTMENTS TO ACCUMULATED DEPRECIATION & AMORTIZATION
AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED REVISED
WORKPAPER REFERENCE NO(S): _____

SCHEDULE B-3.1
SHEET 1 OF 2
WITNESS: S. M. KATKO

LINE ACCT.		BASE PERIOD		JURISDICTIONAL	JURISDICTIONAL	WORKPAPER	DESCRIPTION AND PURPOSE
NO.	NO.	ACCOUNT TITLES	TOTAL COMPANY ADJUSTMENT	PERCENT	ADJUSTMENT	REFERENCE	OF ADJUSTMENT
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)

ADJUSTMENTS ARE INCORPORATED INTO SCHEDULE B-3.
PLEASE SEE THE TESTIMONY OF S. M. KATKO.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ADJUSTMENTS TO ACCUMULATED DEPRECIATION & AMORTIZATION
FORECAST PERIOD 12/31/2016 TO 12/31/2017

DATA: __ BASE PERIOD __X__ FORECASTED PERIOD SCHEDULE B-3.1
TYPE OF FILING: X ORIGINAL __ UPDATED __ REVISED SHEET 2 OF 2
WORKPAPER REFERENCE NO(S): _____ WITNESS: S. M. KATKO

LINE ACCT.		FORECAST PERIOD		JURISDICTIONAL	JURISDICTIONAL	WORKPAPER	DESCRIPTION AND PURPOSE
NO.	NO.	ACCOUNT TITLES	TOTAL COMPANY ADJUSTMENT	PERCENT	ADJUSTMENT	REFERENCE	OF ADJUSTMENT
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)

ADJUSTMENTS ARE INCORPORATED INTO SCHEDULE B-3.
PLEASE SEE THE TESTIMONY OF S. M. KATKO.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ACCOUNT 107 CONSTRUCTION WORK IN PROGRESS IN SERVICE
AS OF JULY 31, 2016

Data: Base Period Forecasted Period
Type of Filing: Original Updated
Workpaper Reference No(s). WPB-4

SCHEDULE B-4
SHEET 1 OF 1
WITNESS: S. M. KATKO

LINE NO.	GPA	DESCRIPTION	ACCUMULATED COSTS				TOTAL COST (H=F*G)
			TOTAL CWIP AMOUNT (D)	CONSTRUCTION AMOUNT (E)	CWIP AMOUNT IN SERVICE (F=D-E)	JURISDICTIONAL (G)	
(A)	(B)	(C)	\$	\$	\$	%	\$
1	303.00	MISC INTANGIBLE PLANT	21,987	21,987	0	100.00	0
2	303.30	MISC INTANGIBLE PLANT	854,204	854,204	0		0
3		SUBTOTAL	876,191	876,191	0		0
4	374.40	LAND RIGHTS - OTHER DIST	105,990	105,990	0		0
5	375.40	REGULATING STRUCTURES	18,433	18,433	0		0
6	375.70	OTHER STRUCTURES	150,976	9,587	141,389		141,389
7	375.71	OTHER STRUCTURES-LEASED	26,357	0	26,357		26,357
8	376.00	MAINS	5,969,168	1,853,080	4,116,088		4,116,088
9	378.20	M&R EQUIP-GENERAL-REG	139,738	136,932	2,806		2,806
10	380.00	SERVICES	(97,312)	30,469	(127,781)		(127,781)
11	381.00	METERS	17,010	17,010	0		0
12	381.10	AMR DEVICES	51,118	51,118	0		0
13	382.00	METER INSTALLATIONS	(4,273)	0	(4,273)		(4,273)
14	383.00	HOUSE REGULATORS	9,863	0	9,863		9,863
15	385.00	IND M&R EQUIPMENT	72,769	12,401	60,368		60,368
16	387.45	OTHER EQ-TELEMETERING	353,950	349,824	4,126		4,126
17		SUBTOTAL	6,813,787	2,584,844	4,228,943		4,228,943
18	391.10	OFF FUR & EQ UNSPECIF	0	0	0		0
19	391.12	OFF FUR & EQ INFORM. SYS.	44,690	44,690	0		0
20	394.30	TOOLS & OTHER	20,259	20,259	0		0
21	398.00	MISCELLANEOUS EQUIPMENT	1,065	1,065	0		0
22		SUBTOTAL	66,014	64,949	0		0
23	TOTAL		7,755,992	3,525,984	4,228,943		4,228,943

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ALLOWANCE FOR WORKING CAPITAL
AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S): _____

SCHEDULE B-5
SHEET 1 OF 2
WITNESS: S. M. KATKO

LINE NO.	WORKING CAPITAL COMPONENT	DESCRIPTION OF METHODOLOGY USED TO DETERMINE JURISDICTIONAL REQUIREMENT	WORKPAPER REFERENCE NO.	TOTAL COMPANY \$	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT \$
1	CASH WORKING CAPITAL	1 / 8 O & M METHOD	B-5.2	4,883,309	100.00%	4,883,309
2	FUEL STOCK	13 MONTH AVERAGE BALANCE	B-5.1	0		0
3	MATERIAL & SUPPLIES	13 MONTH AVERAGE BALANCE	B-5.1	82,011		82,011
4	GAS STORED UNDERGROUND	13 MONTH AVERAGE BALANCE	B-5.1	43,282,678		43,282,678
5	PREPAYMENTS	13 MONTH AVERAGE BALANCE	B-5.1	<u>469,518</u>		<u>469,518</u>
6	TOTAL WORKING CAPITAL REQUIREMENTS			<u>48,717,516</u>		<u>48,717,516</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
ALLOWANCE FOR WORKING CAPITAL
AS OF DECEMBER 31, 2017

DATA: ___ BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL _____ UPDATED
WORKPAPER REFERENCE NO(S): _____

SCHEDULE B-5
SHEET 2 OF 2
WITNESS: S. M. KATKO

LINE NO.	WORKING CAPITAL COMPONENT	DESCRIPTION OF METHODOLOGY USED TO DETERMINE JURISDICTIONAL REQUIREMENT	WORKPAPER REFERENCE NO.	TOTAL COMPANY \$	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT \$
1	CASH WORKING CAPITAL	1 / 8 O & M METHOD	B-5.2	5,636,879	100.00%	5,636,879
2	FUEL STOCK	13 MONTH AVERAGE BALANCE	B-5.1	0		0
3	MATERIAL & SUPPLIES	13 MONTH AVERAGE BALANCE	B-5.1	82,011		82,011
4	GAS STORED UNDERGROUND	13 MONTH AVERAGE BALANCE	B-5.1	41,772,551		41,772,551
5	PREPAYMENTS	13 MONTH AVERAGE BALANCE	B-5.1	<u>469,518</u>		<u>469,518</u>
6	TOTAL WORKING CAPITAL REQUIREMENTS			<u>47,960,959</u>		<u>47,960,959</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
WORKING CAPITAL COMPONENTS
AS OF AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S). WPB-5.1, WPB-5.3

SCHEDULE B-5.1
SHEET 1 OF 2
WITNESS: S. M. KATKO

LINE NO.	DESCRIPTION	13 MONTH AVERAGE FOR PERIOD		
		TOTAL COMPANY	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT
		\$		\$
1	FUEL STOCK	0	100.00%	0
2	MATERIAL & SUPPLIES	82,011	100.00%	82,011
3	GAS STORED UNDERGROUND	43,282,678	100.00%	43,282,678
4	PREPAYMENTS	<u>469,518</u>	100.00%	<u>469,518</u>
5	TOTAL OTHER WORKING CAPITAL	<u>43,834,207</u>		<u>43,834,207</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
WORKING CAPITAL COMPONENTS
AS OF DECEMBER 31, 2017

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S). WPB-5.1, WPB-5.3

SCHEDULE B-5.1
SHEET 2 OF 2
WITNESS: S. M. KATKO

LINE NO.	DESCRIPTION	13 MONTH AVERAGE FOR PERIOD		
		TOTAL COMPANY	JURISDICTIONAL PERCENT	
		\$	\$	
1	FUEL STOCK	0	100.00%	0
2	MATERIAL & SUPPLIES	82,011	100.00%	82,011
3	GAS STORED UNDERGROUND	41,772,551	100.00%	41,772,551
4	PREPAYMENTS	<u>469,518</u>	100.00%	<u>469,518</u>
5	TOTAL OTHER WORKING CAPITAL	<u>42,324,080</u>		<u>42,324,080</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
WORKING CAPITAL COMPONENTS

WPB-5.1
SHEET 1 OF 1

Line No.	Month	Account 154	
		Miscellaneous Deferred Debits Plant Materials & Supplies	Account 165 Prepayments 1/
		\$	\$
1	February 29, 2015	82,505	328,268
2	March 31, 2015	82,517	375,579
3	April 30, 2015	82,440	497,759
4	May 31, 2015	83,167	199,721
5	June 30, 2015	85,075	111,792
6	July 31, 2015	88,519	679,159
7	August 31, 2015	86,125	680,670
8	September 30, 2015	85,994	795,174
9	October 31, 2015	88,437	517,352
10	November 30, 2015	29,083	543,927
11	December 31, 2015	90,458	459,898
12	January 31, 2016	90,547	389,393
13	February 29, 2016	91,281	525,045
14	13 Month Average	<u>82,011</u>	<u>469,518</u>

1_/ Prepaid PSC Fees have been removed from calculation.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
Calculation of Gas Storage Balances

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

WPB-5.3
SHEET 1 OF 1
WITNESS: S. M. KATKO

Line No.	Month	Per Books (LIFO Method)					Ending Balance (Mcf)	Ending Balance (\$)	Annual WACOG Rate/Mcf (\$/Mcf)
		Account 164		Activity (\$)	Withdraw (Mcf)	Activity (\$)			
		Firm Stor	Serv						
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Dec-14	50,985,597	118,978	0	933,093	0	9,502,685	50,985,597	
2	Jan-15	38,512,093	119,748	447,618	3,456,694	12,921,122	6,165,739	38,512,093	3.7380
3	YTD adj		119,748		3,456,694			2,586,133	(0.7750)
4	Feb-15	35,265,845	37,324	110,591	2,005,728	5,942,972	4,197,335	35,265,845	2.9630
5	YTD adj		157,072		5,462,422			(270,573)	0.0510
6	Mar-15	30,561,304	76,878	231,710	1,548,002	4,665,678	2,726,211	30,561,304	3.0140
7	YTD adj		233,950		7,010,424			(47,435)	0.0070
8	Apr-15	34,074,405	1,234,818	3,730,385	56,223	169,850	3,904,806	34,074,405	3.0210
9	YTD adj		1,468,768		7,066,647			(425,439)	0.0760
10	May-15	39,571,600	1,912,611	5,923,356	233	722	5,817,184	39,571,600	3.0970
11	YTD adj		3,381,379		7,066,880			(62,654)	0.0170
12	Jun-15	41,286,403	646,635	2,013,621	75,840	236,166	6,387,979	41,286,403	3.1140
13	YTD adj		4,028,014		7,142,720			(90,326)	0.0290
14	Jul-15	45,130,430	1,391,062	4,372,108	139,279	437,754	7,639,762	45,130,430	3.1430
15	YTD adj		5,419,076		7,281,999			1,863	(0.0010)
16	Aug-15	49,793,981	1,483,836	4,662,213	167	525	9,123,431	49,793,981	3.1420
17	YTD adj		6,902,912		7,282,166			(23,514)	0.0620
18	Sep-15	53,448,848	1,137,183	3,643,534	(10,876)	(34,847)	10,271,490	53,448,848	3.2040
19	YTD adj		8,040,095		7,271,290			(93,025)	(0.1210)
20	Oct-15	54,141,911	500,161	1,541,996	245,186	755,908	10,526,465	54,141,911	3.0830
21	YTD adj		8,540,256		7,516,476			(45,046)	(0.0440)
22	Nov-15	52,375,824	162,531	493,932	728,849	2,214,972	9,960,147	52,375,824	3.0390
23	YTD adj		8,702,787		8,245,325			(1,632,613)	0.0530
24	Dec-15	46,381,601	34,056	105,301	1,444,667	4,466,910	8,549,536	46,381,601	3.0920
25	LIFO adj for Net Gas Withdrawn	46,381,602	8,736,843		9,689,992		8,549,536	46,381,602	
26	Jan-16	38,950,208	155,459	406,681	2,996,206	7,838,075	5,708,789	38,950,208	2.6160
27	YTD adj		155,459		2,996,206			355,093	(0.1250)
28	Feb-16	34,495,823	29,609	73,756	1,960,351	4,883,234	3,778,047	34,495,823	2.4910
29	YTD adj		185,068		4,956,557			(596,436)	0.1250
30	Mar-16	30,430,571	17,000	44,472	1,343,000	3,513,288	2,452,047	30,430,571	2.6160
31	YTD adj		202,068		6,299,557			0	0.0000
32	Apr-16	32,821,595	914,000	2,391,024	0	0	3,366,047	32,821,595	2.6160
33	YTD adj		1,116,068		6,299,557			0	0.0000
34	May-16	36,676,401	1,473,550	3,854,807	0	0	4,839,597	36,676,401	2.6160
35	YTD adj		2,589,618		6,299,557			0	0.0000
36	Jun-16	40,531,208	1,473,550	3,854,807	0	0	6,313,147	40,531,208	2.6160
37	YTD adj		4,063,168		6,299,557			0	0.0000
38	Jul-16	44,386,015	1,473,550	3,854,807	0	0	7,786,697	44,386,015	2.6160
39	YTD adj		5,536,718		6,299,557			0	0.0000
40	Aug-16	48,240,822	1,473,550	3,854,807	0	0	9,260,247	48,240,822	2.6160
41	Sep-16	51,473,021	1,235,550	3,232,199	0	0	10,495,797	51,473,021	2.6160
42	Oct-16	52,440,941	370,000	967,920	0	0	10,865,797	52,440,941	2.6160
43	Nov-16	49,581,653	0	0	1,093,000	2,859,288	9,772,797	49,581,653	2.6160
44	Dec-16	45,343,733	0	0	1,620,000	4,237,920	8,152,797	45,343,733	2.6160
45	LIFO adj for Net Gas Withdrawn	44,465,233	8,615,818		9,012,557		8,152,797	44,465,233	
46	Jan-17	38,359,228	17,000	49,079	2,132,000	6,155,084	6,037,797	38,359,228	2.8870
47	Feb-17	33,714,045	0	0	1,609,000	4,645,183	4,428,797	33,714,045	2.8870
48	Mar-17	29,888,770	2,000	5,774	1,327,000	3,831,049	3,103,797	29,888,770	2.8870
49	Apr-17	32,215,692	806,000	2,326,922	0	0	3,909,797	32,215,692	2.8870
50	May-17	36,050,783	1,328,400	3,835,091	0	0	5,238,197	36,050,783	2.8870
51	Jun-17	39,885,874	1,328,400	3,835,091	0	0	6,566,597	39,885,874	2.8870
52	Jul-17	43,720,965	1,328,400	3,835,091	0	0	7,894,997	43,720,965	2.8870
53	Aug-17	47,556,056	1,328,400	3,835,091	0	0	9,223,397	47,556,056	2.8870
54	Sep-17	51,229,474	1,272,400	3,673,419	0	0	10,495,797	51,229,474	2.8870
55	Oct-17	52,297,664	370,000	1,068,190	0	0	10,865,797	52,297,664	2.8870
56	Nov-17	49,165,269	0	0	1,085,000	3,132,395	9,780,797	49,165,269	2.8870
57	Dec-17	44,494,103	0	0	1,618,000	4,671,166	8,162,797	44,494,103	2.8870
58	LIFO adj for Net Gas Withdrawn	44,494,103	7,781,000		7,771,000		8,162,797	44,494,103	
59	13 Month Avg August 31, 2016	43,282,678							
60	13 Month Avg December 31, 2017	41,772,551							

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
CASH WORKING CAPITAL COMPONENTS - 1 / 8 O&M EXPENSES
FOR THE 12 MONTHS ENDED AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S). SCH.C-2, C-2.2a

SCHEDULE B-5.2
SHEET 1 OF 2
WITNESS: S. M. KATKO

LINE NO.	DESCRIPTION	TOTAL COMPANY (1)	1 / 8 METHOD PERCENT (2)	JURISDICTIONAL AMOUNT (3)
1	CASH WORKING CAPITAL			
2	PURCHASED GAS EXPENSE	324,707	12.50%	40,588
3	LIQUEFIED PETROLEUM GAS EXPENSE	1,192	12.50%	149
4	DISTRIBUTION EXPENSE	15,465,973	12.50%	1,933,247
5	CUSTOMER ACCOUNTING & COLLECTING	4,497,598	12.50%	562,200
6	CUSTOMER SERVICE & INFORMATION	1,225,708	12.50%	153,214
7	SALES EXPENSE	129,660	12.50%	16,208
8	A & G EXPENSE	<u>17,421,631</u>	12.50%	<u>2,177,704</u>
9	TOTAL O & M EXPENSES	39,066,470		<u>4,883,309</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
CASH WORKING CAPITAL COMPONENTS - 1 / 8 O&M EXPENSES
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2017

DATA: ___ BASE PERIOD ___ X ___ FORECASTED PERIOD
TYPE OF FILING: ___ X ___ ORIGINAL ___ UPDATED
WORKPAPER REFERENCE NO(S). SCH.C-2, C-2.2b

SCHEDULE B-5.2
SHEET 2 OF 2
WITNESS: S. M. KATKO

LINE NO.	DESCRIPTION	TOTAL COMPANY (1)	1 / 8 METHOD PERCENT (2)	JURISDICTIONAL AMOUNT (3)
1	CASH WORKING CAPITAL			
2	PURCHASED GAS EXPENSE	341,557	12.50%	42,695
3	LIQUEFIED PETROLEUM GAS EXPENSE	2,139	12.50%	267
4	DISTRIBUTION EXPENSE	18,468,976	12.50%	2,308,622
5	CUSTOMER ACCOUNTING & COLLECTING	5,539,212	12.50%	692,402
6	CUSTOMER SERVICE & INFORMATION	1,546,761	12.50%	193,345
7	SALES EXPENSE	176,183	12.50%	22,023
8	A & G EXPENSE	<u>19,020,203</u>	12.50%	<u>2,377,525</u>
9	TOTAL O & M EXPENSES	45,095,031		<u>5,636,879</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF AUGUST 31, 2016

DATA: X BASE PERIOD _____ FORECASTED PERIOD _____ SCHEDULE B-6
TYPE OF FILING: X ORIGINAL _____ UPDATED _____ SHEET 1 OF 2
WORKPAPER REFERENCE NO(S). WPB-6 WITNESS: P. W. FISCHER

LINE NO.	SUB ACCT	WORKPAPER REFERENCE	TOTAL COMPANY	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT
1		<u>ACCOUNT 190 - DEFERRED INCOME TAXES</u>			
2	2851	CONTRIBUTIONS IN AID & CUST. ADVANCES - FED	1,135,282	100.00%	1,135,282
3	4851	CONTRIBUTIONS IN AID & CUST. ADVANCES - STATE	213,133		213,133
4	1938 & 1947	LIFO INVENTORY & CAPITALIZED INVENTORY - FED	2,303,157		2,303,157
5	3938 & 3947	LIFO INVENTORY & CAPITALIZED INVENTORY -STATE	420,026		420,026
6	2969	NET OPERATING LOSS - FED	1,406,921		1,406,921
7		TOTAL ACCOUNT 190	<u>5,478,519</u>		<u>5,478,519</u>
8		<u>ACCOUNT 282 - DEFERRED INCOME TAXES - DEPRECIATION</u>			
9	2205	EXCESS ACCELERATED DEPRECIATION - FED	(65,157,587)		(65,157,587)
10	4205	EXCESS ACCELERATED DEPRECIATION - STATE	(12,941,514)		(12,941,514)
11	2211	LOSS ON RETIREMENT OF ACRS PROPERTY - FED	(5,598,363)		(5,598,363)
12	4211	LOSS ON RETIREMENT OF ACRS PROPERTY - STATE	(1,051,006)		(1,051,006)
13	2231	PROPERTY REMOVAL COSTS - FED	(446,356)		(446,356)
14	4231	PROPERTY REMOVAL COSTS - ST	(83,797)		(83,797)
15	2232	CONTRIBUTIONS IN AID OF CONSTRUCTION - FED	1,482,994		1,482,994
16	4232	CONTRIBUTIONS IN AID OF CONSTRUCTION - STATE	278,411		278,411
17	2234	BUILDER INCENTIVES - FED	8,590		8,590
18	4234	BUILDER INCENTIVES - STATE	1,568		1,568
19	4227	NON-CONFORMING STATE DEPRECIATION	3,529,074		3,529,074
20	2951	RRA '93 1% OFFSET	(98,814)		(98,814)
21	2953	RRA '93 RATE BASE INCREMENT	(64,845)		(64,845)
22		TOTAL ACCOUNT 282	<u>(80,141,645)</u>		<u>(80,141,645)</u>
23		<u>ACCOUNT 283 - DEFERRED INCOME TAXES - OTHER</u>			
24	2951	LEGAL LIABILITY - LEASE ON G.O. BLDG. - FED	0		0
25	4951	LEGAL LIABILITY - LEASE ON G.O. BLDG. - STATE	0		0
26		TOTAL ACCOUNT 283	<u>0</u>		<u>0</u>
27		TOTAL ACCUMULATED DEFERRED TAXES	<u>(74,663,126)</u>		<u>(74,663,126)</u>

COLUMBIA GAS OF KENTUCKY, INC.
 CASE NO. 2016 - 00162
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
 AS OF DECEMBER 31, 2017

DATA: BASE PERIOD X FORECASTED PERIOD
 TYPE OF FILING: X ORIGINAL UPDATED
 WORKPAPER REFERENCE NO(S). WPB-6

SCHEDULE B-6
 SHEET 2 OF 2

WITNESS: P. W. FISCHER

LINE NO.	SUB ACCT	WORKPAPER REFERENCE	TOTAL COMPANY	JURISDICTIONAL PERCENT	JURISDICTIONAL AMOUNT	13 MONTH AVERAGE BALANCE
1	15560	ACCOUNT 252 - CUSTOMER ADVANCES FOR CONSTRUCTION	<u>0</u>	100.00%	<u>0</u>	<u>0</u>
2		<u>ACCOUNT 190 - DEFERRED INCOME TAXES</u>				
3	2851	CONTRIBUTIONS IN AID & CUST. ADVANCES - FED	1,270,404		1,270,404	1,219,736
4	4851	CONTRIBUTIONS IN AID & CUST. ADVANCES - STATE	238,505		238,505	228,991
5	1938 & 1947	LIFO INVENTORY & CAPITALIZED INVENTORY - FED	2,242,077		2,242,077	2,265,907
6	3938 & 3947	LIFO INVENTORY & CAPITALIZED INVENTORY - STATE	408,886		408,886	413,232
7	2969	NET OPERATING LOSS - FED	<u>1,152,716</u>		<u>1,152,716</u>	<u>1,258,107</u>
8		TOTAL ACCOUNT 190	<u>5,312,588</u>		<u>5,312,588</u>	<u>5,385,973</u>
9		<u>ACCOUNT 282 - DEFERRED INCOME TAXES - DEPRECIATION</u>				
10	2205	EXCESS ACCELERATED DEPRECIATION - FED	(72,873,206)		(72,873,206)	(70,074,904)
11	4205	EXCESS ACCELERATED DEPRECIATION - STATE	(14,316,496)		(14,316,496)	(13,815,522)
12	2211	LOSS ON RETIREMENT OF ACRS PROPERTY - FED	(5,990,505)		(5,990,505)	(5,843,459)
13	4211	LOSS ON RETIREMENT OF ACRS PROPERTY - STATE	(1,124,626)		(1,124,626)	(1,097,020)
14	2231	PROPERTY REMOVAL COSTS - FED	(468,256)		(468,256)	(460,044)
15	4231	PROPERTY REMOVAL COSTS - STATE	(87,909)		(87,909)	(86,367)
16	2232	CONTRIBUTIONS IN AID OF CONSTRUCTION - FED	1,501,128		1,501,128	1,494,328
17	4232	CONTRIBUTIONS IN AID OF CONSTRUCTION - STATE	281,819		281,819	280,541
18	2234	BUILDER INCENTIVES - FED	4,136		4,136	5,800
19	4234	BUILDER INCENTIVES - STATE	752		752	1,058
20	4227	NON-CONFORMING STATE DEPRECIATION	4,400,811		4,400,811	4,046,394
21	2951	RRA '93 1% OFFSET	(97,470)		(97,470)	(97,974)
22	2953	RRA '93 RATE BASE INCREMENT	(275,489)		(275,489)	(196,121)
23		REG. 1.167 NORMALIZATION ADJUSTMENT	<u>256,741</u>		<u>256,741</u>	<u>256,741</u>
24		TOTAL ACCOUNT 282	<u>(88,788,570)</u>		<u>(88,788,570)</u>	<u>(85,586,550)</u>
25		<u>ACCOUNT 283 - DEFERRED INCOME TAXES - OTHER</u>				
26	2951	LEGAL LIABILITY - LEASE ON G.O. BLDG. - FED	0		0	0
27	4951	LEGAL LIABILITY - LEASE ON G.O. BLDG. - STATE	<u>0</u>		<u>0</u>	<u>0</u>
28		TOTAL ACCOUNT 283	<u>0</u>		<u>0</u>	<u>0</u>
29		TOTAL ACCUMULATED DEFERRED TAXES	<u>(83,475,982)</u>		<u>(83,475,982)</u>	<u>(80,200,577)</u>

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF DECEMBER 31, 2017

WPB-6
SHEET 1 OF 3
REFERENCE: F/S, B-6

Account 282 - Deferred Income Taxes - Depreciation														
	Sub-Acct. 2205 Sub-Acct. 4205			Sub-Acct. 2211 Sub-Acct. 4211		Sub-Acct. 2231 Sub-Acct. 4231		Sub-Acct. 2232 Sub-Acct. 4232		Sub-Acct. 4231 Sub-Acct. 2232		Sub-Acct. 4227 Sub-Acct. 2951		Sub-Acct. 2953
	Excess Accelerated Depreciation - Federal	Excess Accelerated Depreciation - State	Reg. Sec. 1.167 Normalization Adjustment - Federal	Loss On Retirement Of ACRS Property - Federal	Loss On Retirement Of ACRS Property - State	Property Removal Costs - Federal	Property Removal Costs - State	Contributions In Aid & Construction - Federal	Contributions In Aid & Construction - State	Builder Incentives - Federal	Builder Incentives - State	Non Conforming Depreciation - State	RRA '93 1% Offset - Federal	RRA '93 Rate Base Increment - Federal
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
December 2016	(67,276,602)	(13,314,548)	256,741	(5,696,413)	(1,069,414)	(451,832)	(84,825)	1,487,528	279,263	7,464	1,364	3,691,977	(98,478)	(116,753)
January 2017	(67,742,986)	(13,398,044)	256,741	(5,720,940)	(1,074,019)	(453,202)	(85,082)	1,488,662	279,476	7,186	1,313	3,751,046	(98,394)	(129,991)
February 2017	(68,209,370)	(13,481,539)	256,741	(5,745,467)	(1,078,624)	(454,572)	(85,339)	1,489,796	279,689	6,908	1,262	3,810,116	(98,310)	(143,229)
March 2017	(68,675,753)	(13,565,035)	256,741	(5,769,965)	(1,083,223)	(455,940)	(85,596)	1,490,929	279,902	6,631	1,211	3,869,185	(98,226)	(156,452)
April 2017	(69,142,137)	(13,648,531)	256,741	(5,794,463)	(1,087,822)	(457,308)	(85,853)	1,492,062	280,115	6,354	1,160	3,928,255	(98,142)	(169,675)
May 2017	(69,608,521)	(13,732,026)	256,741	(5,818,961)	(1,092,421)	(458,676)	(86,110)	1,493,195	280,328	6,077	1,109	3,987,324	(98,058)	(182,898)
June 2017	(70,074,904)	(13,815,522)	256,741	(5,843,459)	(1,097,020)	(460,044)	(86,367)	1,494,328	280,541	5,800	1,058	4,046,394	(97,974)	(196,121)
July 2017	(70,541,288)	(13,899,018)	256,741	(5,867,957)	(1,101,619)	(461,412)	(86,624)	1,495,461	280,754	5,523	1,007	4,105,463	(97,890)	(209,344)
August 2017	(71,007,672)	(13,982,513)	256,741	(5,892,455)	(1,106,218)	(462,780)	(86,881)	1,496,594	280,967	5,246	956	4,164,533	(97,806)	(222,567)
September 2017	(71,474,055)	(14,066,009)	256,741	(5,916,953)	(1,110,817)	(464,148)	(87,138)	1,497,727	281,180	4,969	905	4,223,602	(97,722)	(235,790)
October 2017	(71,940,439)	(14,149,505)	256,741	(5,941,451)	(1,115,416)	(465,516)	(87,395)	1,498,860	281,393	4,692	854	4,282,672	(97,638)	(249,013)
November 2017	(72,406,823)	(14,233,000)	256,741	(5,965,978)	(1,120,021)	(466,886)	(87,652)	1,499,994	281,606	4,414	803	4,341,741	(97,554)	(262,251)
December 2017	(72,873,206)	(14,316,496)	256,741	(5,990,505)	(1,124,626)	(468,256)	(87,909)	1,501,128	281,819	4,136	752	4,400,811	(97,470)	(275,489)
13-Month Average Balanc	(70,074,904)	(13,815,522)	256,741	(5,843,459)	(1,097,020)	(460,044)	(86,367)	1,494,328	280,541	5,800	1,058	4,046,394	(97,974)	(196,121)

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF DECEMBER 31, 2017

WPB-6
SHEET 2 OF 3
REFERENCE: F/S, B-6

Account 190 - Deferred Income Taxes					
	Sub-Acct. 2851	Sub-Acct. 4851	Sub-Acct. 1938	Sub-Acct. 3938	Sub-Acct. 2969
	Contributions	Contributions	Sub-Acct. 1947	Sub-Acct. 3947	Net Operating
	In Aid &	In Aid &	LIFO Inventory	LIFO Inventory	Loss
	Cust. Advances	Cust. Advances	Evaluation	Evaluation	- Federal
	- Federal	- State	- Federal	- State	- Federal
	\$	\$	\$	\$	\$
December 2016	1,169,068	219,477	2,289,737	417,578	1,363,497
January 2017	1,177,520	221,064	2,285,762	416,853	1,345,918
February 2017	1,185,972	222,651	2,281,787	416,128	1,328,339
March 2017	1,194,413	224,236	2,277,817	415,404	1,310,781
April 2017	1,202,854	225,821	2,273,847	414,680	1,293,223
May 2017	1,211,295	227,406	2,269,877	413,956	1,275,665
June 2017	1,219,736	228,991	2,265,907	413,232	1,258,107
July 2017	1,228,177	230,576	2,261,937	412,508	1,240,549
August 2017	1,236,618	232,161	2,257,967	411,784	1,222,991
September 2017	1,245,059	233,746	2,253,997	411,060	1,205,433
October 2017	1,253,500	235,331	2,250,027	410,336	1,187,875
November 2017	1,261,952	236,918	2,246,052	409,611	1,170,296
December 2017	1,270,404	238,505	2,242,077	408,886	1,152,716
13-Month					
Average Balance	1,219,736	228,991	2,265,907	413,232	1,258,107

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
DEFERRED CREDITS AND ACCUMULATED DEFERRED INCOME TAXES
AS OF DECEMBER 31, 2017

WPB-6
SHEET 3 OF 3

Account 282 - Deferred Income Taxes - Adjustment

	Reg. Sec. 1.167 Normalization Adjustment - Federal
	<u> </u> \$
December 2016	256,741
January 2017	256,741
February 2017	256,741
March 2017	256,741
April 2017	256,741
May 2017	256,741
June 2017	256,741
July 2017	256,741
August 2017	256,741
September 2017	256,741
October 2017	256,741
November 2017	256,741
December 2017	256,741

Calculation of Pro Forma Tax Depreciation

Deferred Taxes at 12-31-16	81,277,773
Projected Deferred Taxes at 12/2017	87,892,596
Increase in Deferred Taxes	6,614,823

	Per Regulatory Books	Per Reg. Sec. 1.167	Difference
Balance Deferred Taxes			
December 2016	81,277,773	81,277,773	-
January 2017	81,829,057	81,783,746	45,311
February 2017	82,380,341	82,244,408	135,933
March 2017	82,931,551	82,658,194	273,357
April 2017	83,482,762	83,025,164	457,598
May 2017	84,033,973	83,349,850	684,123
June 2017	84,585,184	83,627,721	957,463
July 2017	85,136,395	83,860,287	1,276,108
August 2017	85,687,605	84,046,037	1,641,569
September 2017	86,238,816	84,186,482	2,052,334
October 2017	86,790,027	84,280,112	2,509,915
November 2017	87,341,311	84,326,933	3,014,378
December 2017	87,892,596	84,328,443	3,564,153
Wtd Avg.	84,585,184	84,328,443	256,741

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016 - 00162
JURISDICTIONAL PERCENTAGE
FOR THE FORCASTED PERIOD DECEMBER 31, 2017
FOR THE BASE PERIOD AUGUST 31, 2016

DATA: BASE PERIOD FORECASTED PERIOD
TYPE OF FILING: ORIGINAL UPDATED
WORKPAPER REFERENCE NO(S).

SCHEDULE B-7
SHEET 1 OF 1
WITNESS: S. M. KATKO

LINE NO.	ACCT. NO.	ACCOUNT TITLE	JURISDICTIONAL PERCENT	DESCRIPTION OF FACTORS AND/OR METHOD OF ALLOCATION
----------	-----------	---------------	------------------------	--

ALL DATA 100.00% JURISDICTIONAL.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

5. Refer to the response to Staff's Second Request, Item 5.a. Provide a copy of the most recently completed form identified as "Figure 10-1: Periodic Program Evaluation — Summary of DIMP Program Periodic Evaluation" in the Distribution Integrity Management Plan.

Response:

Please see CONFIDENTIAL Staff 3-5 Attachment A.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

6. Refer to the response to Staff's Second Request, Item 6, regarding payroll costs.

a. Provide the impact on Columbia's proposed rate increase of a 2 percent wage increase as opposed to a 3 percent increase. Provide all affected schedules in electronic Excel spread sheet format, with formulas intact and cells unprotected.

b. Provide the impact on Columbia's proposed rate increase of a 2.5 percent wage increase as opposed to a 3 percent increase. Provide all affected schedules in electronic Excel spread sheet format, with formulas intact and cells unprotected.

c. Provide and explain Columbia's compensation policy as approved by the Board of Directors. Include in the explanation the basis of the compensation policy.

d. State when the compensation policy was last reviewed or given consideration by the Board of Directors.

e. Explain whether the expenses for wages, salaries, benefits, and other compensation during the test year, and any adjustments to the test year, are compliant with the Board of Director's compensation policy.

Response:

a. Please see Staff 3-6 Attachment A, also filed in this docket as CKY_R_PSCDR3_NUM6_ATT_A_081916.xlsx, for the response.

b. Please see Staff 3-6 Attachment B, also filed in this docket as CKY_R_PSCDR3_NUM6_ATT_B_081916.xlsx, for the response.

c. For a detailed explanation of the basis of the compensation policy as approved by the NiSource Board of Directors, see pages 20-26 of the NiSource Proxy Statement included in Staff 3-6 Attachment C.

d. The compensation policy was last reviewed by the NiSource Board of Directors on March 8, 2016.

e. Expenses for salaries, benefits, and other compensation during the test year, and any adjustments to the test year, are compliant with the NiSource Board of Directors' compensation policy.

Cost of Service Impact @ 2.0% Wage Increase

	2015
Straight-Time	9,716,962.43
Over-Time	1,388,468.62
Total Labor	<u>\$ 11,105,431.05</u>
O&M Labor	\$ 8,084,844.12
	2016
2015 Labor including 2016 Merit	\$ 8,327,389.44
2016 New Hires O&M	\$ 642,928.00
Co. 12 Merit Increase 3%	\$ 189,394.29
Test Year O&M impacts	
2015 Historical Labor @ 2%	\$ 166,547.79
2016 New Hires O&M @ 2%	\$ 12,858.56
Co. 12 Merit Increase @ 2%	\$ 130,050.74
Total	<u>\$ 309,457.09</u>
Test Year O&M impacts	
2015 Historical Labor @ 3%	\$ 249,821.68
2016 New Hires O&M @ 3%	\$ 19,287.84
Co. 12 Merit Increase @ 3%	\$ 195,076.11
Total	<u>\$ 464,185.64</u>
Reduction to Test Year Cost of Service @ 2% Merit Increase vs. 3%	\$ 154,728.55

Cost of Service Impact @ 2.5% Wage Increase

	2015
Straight-Time	9,716,962.43
Over-Time	1,388,468.62
Total Labor	<u>\$ 11,105,431.05</u>
O&M Labor	\$ 8,084,844.12
	2016
2015 Labor including 2016 Merit	\$ 8,327,389.44
2016 New Hires O&M	\$ 642,928.00
Co. 12 Merit Increase 3%	\$ 189,394.29
	Test Year O&M impacts
2015 Historical Labor @ 2.5%	\$ 208,184.74
2016 New Hires O&M @ 2.5%	\$ 16,073.20
Co. 12 Merit Increase @ 2.5%	\$ 162,563.43
Total	<u>\$ 386,821.36</u>
	Test Year O&M impacts
2015 Historical Labor @ 3%	\$ 249,821.68
2016 New Hires O&M @ 3%	\$ 19,287.84
Co. 12 Merit Increase @ 3%	\$ 195,076.11
Total	<u>\$ 464,185.64</u>
Reduction to Test Year Cost of Service @ 2.5% Merit Increase vs. 3%	\$ 77,364.27

NISOURCE INC/DE

FORM DEF 14A (Proxy Statement (definitive))

Filed 04/07/16 for the Period Ending 05/11/16

Address	801 EAST 86TH AVE MERRILLVILLE, IN 46410-6272
Telephone	2196475200
CIK	0001111711
Symbol	NI
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

NISOURCE INC.

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



NiSource Inc.

801 E. 86th Avenue • Merrillville, Indiana 46410 • (877) 647-5990

NOTICE OF ANNUAL MEETING

April 7, 2016

To the Holders of Common Stock of NiSource Inc.:

The annual meeting of the stockholders (the “Annual Meeting”) of NiSource Inc., a Delaware corporation (the “Company”), will be held at the Hyatt Rosemont, 6350 N. River Road, Rosemont, Illinois 60018 on Wednesday, May 11, 2016, at 10:00 a.m., local time, for the following purposes:

- (1) To elect nine directors named in the proxy statement to hold office until the next annual stockholders’ meeting and until their respective successors have been elected or appointed and qualified;
- (2) To approve executive compensation on an advisory basis;
- (3) To ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accountants for the year 2016;
- (4) To act upon the stockholder proposals described in the proxy statement that are properly presented at the meeting; and
- (5) To transact such other business as may properly come before the meeting and any adjournment or postponement thereof.

All persons who were stockholders of record at the close of business on March 15, 2016, will be entitled to vote at the Annual Meeting and any adjournment thereof.

Your vote is very important. Whether or not you plan to attend the meeting, please vote at your earliest convenience. You may vote your shares by marking, signing, dating and mailing the enclosed proxy card. You may also vote by telephone or through the Internet by following the instructions set forth on the proxy card. If you attend the Annual Meeting, you may be able to vote your shares in person, even if you have previously submitted a proxy. See the section “Voting in Person” for specific instructions on voting your shares.

If you plan to attend the Annual Meeting, please so indicate in the space provided on the proxy card or respond when prompted on the telephone or through the Internet.

PLEASE VOTE YOUR SHARES BY TELEPHONE, THROUGH THE INTERNET OR BY PROMPTLY MARKING, DATING, SIGNING AND RETURNING THE ENCLOSED PROXY CARD.

A handwritten signature in black ink, appearing to read "Samuel K. Lee".

Samuel K. Lee
Corporate Secretary

**Important Notice Regarding the Availability of Proxy Materials
For the Annual Meeting of Stockholders to be Held on May 11, 2016**

**The Proxy Statement, Notice of Annual Meeting and 2015 Annual Report to Stockholders
are available at <http://ir.nisource.com/annuals.cfm>**

TABLE OF CONTENTS

PROXY STATEMENT	1
Who May Vote	1
Voting Your Proxy	1
Discretionary Voting by Brokers, Banks and Other Stockholders of Record	1
Voting Shares Held in A 401(K) Plan	2
Voting in Person	2
Revoking Your Proxy	2
Quorum for the Meeting	2
PROPOSAL 1 — ELECTION OF DIRECTORS	2
CORPORATE GOVERNANCE	7
Separation of Columbia Pipeline Group	7
Director Independence	7
Policies and Procedures with Respect to Transactions with Related Persons	7
Executive Sessions of Non-Management Directors	8
Communications with the Board and Non-Management Directors	8
Code of Business Conduct	8
Corporate Governance Guidelines	9
Board Leadership Structure and Risk Oversight	9
Meetings and Committees of the Board	9
DIRECTOR COMPENSATION	13
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	16
EXECUTIVE COMPENSATION	17
COMPENSATION DISCUSSION AND ANALYSIS (CD&A)	17
COMPENSATION COMMITTEE REPORT	37
ASSESSMENT OF RISK	37
COMPENSATION OF EXECUTIVE OFFICERS	38
EQUITY COMPENSATION PLAN INFORMATION	55
PROPOSAL 2 — ADVISORY APPROVAL OF EXECUTIVE COMPENSATION	56
PROPOSAL 3 — RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS	57
AUDIT COMMITTEE REPORT	57
INDEPENDENT AUDITOR FEES	58
PROPOSAL 4 — STOCKHOLDER PROPOSAL REGARDING REPORTS ON POLITICAL CONTRIBUTIONS	59
PROPOSAL 5 — STOCKHOLDER PROPOSAL REGARDING A SENIOR EXECUTIVE EQUITY RETENTION POLICY	60
PROPOSAL 6 — STOCKHOLDER PROPOSAL REGARDING ACCELERATED VESTING OF EQUITY AWARDS OF SENIOR EXECUTIVES UPON A CHANGE IN CONTROL	63
STOCKHOLDER PROPOSALS AND NOMINATIONS FOR 2017 ANNUAL MEETING	65
SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE	65
ANNUAL REPORT AND FINANCIAL STATEMENTS	65
AVAILABILITY OF FORM 10-K	65
MULTIPLE STOCKHOLDERS SHARING THE SAME ADDRESS — “HOUSEHOLDING”	65
OTHER BUSINESS	66

PROXY STATEMENT

The accompanying proxy is solicited on behalf of the Board of Directors of NiSource Inc. (the “Board”) for the 2016 annual meeting of the stockholders (the “Annual Meeting”) to be held at the Hyatt Rosemont, 6350 North River Road, Rosemont, Illinois 60018 on Wednesday, May 11, 2016, at 10:00 a.m., local time. The common stock, \$.01 par value per share, of the Company represented by the proxy will be voted as directed. If you return a signed proxy card without indicating how you want to vote your shares, the shares represented by the accompanying proxy will be voted as recommended by the Board “FOR” all of the nominees for director; “FOR” advisory approval of the compensation of the Company’s Named Executive Officers; “FOR” the ratification of the appointment of Deloitte & Touche LLP (“Deloitte”) as the Company’s independent registered public accountants for 2016; “AGAINST” the stockholder proposal regarding reports on political contributions; “AGAINST” the stockholder proposal regarding a senior executive equity retention policy; and “AGAINST” the stockholder proposal regarding accelerated vesting of equity awards of senior executives upon a change in control.

This Proxy Statement and the accompanying proxy card are first being sent to stockholders on April 7, 2016. We will bear the expense of this mail solicitation, which may be supplemented by telephone, facsimile, e-mail and personal solicitation by our officers, employees and agents. To aid in the solicitation of proxies, we have retained D.F. King for a fee of \$9,500, plus reimbursement of expenses. We may incur additional fees if we request additional services. We will also request brokerage houses and other nominees and fiduciaries to forward proxy materials, at our expense, to the beneficial owners of stock held on March 15, 2016, the record date for voting.

We use the terms “NiSource,” the “Company,” “we,” “our” and “us” in this proxy statement to refer to NiSource Inc.

Who May Vote

Holders of shares of common stock as of the close of business on March 15, 2016, are entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. As of March 15, 2016, 320,722,005 shares of common stock were issued and outstanding. Each share of common stock outstanding on that date is entitled to one vote on each matter presented at the Annual Meeting.

Voting Your Proxy

If you are a “stockholder of record” (that is, if your shares of common stock are registered directly in your name on the Company’s records), you may vote your shares by proxy using any of the following methods:

- Telephoning the toll-free number listed on the proxy card;
- Using the Internet website listed on the proxy card; or
- Marking, dating, signing and returning the enclosed proxy card.

All votes must be received by the proxy tabulator by 11:59 p.m. Eastern Time on May 10, 2016.

If your shares are held in a brokerage account or by a bank or other stockholder of record (herein referred to as a “Broker”), you are considered a “beneficial owner” of shares held in “street name.” As a beneficial owner, you will receive proxy materials and voting instructions from the stockholder of record that holds your shares. You must follow the voting instructions in order to have your shares of common stock voted.

Discretionary Voting by Brokers, Banks and Other Stockholders of Record

If your shares are held in street name and you do not provide the Broker with instructions as to how to vote such shares, your Broker will only be able to vote your shares at its discretion on certain “routine” matters as permitted by New York Stock Exchange (“NYSE”) rules. The proposal to ratify the appointment of our independent registered public accountants is the only proposal considered a routine matter and, accordingly, at the Annual Meeting Brokers will only have discretionary authority to vote your shares with regard to the ratification of the appointment of Deloitte as our independent registered public accountants for 2016. Brokers will not have discretionary authority to vote your shares with respect to the election of directors, the advisory approval of executive compensation, or the stockholder proposals. Therefore, it is important that you instruct your Broker or other nominee how to vote your shares.

[Table of Contents](#)

Voting Shares Held in a 401(k) Plan

Our 401(k) Plan and the 401(k) Plan of Columbia Pipeline Group, Inc. (“CPG”) each hold shares of our common stock. All of these shares (collectively, “Plan Shares”) are held in the name of Fidelity Management Trust Company (“Fidelity”), which administers each of these plans. You will receive a proxy card that includes the number of shares of our common stock held in your 401(k). You should instruct Fidelity how to vote your shares by completing and returning the proxy card or by voting your shares by Internet or by telephone, as detailed above under “Voting Your Proxy.” If you do not instruct Fidelity how to vote your shares, or if you sign the proxy card with no further instructions as to how to vote your shares, Fidelity will vote your Plan Shares in the same proportion as the shares for which it receives instructions from all other participants, to the extent permitted under applicable law. To allow enough time for Fidelity to vote your Plan Shares in accordance with your direction, your voting instructions must be received by Fidelity no later than 11:59 p.m. Eastern Time on May 8, 2016.

Voting in Person

You also may come to the Annual Meeting and vote your shares in person by obtaining and submitting a ballot that will be available at the meeting. However, if your shares are held in street name by a Broker, then, in order to be able to vote at the meeting, you must obtain an executed proxy from the Broker indicating that you were the beneficial owner of the shares on March 15, 2016, the record date for voting, and that the Broker is giving you its proxy to vote the shares.

If your shares are held in our 401(k) Plan or CPG’s 401(k) Plan, you will not be able to vote your shares at the meeting.

Votes cast in person or represented by proxy at the meeting will be tabulated by the inspectors of election.

If you plan to attend the Annual Meeting, please so indicate when you vote, so that we may send you an admission ticket and make the necessary arrangements. Stockholders who plan to attend the meeting must present picture identification along with an admission ticket or evidence of beneficial ownership.

Revoking Your Proxy

You may revoke your proxy at any time before a vote is taken or the authority granted is otherwise exercised. To revoke a proxy, you may send a letter to the Company’s Corporate Secretary (which must be received before a vote is taken) indicating that you want to revoke your proxy, or you can supersede your initial proxy by submitting a duly executed proxy bearing a later date, voting by telephone or through the Internet on a later date, or attending the meeting and voting in person. Attending the Annual Meeting will not in and of itself revoke a proxy.

Quorum for the Meeting

A quorum of stockholders is necessary to take action at the Annual Meeting. A majority of the outstanding shares of common stock, present in person or represented by proxy, will constitute a quorum at the Annual Meeting. The inspectors of election appointed for the Annual Meeting will determine whether or not a quorum is present. The inspectors of election will treat abstentions and broker non-votes as present and entitled to vote for purposes of determining the presence of a quorum. A broker non-vote occurs when a Broker holding shares for a beneficial owner does not have discretionary authority to vote the shares and has not received instructions from the beneficial owner as to how the beneficial owner would like the shares to be voted.

PROPOSAL 1 — ELECTION OF DIRECTORS

At the recommendation of the Nominating and Governance Committee, the Board has nominated the persons listed below to serve as directors, each for a one-year term, beginning at the Annual Meeting on May 11, 2016, and expiring at the 2017 annual meeting of the Company’s stockholders (the “2017 Annual Meeting”) and until their successors are duly elected or appointed and qualified. The nominees include eight independent directors, as defined in the applicable rules of the NYSE, and our President and Chief Executive Officer (“CEO”). The Board does not anticipate that any of the nominees will be unable to serve, but if any nominee is unable to serve, the proxies will be voted in accordance with the judgment of the person or persons voting the proxies.

[Table of Contents](#)

All of the nominees currently serve on the Board.

The following chart gives information about all nominees (each of whom has consented to being named in the proxy statement and to serving, if elected).

Vote Required

In order to be elected, a nominee must receive more votes cast in favor of his or her election than against election. Abstentions by those present or represented by proxy and broker non-votes will not be voted with respect to the election of directors and, therefore, will have no effect on the outcome. Brokers will not have discretionary authority to vote on the election of directors. Accordingly, there could be broker non-votes which will have no effect on the vote.

THE BOARD RECOMMENDS THAT YOU VOTE “FOR” THE ELECTION OF EACH OF THE NOMINEES LISTED BELOW.

<u>Name, Age and Principal Occupations for Past Five Years and Directorships Held</u>	<u>Has Been a Director Since</u>
Richard A. Abdo, 72 Since May 2004, Mr. Abdo has been President of R.A. Abdo & Co. LLC, Milwaukee, Wisconsin, an environmental and energy consulting firm. Prior thereto, Mr. Abdo was Chairman and CEO of Wisconsin Energy Corporation from 1991 until his retirement in April 2004. He also served as President of Wisconsin Energy Corporation from 1991 to April 2003. Mr. Abdo is also a director of A.K. Steel Corporation and EnSync, Inc.	2008
By virtue of his former positions as Chairman and CEO of a large electric and gas utility holding company, as well as his current positions as director of one other energy-related company and a steel maker that is a major user of energy, Mr. Abdo has extraordinary expertise and experience with the issues facing the energy industry in general and public utilities in particular. As a former CEO, Mr. Abdo has a deep understanding about the issues facing executive management of a major corporation. Mr. Abdo’s credentials as a registered professional engineer in several states allow him to offer a unique technical perspective on certain issues under consideration by the Board. As a long-time champion of humanitarian and social causes, including on behalf of the Lebanese-American community, Mr. Abdo brings expertise and understanding with respect to social issues confronting the Company. His commitment to and work on behalf of social causes earned him the Ellis Island Medal of Honor, presented to Americans of diverse origins for their outstanding contributions to their own ethnic groups and to American society.	
Aristides S. Candris, 64 Dr. Candris was President and CEO of Westinghouse Electric Company (“Westinghouse”), Pittsburgh, Pennsylvania, which is a unit of Tokyo-based Toshiba Corp., from July 2008 until his retirement on March 31, 2012. During his 36 years of service at Westinghouse, Dr. Candris served in various positions, including Senior Vice President, Nuclear Fuel from September 2006 to July 2008. Dr. Candris was also on the board of Westinghouse until October 1, 2012 and is a director of Kurion, Inc. Dr. Candris is a nuclear scientist and engineer, and has significant experience gained through leading a global nuclear power company. His knowledge of the electric industry gives him significant insight on the issues impacting the electric utility industry. His experience managing highly technical engineering operations is valuable as we build and maintain facilities to address increasing environmental regulations and make long-term strategic decisions on electric power generation. His technical and management skills are helpful as we build and modernize both our transmission and distribution systems. Dr. Candris’ experience developing customer focused programs and attaining excellence in business processes and behaviors is insightful as we better meet the increasing expectations of customers and regulators. He serves	2012

[Table of Contents](#)

**Name, Age and Principal Occupations
for Past Five Years and Directorships Held**

**Has Been a
Director Since**

on the Boards of Carnegie Mellon University, Transylvania University and the Hellenic-American University. He also serves on the Board of Directors for The Hellenic Initiative.

Wayne S. DeVeydt, 46

2016

Since May 2007, Mr. DeVeydt has served as Executive Vice President and Chief Financial Officer (“CFO”) at Anthem, Inc., a health insurance company and an independent licensee of the Blue Cross and Blue Shield Association. Previously, he served as Senior Vice President and Chief Accounting Officer beginning in 2005 and Chief of Staff from 2006 to 2007. Prior to joining Anthem, Inc., Mr. DeVeydt served many roles from 1996 to 2005 at PricewaterhouseCoopers LLP, including lead engagement partner for a number of large companies in the national managed care and insurance industries.

Mr. DeVeydt’s current position as a CFO in a regulated industry at a public company and his former position as an engagement partner at a public accounting firm provides him with strong financial acumen along with a deep understanding of operating in a regulated industry and extensive leadership skills, particularly in the areas of accounting and finance. His significant experience in internal controls, capital markets, corporate governance, risk management and strategic planning from both a company and public accounting perspective makes him an asset to our Board. In addition, Mr. DeVeydt is an active leader in his community through his service as a board member of the U.S Chamber of Commerce and the Cancer Support Community, Central Indiana, and a member of the Boys & Girls Clubs of America Board of Governors.

Joseph Hamrock, 52

2015

Mr. Hamrock has been our President and Chief Executive Officer since July 1, 2015, and prior to this appointment was our Executive Vice President and Group CEO for NiSource’s Gas Distribution Operations segment, comprised of local gas distribution companies in Kentucky, Maryland, Massachusetts, Ohio, Pennsylvania, and Virginia since May 2012. Prior thereto, he served in a variety of senior executive positions with American Electric Power (AEP), Columbus, Ohio, an electrical service public utility holding company, including President and Chief Operating Officer of AEP Ohio from January 2008 to May 2012, and leadership roles in engineering, transmission and distribution operations, customer service, marketing, and information technology. Mr. Hamrock received a bachelor’s degree in electrical engineering from Youngstown State University and a Master’s degree in business administration from the Massachusetts Institute of Technology, where he was a Sloan fellow.

The Board believes it is important that the Company’s CEO serve on the Board. Mr. Hamrock has extensive knowledge of our industry gained through his 26 years’ experience in a variety of positions at AEP and augmented by his senior leadership experience with the Company. He began his career in the energy industry as an electrical engineer in transmission and distribution planning and went on to work in commercial and industrial customer services, earning a leadership role in commercial marketing, customer services, and strategic development among other executive roles. Consequently, he has a firm understanding of the needs of our customers and is uniquely qualified to lead a focused utility to meet customer commitments. Additionally, he has a solid understanding of our organization through his leadership of our gas distribution segment where he led financial, operational, regulatory and commercial performance for the Company’s gas distribution operations. This significant industry experience provides Mr. Hamrock with a unique perspective into the Company’s operations, our markets, our people and the strategic vision needed to meet our long-term business performance goals. In addition, he has been, and continues to be, an active supporter of educational, charitable and utility industry organizations. He is currently a board member of the American Gas Association and Mount Carmel College of Nursing, as well as several other community boards.

[Table of Contents](#)

**Name, Age and Principal Occupations
for Past Five Years and Directorships Held**

**Has Been a
Director Since**

Deborah A. Henretta, 54

2015

Ms. Henretta currently serves as Senior Advisor to SSA & Company, an executive decision strategy consulting firm, following her retirement from Procter & Gamble Co. (“P&G”) in 2015, where she served as Group President of Global e-Commerce at P&G. Prior to her appointment as Group President of Global e-Commerce in January 2015, she held various senior positions throughout several P&G sectors, including Group President of Global Beauty from 2012 to 2015, and served as President of P&G’s business in Asia from 2007 to 2012, as well as its Global Specialty Channel from 2011 to 2012. Before her appointment as a Group President in 2007, she was Division President of Global Baby/Toddler & Adult Care and Division Vice President of Fabric Conditioners and Bleach. She joined P&G in 1985. She has been a director at Corning, Inc. since 2013, and currently serves on its audit and corporate relations committees. Ms. Henretta became a director of Meritage Homes Corporation in 2016. Additionally, she serves on the Board of Trustees for Xavier University and at Cincinnati Children’s Hospital Medical Center.

Ms. Henretta has over 30 years of business leadership experience with P&G across many markets that includes expertise in brand development, marketing, and government relations. Ms. Henretta led a dynamic business segment and is, therefore, keenly aware of the delicate balance of keeping pace with customer expectations in a changing environment and managing risk. During her long career at P&G she has held various leadership positions responsible for strategic planning, sales, marketing, government relations, and customer service in a multi-jurisdictional regulatory and competitive business environment. Because of this experience, Ms. Henretta brings valuable insights to our Board and strategic leadership to the Company as it operates in multiple regulatory environments and develops products and customer service programs to meet our customer commitments while providing a rewarding work environment.

Michael E. Jesanis, 59

2008

Since July 2013, Mr. Jesanis has been a co-founder and Managing Director of HotZero, LLC, a firm formed to develop hot water district energy systems in New Hampshire. Mr. Jesanis has also, since November 2007, been a principal with Serrafix, Boston, Massachusetts, a firm providing energy efficiency consulting and implementation services, principally to municipalities. Mr. Jesanis also serves as an advisor to several startups in energy-related fields. From July 2004 through December 2006, Mr. Jesanis was President and CEO of National Grid USA, a natural gas and electric utility, and a subsidiary of National Grid plc, of which Mr. Jesanis was also an Executive Director. Prior to that, Mr. Jesanis was Chief Operating Officer of National Grid USA from January 2001 to July 2004. Mr. Jesanis also is a director of Ameresco, Inc.

By virtue of his former positions as President and CEO, Chief Operating Officer and, prior thereto, CFO of a major electric and gas utility holding company, as well as his current role with an energy efficiency consulting firm, Mr. Jesanis has extensive experience with regulated utilities. He has strong financial acumen and extensive managerial experience, having led modernization efforts in the areas of operating infrastructure improvements, customer service enhancements and management team development. Mr. Jesanis also demonstrates a commitment to education as the former chair of the board of a college and a past trustee (and past chair of the audit committee) of another university. As a result of his former senior managerial roles and his non-profit board service, Mr. Jesanis also has particular expertise with board governance issues.

Kevin T. Kabat, 59

2015

From April 2007 to November 2015, Mr. Kabat was CEO of Fifth Third Bancorp. He continues to serve as vice chairman of its board of directors. Before becoming CEO, he served as president from June 2006 to September 2012 and was executive vice president of Fifth Third Bancorp from December 2003 to June 2006. Additionally, he was President and CEO of Fifth Third Bank

[Table of Contents](#)

**Name, Age and Principal Occupations
for Past Five Years and Directorships Held**

**Has Been a
Director Since**

(Michigan). Prior to that, he was previously vice chairman and president of Old Kent Bank, which was acquired by Fifth Third Bancorp in 2001. He has been a director at Unum Group since 2008.

Mr. Kabat has significant experience as a CEO in a regulated industry at a public company. As a result, he has a deep understanding of operating in a regulatory environment and balancing the interests of many stakeholders. In addition, his extensive experience in strategic planning, risk management, financial reporting, internal controls, capital markets and corporate governance makes him an asset to our Board, because he provides unique strategic insight, financial expertise and risk management skills.

Richard L. Thompson, 76

2004

Mr. Thompson has been our independent Chairman of the Board since May 2013. Prior to his retirement in 2004, Mr. Thompson was Group President of Caterpillar Inc., Peoria, Illinois, a leading manufacturer of construction and mining equipment, diesel and natural gas engines and industrial gas turbines. In May 2015, Mr. Thompson retired as lead director of Lennox International, Inc., (“Lennox”), a position he held since May 2012 following his service as Chairman of the Board from June 2006 to May 2012, and Vice Chairman from February 2005 to June 2006. He began his service on the board of Lennox in 1993. Additionally, he was on the board of Gardner Denver Inc. from November 1998 to July 2013.

In his prior role as Group President of a large, publicly traded manufacturing company, Mr. Thompson had responsibility for its gas turbine and reciprocating engine business, as well as research and development activities. By virtue of this and prior positions, Mr. Thompson possesses significant experience in energy issues generally, and gas turbine electric power generation and natural gas pipeline compression in particular. He is a graduate electrical engineer with experience in electrical transmission system design and generation system planning. This experience provides Mr. Thompson a valuable understanding of technical issues faced by the Company.

Carolyn Y. Woo, 61

1998

Since January 2012, Dr. Woo has been President and CEO of Catholic Relief Services, the international humanitarian agency of the Catholic community in the United States. Prior thereto, Dr. Woo was Martin J. Gillen Dean and Ray and Milann Siegfried Professor of Entrepreneurial Studies, Mendoza College of Business, University of Notre Dame, Notre Dame, Indiana. Dr. Woo is also a director of AON Corporation.

Dr. Woo’s current position as President and CEO of an international organization provides her with knowledge and experience in managing a large organization. Her experience as the dean of a major business school and her experience as a professor of entrepreneurship provided her a deep understanding of business principles and extensive expertise with management and strategic planning issues. Through her current and previous service on the boards of directors, audit committees and compensation committees of a number of public companies, including a global reinsurance and risk management consulting company, a pharmaceutical distribution company, an international automotive manufacturer and a financial institution, Dr. Woo has developed an excellent understanding of corporate governance, internal control, financial and strategic analysis and risk management issues. Dr. Woo is a leader in the areas of corporate social responsibility and sustainability, which adds an important perspective to the Company. She is also a current and past board member of several non-profit organizations, including an international relief organization, a global business school accreditation organization, leadership development organizations and an educational organization. This commitment to social and educational organizations provides Dr. Woo with an additional important perspective on the various community and social issues confronting the Company in the various communities that the Company serves.

CORPORATE GOVERNANCE

Separation of Columbia Pipeline Group

On July 1, 2015 (the “Separation Date”), the Company completed the previously announced separation of CPG from the Company through the *pro rata* distribution of one share of CPG common stock for every one share of the Company’s common stock (the “Separation”). As a result of the Separation, CPG became an independent public company trading under the symbol “CPGX” on the NYSE, and NiSource continued as a fully regulated natural gas and electric utilities company.

In connection with the Separation, the Company’s Board changed as follows:

- Sigmund L. Cornelius, Marty R. Kittrell, W. Lee Nutter, Deborah S. Parker, Robert C. Skaggs, Jr., and Teresa A. Taylor resigned from the Company’s Board, effective upon the Separation Date;
- Joseph Hamrock, the Company’s President and Chief Executive Officer, and Deborah A. Henretta were elected to the Company’s Board, effective upon the Separation Date; and
- Kevin T. Kabat was elected to the Company’s Board, effective as of July 3, 2015.

Also in connection with the Separation, the Officer Nomination and Compensation Committee was renamed the Compensation Committee and the Corporate Governance Committee was renamed the Nominating and Governance Committee.

Director Independence

Under our Corporate Governance Guidelines, a majority of the Board must be comprised of “independent directors.” In order to assist the Board in making its determination of director independence, the Board has adopted categorical standards of independence consistent with the standards contained in Section 303A.02(b) of the NYSE Corporate Governance Standards. The Board also has adopted an additional independence standard providing that a director who is an executive officer or director of a company that receives payments from the Company in an amount which exceeds 1% of such other company’s consolidated gross revenues is not “independent” until three years after falling below such threshold. A copy of our Corporate Governance Guidelines is posted on our website at <http://ir.nisource.com/governance.cfm>.

The Board has affirmatively determined that, with the exception of Mr. Hamrock, all of the members of the Board and all nominees are “independent directors” as defined in Section 303A.02(b) of the NYSE Corporate Governance Standards and meet the additional standard for independence set by the Board.

Policies and Procedures with Respect to Transactions with Related Persons

We have established policies and procedures with respect to the review, approval and ratification of any transactions with related persons.

Under its Charter, the Nominating and Governance Committee reviews reports and disclosures of insider and affiliated party transactions. Under the Code of Business Conduct, the following situations must be reviewed to determine if they involve a direct or indirect interest of any director, executive officer or employee (including immediate family members) or otherwise present a potential conflict of interest:

- owning more than a 10% equity interest or a general partner interest in any entity that transacts business with the Company (including lending or leasing transactions, but excluding the receipt of utility service from the Company at tariff rates), if the total amount involved in such transactions may exceed \$120,000;
- selling anything to the Company or buying anything from the Company (including lending or leasing transactions, but excluding the receipt of utility service from the Company at tariff rates), if the total amount involved in such transactions may exceed \$120,000;
- consulting for or being employed by a competitor of the Company; and
- being in the position of supervising, reviewing or having any influence on the job evaluation, pay or benefit of any immediate family member employed by the Company.

Related party transactions requiring review under the Code of Business Conduct are annually reviewed and, if appropriate, ratified by the Nominating and Governance Committee. Directors, individuals subject to Section 16 of the Securities Exchange Act of 1934 (“Section 16 Officers”) and senior executive officers are expected

[Table of Contents](#)

to raise any potential transactions involving a conflict of interest that relates to them with the Nominating and Governance Committee so that they may be reviewed in a prompt manner.

The son of Jim L. Stanley, our Executive Vice President and Chief Operating Officer, is employed by the Company in a non-executive officer position and received total compensation of less than \$150,000 in 2015. His compensation was established by the Company in accordance with its compensation practices applicable to employees with comparable qualifications and responsibilities and holding similar positions and without the involvement of Jim L. Stanley. In addition, Jim L. Stanley does not have direct responsibility for directing or reviewing his son's work and does not have influence over his employment at the Company. The Nominating and Governance Committee reviewed and approved this employment relationship. There were no other transactions between the Company and any officer, director or nominee for director, or any affiliate of or person related to any of them, since January 1, 2015, of the type or amount required to be disclosed under the applicable Securities and Exchange Commission ("SEC") rules.

Executive Sessions of Non-Management Directors

To promote open discussion among the non-management directors, the Board schedules regular executive sessions at meetings of the Board and each of its committees. The non-management members met separately from management four times in 2015. The independent Chairman of the Board presided at all these executive sessions. All of the non-management members are "independent directors" as defined under the applicable NYSE and SEC rules.

Communications with the Board and Non-Management Directors

Stockholders and other interested persons may communicate any concerns they may have regarding the Company as follows:

- Communications to the Board may be made to the Board generally, any director individually, the non-management directors as a group, or the Chairman of the Board, by writing to the following address:

NiSource Inc.
Attention: Board of Directors, or any Board member, or non-management directors, or Chairman of the Board
c/o Corporate Secretary
801 East 86th Avenue
Merrillville, Indiana 46410

- The Audit Committee has approved procedures with respect to the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or audit matters. Communications regarding such matters may be made by contacting the Company's Ethics and Compliance Officer at ethics@nisource.com, calling the business ethics hotline at 1-800-457-2814, or writing to:

NiSource Inc.
Attention: Director, Corporate Ethics
801 East 86th Avenue
Merrillville, Indiana 46410

Code of Business Conduct

The Company has adopted a Code of Business Conduct to promote (i) ethical behavior, including the ethical handling of conflicts of interest, (ii) full, fair, accurate, timely and understandable financial disclosure, (iii) compliance with applicable laws, rules and regulations, (iv) accountability for adherence to our code, and; (v) prompt internal reporting of violations of our code. Our Code of Business Conduct satisfies applicable SEC and NYSE requirements and applies to all directors, officers (including our principal executive officer, principal financial officer, principal accounting officer and controller) as well as employees of the Company and its affiliates. A copy of our Code of Business Conduct is available on our website at <http://ir.nisource.com/governance.cfm> and also is available to any stockholder upon written request to our Corporate Secretary.

[Table of Contents](#)

Any waiver of our Code of Business Conduct for any director, Section 16 Officer or senior executive may be made only by the Audit Committee of the Board and must be promptly disclosed to the extent and in the manner required by the SEC or the NYSE and posted on our website. No such waivers have been granted.

Corporate Governance Guidelines

The Nominating and Governance Committee is responsible for annually reviewing and reassessing the Corporate Governance Guidelines and will submit any recommended changes to the Board for its approval. A copy of the Corporate Governance Guidelines can be found on our website at <http://ir.nisource.com/governance.cfm> and is also available to any stockholder upon written request to the Company's Corporate Secretary.

Board Leadership Structure and Risk Oversight

Our Corporate Governance Guidelines state that the Company should remain free to configure leadership of the Board in the way that best serves the Company's interests at the time and, accordingly, the Board has no fixed policy with respect to combining or separating the offices of Chairman and CEO. If the Chairman is not an independent director, an independent lead director will be chosen annually by the Nominating and Governance Committee. The Chairman or, if the Chairman is not an independent director, the lead director will serve as chair of the Nominating and Governance Committee and as the presiding director of executive sessions of the Board for purposes of the NYSE rules.

Since late 2006, the offices of Chairman and CEO of the Company have been held by different individuals, with the Chairman being an independent director. At this time, the Board believes that the independent Chairman arrangement serves the Company well.

The Board takes an active role in monitoring and assessing the Company's strategic, compliance, operational and financial risks. The Board administers its oversight function through utilization of its various committees, as well as through a Risk Management Committee, consisting of members of our senior management, which is responsible for the risk management process. Senior management provides reports on our risks to the Board, the Audit Committee and the Board committees that oversee the applicable risks. Additionally, the Audit Committee discusses with management and the independent auditor the effect of regulatory and accounting initiatives on the Company's financial statements and is responsible for review and evaluation of the Company's major risk exposures and the steps management has taken to monitor and control such exposures. The Audit Committee reviews and assesses the adequacy of the Company's Risk Management Committee Charter annually, amending it as appropriate. In addition, the Finance Committee, the Compensation Committee, the Nominating and Governance Committee and the Environmental, Safety and Sustainability ("ESS") Committee are each charged with overseeing the risks associated with their respective areas of responsibility.

Meetings and Committees of the Board

The Board met nine times during 2015. Each incumbent director attended at least 86% of the total number of the Board meetings (held during the period for which he or she was a director) and the committees of the Board on which he or she served (during the periods that he or she served). Pursuant to our Corporate Governance Guidelines, all directors are expected to attend the Annual Meeting. All then-serving directors attended the 2015 Annual Meeting of Stockholders.

The Board has established five standing committees to assist the Board in carrying out its duties: the Audit Committee, the Nominating and Governance Committee, the ESS Committee, the Finance Committee, and the Compensation Committee. In 2015, the Board also established a Search Committee, an ad hoc committee to assist the Nominating and Governance Committee and the Board in identifying qualified director candidates following the Separation. The Board evaluates the structure and membership of its committees on an annual basis, appoints the independent members of the Board to serve on the committees and elects committee chairs following the Annual Meeting of Stockholders. The following tables show the composition of each Board committee as of the date of this Proxy Statement. Mr. Hamrock does not serve on any committee but is invited to attend various committee meetings. Mr. Thompson, who is Chairman of the Board, also serves as the Chair of the Nominating and Governance Committee and is invited to attend all meetings of each of the standing committees.

Board Committee Composition

Director	Audit	Nominating and Governance	ESS	Finance	Compensation
Richard A. Abdo	X	X			X*
Aristides S. Candris			X	X*	X
Wayne S. DeVeydt ⁽¹⁾					
Deborah A. Henretta ⁽²⁾			X		X
Michael E. Jesanis	X* ^(F)	X	X		
Kevin T. Kabat ⁽²⁾	X			X	
Richard L. Thompson ⁽³⁾		X*			
Carolyn Y. Woo	X		X*	X	

* Committee Chair.

- (1) Mr. DeVeydt was appointed to the Board on March 22, 2016. If elected by the stockholders, he will be assigned to one or more committees following the 2016 Annual Meeting of Stockholders.
- (2) Ms. Henretta’s appointment to the Board became effective upon the Separation Date and Mr. Kabat was appointed July 3, 2015.
- (3) Independent Chairman of the Board.
- (F) Audit Committee Financial Expert, as defined by the SEC rules.

The summaries below are qualified by reference to the entire charter for each of the Audit, Nominating and Governance, ESS, Finance and Compensation Committees; each of which can be found on our website at <http://ir.nisource.com/governance.cfm> and is also available to any stockholder upon written request to the Company’s Corporate Secretary. Additionally, any committee may perform other duties and responsibilities, consistent with their respective charters, our Amended and Restated Bylaws (our “Bylaws”), governing law, the rules and regulations of the NYSE, the federal securities laws and such other requirements applicable to the Company, delegated to any committee by the Board, or in the case of the Compensation Committee, under any provision of any Company benefit or compensation plan.

Audit Committee

The Audit Committee met nine times in 2015. Among other things, the Audit Committee has the sole authority to appoint, retain or replace the independent auditors and is responsible for:

- reviewing the independent auditors’ qualifications and independence;
- overseeing the performance of the Company’s internal audit function and the independent auditors;
- reviewing and discussing with management and the independent auditor our annual and quarterly financial statements;
- reviewing and discussing with management and the independent auditor major issues regarding accounting principles, adequacy of internal controls, and critical judgments and estimates made in connection with the preparation of financial statements;
- monitoring the Company’s risk assessment process and overseeing its insurance programs; and
- overseeing the Company’s compliance with legal and regulatory requirements.

The Board has determined that all of the members of the Audit Committee are independent as defined under the applicable NYSE and SEC rules, including the additional independence standard for audit committee members, and meet the additional independence standard set forth in the Corporate Governance Guidelines. The Audit Committee has reviewed and approved the independent registered public accountants, both for 2015 and 2016, and the fees relating to audit services and other services performed by them.

[Table of Contents](#)

For more information regarding the Audit Committee, see “Audit Committee Report” and “Proposal 3 — Ratification of Independent Public Accountants” below.

Nominating and Governance Committee

- The Nominating and Governance Committee met six times in 2015. Its responsibilities include:
- identifying individuals qualified to become Board members, consistent with criteria approved by the Board;
- recommending to the Board director nominees for election at the next annual meeting of the stockholders;
- developing and recommending to the Board the Corporate Governance Guidelines;
- consulting with management to determine the appropriate response to stockholder proposals submitted pursuant to SEC rules;
- reviewing and evaluating the CEO succession plan;
- reviewing and overseeing, at least annually, corporate and business unit political spending;
- evaluating any resignation tendered by a director and making recommendations to the Board about whether to accept such resignation; and
- overseeing the evaluation of the performance of the Board and its committees.

Pursuant to the Corporate Governance Guidelines, the Nominating and Governance Committee, with the assistance of the Compensation Committee and its independent compensation consultant, Exequity LLP, reviews the amount and composition of non-employee director compensation from time to time and makes recommendations to the Board when it concludes changes are needed.

The Nominating and Governance Committee identifies and screens candidates for director and makes its recommendations for director to the Board as a whole. At times the Board may establish an ad hoc Search Committee to assist the Nominating and Governance Committee in this process. In 2015, a Search Committee was established to assist the Nominating and Governance Committee in identifying qualified director candidates upon the completion of the Separation. The Nominating and Governance Committee has the authority to retain a search firm to help it identify director candidates to the extent it deems necessary or appropriate. In connection with the appointments of Ms. Henretta and Mr. Kabat to the Board in 2015, the Nominating and Governance Committee engaged the search firm of Russell Reynolds and Associates, who recommended these candidates. In connection with the nomination of Mr. DeVeydt, the Nominating and Governance Committee engaged the search firm of Heidrick and Struggles, which firm recommended Mr. DeVeydt. In considering candidates for director, the Nominating and Governance Committee considers the nature of the expertise and experience required for the performance of the duties of a director of a company engaged in our businesses, as well as each candidate’s relevant business, academic and industry experience, professional background, age, current employment, community service, other board service and other factors. In addition, the Nominating and Governance Committee takes into account the racial, ethnic and gender diversity of the Board.

The Nominating and Governance Committee seeks to identify and recommend candidates with a reputation for, and record of, integrity and good business judgment who: have experience in positions with a high degree of responsibility and are leaders in the organizations with which they are affiliated; are effective in working in complex collegial settings; are free from conflicts of interest that could interfere with a director’s duties to the Company and its stockholders; and are willing and able to make the necessary commitment of time and attention required for effective service on the Board. The Nominating and Governance Committee also takes into account the candidate’s level of financial literacy. The Nominating and Governance Committee monitors the mix of skills and experience of the directors in order to assess whether the Board has the necessary tools to perform its oversight function effectively. The Nominating and Governance Committee also assesses the diversity of the Board as a part of its annual self-assessment process. The Nominating and Governance Committee will consider nominees for directors recommended by stockholders and will use the same criteria to evaluate candidates proposed by stockholders.

The Board has determined that all of the members of the Nominating and Governance Committee are independent as defined under the applicable NYSE rules and meet the additional independence standard set forth in the Corporate Governance Guidelines.

[Table of Contents](#)

For information on how to nominate a person for election as a director at the 2017 Annual Meeting, please see the discussion under the heading “Stockholder Proposals and Nominations for 2017 Annual Meeting.”

Environmental, Safety & Sustainability Committee

The ESS Committee met five times during 2015. The ESS Committee assists the Board in overseeing the programs, performance and risks relative to environmental, safety and sustainability matters. Its responsibilities include:

- evaluating the Company’s environmental and sustainability policies, practices and performance;
- evaluating the Company’s safety policies, practices and performance relating to our employees, contractors, and the general public;
- reviewing and assessing shareholder proposals related to the environment, safety and sustainability;
- reviewing and evaluating the Company’s programs, policies, practices and performance with respect to health and safety compliance auditing; and
- assessing major legislation, regulation and other external influences that pertain to the ESS Committee’s responsibilities.

Finance Committee

The Finance Committee met eight times during 2015. Its responsibilities include the following:

- reviewing and evaluating the financial plans of the Company, capital structure, long and short-term debt levels, dividend policy and financial policies;
- reviewing the Company’s investment strategy and investments;
- reviewing and evaluating the Company’s financial risks and the steps management has taken to monitor and control such risks;
- reviewing the Company’s annual earnings guidance and capital budgets; and
- reviewing the Company’s hedging policies and exempt swap transactions.

Compensation Committee

The Compensation Committee met seven times in 2015. The Compensation Committee advises the Board with respect to the evaluation, compensation and benefits of our executives. Its responsibilities include:

- evaluating the performance of the CEO and other executive officers in light of the Company’s goals and objectives;
- making recommendations to the independent Board members regarding CEO compensation and approving compensation of the other executive officers;
- reviewing and approving periodically a general compensation policy for other officers of the Company and officers of its principal subsidiaries;
- approving, or if appropriate, making recommendations to the Board with respect to incentive compensation plans and equity-based plans;
- reviewing Company officer candidates for election by the Board;
- reviewing and evaluating the executive officers’ development and succession plan (other than the CEO’s succession plan, which is reviewed by the Nominating and Governance Committee);
- evaluating the risks associated with our compensation policies and practices; and
- overseeing equal employment opportunity and diversity initiatives.

In making recommendations regarding the compensation of the CEO and approving the compensation of the other executive officers, the Compensation Committee takes into consideration its evaluation of the individual performance of each. When considering changes in compensation for the Named Executive Officers, the Compensation Committee also considers input from the Executive Vice President, Corporate Affairs and Human

[Table of Contents](#)

Resources, and Exequity LLP, an executive compensation consulting firm that the Compensation Committee engaged to advise it with respect to executive compensation design, comparative compensation practices and compensation matters relating to the Board. Exequity LLP provides no other services to the Company. The Compensation Committee has determined that Exequity LLP is independent under the NYSE rules.

The Compensation Committee has authority to delegate its responsibilities to subcommittees as deemed appropriate, provided the subcommittees are composed entirely of independent directors who also meet the other requirements for membership of the Compensation Committee.

All of the directors serving on the Compensation Committee are (i) independent as defined under the applicable NYSE and SEC rules and meet the additional independence standard set forth in the Corporate Governance Guidelines and the additional NYSE independence standard for members of compensation committees, (ii) “non-employee directors” as defined under Rule 16b-3 of the Securities Exchange Act of 1934 (“Exchange Act”), and (iii) “outside directors” as defined by Section 162(m) of the Internal Revenue Code (hereafter “Section 162(m) of the Code” or “Code Section 162(m)”).

Compensation Committee Interlocks and Insider Participation

As of the fiscal year ended December 31, 2015, Messrs. Abdo and Candris and Ms. Henretta served on the Compensation Committee. During the fiscal year ended, there were no compensation committee interlocks or insider participation.

DIRECTOR COMPENSATION

Director Compensation. This section describes compensation for our non-employee directors. To attract and retain highly qualified candidates to serve on the Board, we provide a combination of cash and equity awards. A full-time employee who serves as director does not receive any additional compensation for service on the Board. Consequently, because Mr. Hamrock is also our President and CEO, he does not receive additional compensation for his service as a Board member.

Each non-employee director receives an annual retainer of \$210,000, consisting of \$90,000 in cash and an award of restricted stock units valued at \$120,000 at the time of the award. The cash retainer is paid in arrears in four equal installments at the end of each calendar quarter.

The restricted stock units are awarded annually and the number of restricted stock units is determined by dividing the value of the grant by the closing price of our common stock on the grant date. Restricted stock units are granted to directors under the NiSource Inc. 2010 Omnibus Incentive Plan (“Omnibus Plan”), which was approved by the stockholders on May 11, 2010, and re-approved for Code Section 162(m) purposes on May 12, 2015.

Additionally, each director who serves as chair of a Board committee receives compensation for this responsibility. The annual committee chair fees are \$20,000 for each of the standing committees. The Chairman of the Board receives additional annual compensation of \$160,000 for his role. These fees are paid in cash in arrears in four equal installments and are prorated in the case of partial year service.

All Other Compensation. The other compensation included under the column “All Other Compensation” in the Director Compensation Table below consists of matching contributions made by the NiSource Charitable Foundation.

Omnibus Plan . The Omnibus Plan permits equity awards to be made to non-employee directors in the form of incentive and non-qualified stock options, stock appreciation rights, restricted stock and restricted stock units, performance shares, performance units, cash-based awards and other stock-based awards. Except as provided below, terms and conditions of awards to non-employee directors are determined by the Board prior to grant. Since May 11, 2010, awards to directors have been made from the Omnibus Plan. Awards of restricted stock units associated with periods prior to June 1, 2011, vested immediately, but are not distributed in shares of common stock until after the director separates from the Board. Beginning June 1, 2011, the awards of restricted stock units vest and are payable in shares of common stock on the earlier of (a) the last day of the director’s annual term for which the restricted stock units are awarded or (b) the date that the director separates from service due to a “Change-in-Control” (as defined in the Omnibus Plan); provided, however, that in the event that the

[Table of Contents](#)

director separates from service prior to such time as a result of “Retirement” (defined as the cessation of services after providing a minimum of five continuous years of service as a member of the Board), death or “Disability” (as defined in the Omnibus Plan), the director’s restricted stock unit awards shall pro rata vest in an amount determined by using a fraction, where the numerator is the number of full or partial calendar months elapsed between the grant date and the date of the director’s Retirement, death or Disability, and the denominator of which is the number of full or partial calendar months elapsed between the grant date and the last day of the director’s annual term for which the director is elected that corresponds to the year in which the restricted stock units are awarded. The vested restricted stock units awarded on or after June 1, 2011, are payable as soon as practicable following vesting, unless otherwise provided pursuant to any prior election the non-employee director may have made to defer distribution. With respect to restricted stock units that have not been distributed, additional restricted stock units are credited to each non-employee director to reflect dividends paid to stockholders on common stock. The restricted stock units have no voting or other stock ownership rights and are payable in shares of our common stock upon distribution.

In connection with the Separation, the Board approved equitable adjustments to all outstanding equity awards in order to preserve the intrinsic aggregate value of the awards prior to Separation. Vested but unpaid restricted stock units awards held by non-employee directors were credited with one immediately vested CPG restricted stock unit for each such NiSource restricted stock unit held. Unvested awards were not provided such credit, however, the awards of restricted stock units made to non-employee directors on May 12, 2015, were subject to a valuation adjustment based on a ratio of the price that a share of NiSource Common Stock traded for three days prior to the Separation and the NiSource share price traded on a when-issued basis for the same three-day period.

Also in connection with the Separation, the Company amended the restricted stock unit agreements for vested but unpaid restricted stock units to provide the non-employee directors with a one-time opportunity to elect to invest all or a portion of the such restricted stock units and the CPG restricted stock units in alternative investment options and to have such amounts settled in cash at the same time as the vested restricted stock units are paid under the prior award agreements, subject to the stock ownership requirements described below.

Director Stock Ownership. The Board maintains stock ownership requirements for its directors that are included in the Corporate Governance Guidelines. Within five years of becoming a non-employee director, each non-employee director is required to hold an amount of Company stock with a value equal to five times the annual cash retainer paid to directors by the Company. Company stock that counts towards satisfaction of this requirement includes shares purchased on the open market, awards of restricted stock or restricted stock units through the prior Non-Employee Director Stock Incentive Plan or Omnibus Plan, and shares beneficially owned in a trust or by a spouse or other immediate family member residing in the same household.

Each director has a significant portion of his or her compensation directly aligned with long-term stockholder value. Fifty-seven percent (57%) of a non-employee director’s 2015 annual retainer (valued as of the time of award) consisted of restricted stock units, which are converted into common stock when vested and distributed to the director.

Director Compensation

The table below sets forth all compensation earned by or paid to our non-employee directors in 2015. Our CEO and former CEO did not receive any additional compensation for their service on the Board. Their compensation for serving as CEO is listed under Compensation of Executive Officers.

Name	Fees Earned or Paid in Cash \$(4)	Stock Awards \$(5)(6)	All Other Compensation \$(7)	Total (\$)
Richard A. Abdo	110,000	120,000	10,000	240,000
Aristides S. Candris	100,000	120,000	10,000	230,000
Sigmund L. Cornelius ⁽¹⁾	45,000	120,000	—	165,000
Wayne S. DeVeydt ⁽²⁾	—	—	—	—
Deborah A. Henretta ⁽³⁾	45,000	103,230	—	148,230
Michael E. Jesanis	110,000	120,000	—	230,000
Kevin T. Kabat ⁽³⁾	44,516	102,260	—	146,776
Marty R. Kittrell ⁽¹⁾	55,000	120,000	—	175,000
W. Lee Nutter ⁽¹⁾	45,000	120,000	—	165,000
Deborah S. Parker ⁽¹⁾	45,000	120,000	—	165,000
Teresa A. Taylor ⁽¹⁾	55,000	120,000	—	175,000
Richard L. Thompson	270,000	120,000	—	390,000
Carolyn Y. Woo	100,000	120,000	3,500	223,500

- (1) These directors resigned from the Board effective upon the Separation Date.
- (2) Mr. DeVeydt was appointed to the Board on March 22, 2016.
- (3) Ms. Henretta’s appointment to the Board became effective upon the Separation Date and Mr. Kabat was appointed to the Board on July 3, 2015.
- (4) The fees shown include the annual cash retainer and any Board and Chair fees paid during the year to each director.
- (5) The amounts shown reflect the grant date fair value of awards computed in accordance with FASB ASC Topic 718. For restricted stock units, the grant date fair value is the number of shares multiplied by the closing price of our stock on the award date. Each non-employee director who was elected on May 12, 2015, received an award of restricted stock units valued at \$120,000 which was equal to approximately 2,699 restricted stock units valued at \$44.46 per unit, the closing price of our common stock on that date. In connection with the Separation, these awards were equitably adjusted to 7,424 restricted stock units to preserve the intrinsic aggregate value of the awards prior to the Separation. Ms. Henretta and Mr. Kabat each received a pro-rated award valued at \$103,230 and \$102,260, respectively, which was equal to approximately 6,076 and 6,072 restricted stock units each based on the closing price of our common stock on July 2, 2015, with respect to Ms. Henretta, which was \$16.99 and on July 6, 2015, with respect to Mr. Kabat, which was \$16.84. See “Security Ownership of Certain Beneficial Owners and Management” and footnote (4) to that table for information regarding the number of shares of stock held by each current director as of March 3, 2016.
- (6) As of December 31, 2015, the number of equity awards (in the form of restricted stock units) that were outstanding for each director were approximately as follows: Mr. Abdo, 46,526; Mr. Candris, 19,774; Mr. Cornelius, 4,772; Ms. Henretta, 6,178; Mr. Jesanis, 29,768; Mr. Kabat, 6,174; Mr. Kittrell, 11,268; Mr. Nutter, 0; Ms. Parker, 0; Ms. Taylor, 7,454; Mr. Thompson, 55,885; and Ms. Woo, 33,418.
- (7) This column includes matching contributions made by the NiSource Charitable Foundation under the Director Charitable Match Program. The Foundation matches up to \$10,000 annually in contributions by any

[Table of Contents](#)

director to approved tax-exempt charitable organizations. Any amount not utilized for the match in the year it is first available is carried over to the following year.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows as of March 3, 2016, the number of shares of our outstanding common stock beneficially owned by (i) each of our directors; (ii) each of our Named Executive Officers; (iii) our directors and executive officers as a group; and, (iv) beneficial owners of more than 5% of our outstanding common stock (based solely on the Schedule 13G filings and any amendments thereto filed with the SEC on or before March 3, 2016) except as noted below. None of the Named Executive Officers or directors has any outstanding stock options as of that date. The business address of each of the Company's directors and executive officers is the Company's address.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class Outstanding
5% Owners		
T. Rowe Price Associates, Inc. ⁽¹⁾ 100 East Pratt Street Baltimore, MD 21202	31,533,011	9.8%
The Vanguard Group ⁽²⁾ 100 Vanguard Blvd. Malvern, PA 19355	28,165,168	8.8%
BlackRock, Inc. ⁽³⁾ 55 East 52nd Street New York, NY 10022	18,087,261	5.7%
Directors and Executive Officers		
Richard A. Abdo ⁽⁴⁾	15,000	*
Donald E. Brown ⁽⁵⁾	660	*
Aristides S. Candris ⁽⁴⁾	2,000	*
Wayne S. DeVeydt ⁽⁶⁾	—	*
Joseph Hamrock ⁽⁵⁾	155,811	*
Deborah A. Henretta ⁽⁴⁾	—	*
Carrie J. Hightman ⁽⁵⁾⁽⁷⁾	250,554	*
Michael E. Jesanis ⁽⁴⁾	6,644	*
Kevin T. Kabat ⁽⁴⁾	—	*
Glen L. Kettering ⁽⁸⁾	400	*
Violet Sistovaris ⁽⁵⁾	114,428	*
Robert C. Skaggs, Jr. ⁽⁸⁾	168,010	*
Stephen P. Smith ⁽⁸⁾	—	*
Jim L. Stanley ⁽⁵⁾	123,275	*
Richard L. Thompson ⁽⁴⁾	16,299	*
Carolyn Y. Woo ⁽⁴⁾	19,744	*
All directors and executive officers as a group (19 persons)	1,029,277	*

* Less than 1%

[Table of Contents](#)

- (1) As reported on an amendment to statement on Schedule 13G filed with the SEC on behalf of T. Rowe Price Associates, Inc. on February 10, 2016. T. Rowe Price Associates, Inc. has sole voting power with respect to 10,826,615 shares and sole dispositive power with respect to 31,533,011 shares reported as beneficially owned.
- (2) As reported on an amendment to statement on Schedule 13G filed with the SEC on behalf of The Vanguard Group on February 11, 2016. The Vanguard Group has sole voting power with respect to 538,836 shares, shared voting power with respect to 19,400 shares, sole dispositive power with respect to 27,651,732 shares and shared dispositive power with respect to 513,436 shares reported as beneficially owned.
- (3) As reported on an amendment to statement on Schedule 13G filed with the SEC on behalf of BlackRock, Inc. on January 27, 2016. BlackRock, Inc. has sole voting power with respect to 16,044,749 shares and sole dispositive power with respect to 18,087,261 shares reported as beneficially owned.
- (4) Does not include restricted stock units issued under the Omnibus Plan and the former Non-Employee Director Stock Incentive Plan because these restricted stock units will not vest within 60 days of March 3, 2016.
- (5) Includes shares held in our 401(k) Plan and shares distributable within 60 days.
- (6) Mr. DeVeydt was appointed to the Board on March 22, 2016.
- (7) Includes shares owned by a trust over which Ms. Hightman maintains investment control and of which one or more of her immediate family members are the sole beneficiaries.
- (8) Messrs. Skaggs, Smith and Kettering each resigned in connection with the Separation. Each of their holdings appear as reported by each executive as of December 31, 2015.

**EXECUTIVE COMPENSATION
COMPENSATION DISCUSSION AND ANALYSIS (CD&A)**

Introduction

As noted earlier in this Proxy Statement, on July 1, 2015, the Company successfully completed the separation of its natural gas pipeline and related business into a stand-alone publicly traded company, CPG. We believe this Separation will enhance long-term stockholder value by creating two independent, highly focused, premier entities and sets the foundation for the Company to execute on our pure-play utility growth strategy. While we have retained the same executive compensation philosophy and principles post-Separation, our 2015 executive compensation program was modified as a result of the Separation in order to address the unique challenges of the mid-year Separation, including for example, (1) dramatically different financial plans for the first and second half of the year necessitating bifurcation of our annual cash short-term incentive program, (2) the difficulty in establishing long-term performance goals for our 2015 annual long-term equity awards necessitating the use of service-based restricted stock units in lieu of our traditional long-term incentive vehicle of performance-based share awards, and (3) the need to adjust performance periods and goals for our unvested 2013 and 2014 performance share awards in light of the different operating and financial plans of the Company post-Separation.

This CD&A describes our compensation philosophy and the material elements of our 2015 executive compensation program applicable to our Named Executive Officers.

Our Named Executive Officers who currently serve as executive officers of the Company are:

Joseph Hamrock — President and Chief Executive Officer

Donald E. Brown — Executive Vice President, Chief Financial Officer and Treasurer

Jim L. Stanley — Executive Vice President and Chief Operating Officer

Carrie J. Hightman — Executive Vice President and Chief Legal Officer

Violet Sistovaris — Executive Vice President, Northern Indiana Public Service Company (“NIPSCO”)

We also have three Named Executive Officers who are no longer executive officers of the Company following the Separation. SEC executive compensation disclosure rules require us to provide information for each individual who served as chief executive officer or chief financial officer at any time during the fiscal year.

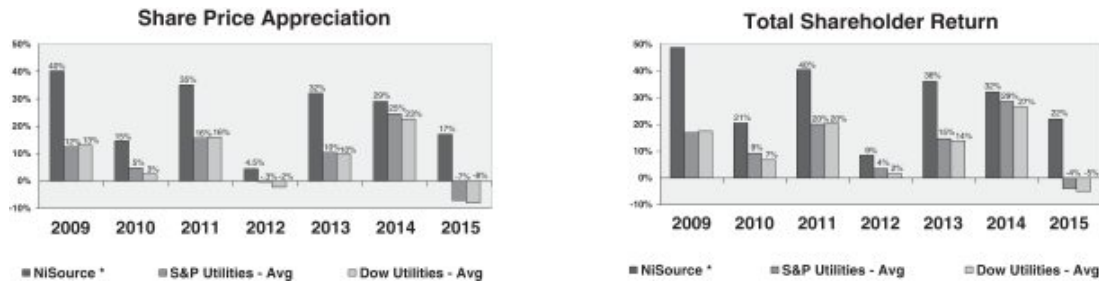
[Table of Contents](#)

Mr. Robert C. Skaggs, Jr. and Mr. Stephen P. Smith served as President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, respectively, prior to the Separation on July 1, 2015 at which time both resigned from their positions with the Company and commenced employment with CPG. In addition, these disclosure rules require us to provide information for Mr. Glen L. Kettering who served as an executive officer of the Company during the year and would have been reported as a Named Executive Officer in this Proxy Statement had he not left the Company.

2015 Accomplishments

In addition to the Company’s successful completion of the Separation, the Company achieved a number of significant accomplishments in 2015, including:

- Another industry leading year in stock price appreciation;
- Delivering total shareholder return of approximately 16.7% since the Separation;
- Outperforming the major utility indices for the seventh consecutive year; and
- Generating earnings growth in line with our guidance range for the ninth consecutive year.



Total Shareholder Return shown in the chart above is calculated by share price appreciation plus the annual dividend amount.

The NiSource 2015 share price appreciation and total shareholder return shown in the charts above are based on a 2014 year-end closing price calculated utilizing the Bloomberg separation formula taking into account the Separation on July 1, 2015.

Our 2015 performance was once again driven in large part by our continued disciplined execution across all facets of our established infrastructure-focused and investment-driven business strategy. Key business accomplishments during 2015 include:

- Emerging as a premier pure-play natural gas and electric utility company following the Separation;
- Being selected to the Dow Jones Sustainability North American Index for the second year straight;
- Investing a record \$1.37 billion at our Columbia Gas and Northern Indiana Public Service Company utilities across seven states to provide long-term safety and reliability benefits to customers and communities;
- Replacing 361 miles of priority pipe and the last known cast iron pipe from Columbia Gas of Virginia;
- Completing the deployment of automated meter reading devices across our nearly four million natural gas and electric customers;
- Delivering a broad range of regulatory initiatives supporting enhanced safety, employee training and customer programs, including extension of Columbia Gas of Virginia’s modernization program, obtaining approval of Columbia Gas of Massachusetts’ gas system enhancement plan and successful rate settlements in three states that will support pipeline safety upgrades, and enhance safety and reliability;
- Being selected as one of the World’s Most Ethical Companies for the fifth consecutive year; and
- Continuing to strengthen our financial profile by delivering on our \$30 billion of identified long-term regulated utility infrastructure investments, while maintaining an investment grade credit rating, and providing a solid and growing dividend.

[Table of Contents](#)

The Compensation Committee considered these achievements while performing its oversight activities throughout the course of the year.

Executive Compensation Highlights

Many of the Compensation Committee's 2015 compensation decisions were made in anticipation of the Separation and to reflect the Company's emergence as a pure-play utility. The following are key compensation decisions that occurred during 2015, many of which were made to address the unique circumstances related to the mid-year Separation.

In early 2015, the Compensation Committee:

- Determined that no increases to base salaries of the Named Executive Officers were warranted prior to the Separation;
- Approved delivery of the 2015 annual long-term equity awards to our Named Executive Officers solely in the form of service-based restricted stock units that do not vest until February 2, 2018, subject to the recipient's continued service through such date, for the reasons explained in the section entitled "LTIP Awards;"
- Approved increases in the grant date value of the 2015 annual long-term equity award for Messrs. Hamrock, Stanley, Smith, and Kettering, for the reasons explained in the section entitled "LTIP Awards;"
- Approved a six-month performance period for the first half of 2015 for our annual cash short-term incentive program in the event of the Separation, for the reasons explained in the section entitled in the "Annual Performance-Based Cash Incentives;"
- Awarded our new CFO, Mr. Brown, a signing bonus of \$75,000, an annual long-term equity award having a grant date value of \$750,000, and a special equity grant with a grant date value of \$510,000 in order to compensate him for the lost compensation opportunities at his prior employer; and
- Approved a valuation adjustment for outstanding unvested restricted stock units upon Separation consistent with the terms of the Omnibus Plan, in order to preserve the intrinsic aggregate value of awards prior to the Separation, based on a ratio determined by comparing the average NiSource share price for three days prior to the Separation with the NiSource share price traded on a when-issued basis for the same three day period.

In June 2015, the Compensation Committee:

- Approved base salary increases for Messrs. Hamrock and Stanley and Ms. Sistovaris, each of whom assumed new roles and responsibilities after the Separation, for the reasons explained in the section entitled "2015 Base Salaries;"
- Approved an incremental grant of service-based restricted stock units for Messrs. Hamrock and Stanley and Ms. Sistovaris, each of whom assumed new roles and responsibilities after the Separation, for the reasons explained in the section entitled "LTIP Awards;"
- Approved an increase in the trigger, target and stretch award opportunities for the annual cash short-term incentive for Messrs. Hamrock and Stanley and Ms. Sistovaris, each of whom assumed new roles and responsibilities after the Separation, for the reasons explained in the section entitled "Annual Performance-Based Cash Incentives;"
- Approved performance targets for the second half of 2015 for our annual cash short-term incentive program for the reasons explained in the section entitled in the "Annual Performance-Based Cash Incentives;" and
- Approved above-target performance results for the 2013 and 2014 performance share awards based on performance through the Separation and approved conversion of the performance share awards to service-based restricted stock units, which will vest on the service-based vesting date under the original terms of the performance share awards.

In addition, in October 2015, the Compensation Committee amended the Omnibus Plan, effective October 4, 2015, to provide for (i) a minimum vesting period of one year for all awards and (ii) double-trigger vesting for equity awards that are assumed or replaced by an acquiring company upon a change-in-control; meaning that there must be both a change-in-control and a qualifying termination of employment in order for the

[Table of Contents](#)

equity awards to vest in connection with or following such change-in-control. In the event equity awards are not assumed or replaced in a change-in-control, then the outstanding equity awards will vest upon the occurrence of a change-in-control alone. Please see the section entitled “Severance and Change-in-Control Benefits” for further information regarding benefits to be received upon termination of employment or a change-in-control.

Overview of Our Executive Compensation Practices

The Compensation Committee reviews on an ongoing basis the Company’s executive compensation program to evaluate whether it supports the Company’s executive compensation philosophy and objectives and is aligned with stockholder interests. Our executive compensation practices include the following, each of which the Compensation Committee believes reinforces our executive compensation philosophy and objectives.

We DO Have This Practice	We Do NOT Have This Practice
✓ Incentive award metrics that are objective and tied to key company performance metrics	X Repricing of options without stockholder approval
✓ Share ownership guidelines	X Hedging or pledging transactions or short sales by executive officers or directors
✓ Compensation recoupment policy	X Tax gross-ups for NEOs (other than gross-ups that are available to all employees who receive relocation benefits)
✓ Limited perquisites	X Automatic single-trigger equity vesting upon a change-in-control
✓ Pledging prohibition in our long-term incentive plan	X Excise tax gross-ups under change-in-control agreements
✓ Double-trigger severance benefits upon a change-in-control	X Excessive pension benefits or defined benefit supplemental executive retirement plan
✓ Three year minimum vesting for equity awards to promote retention with limited exceptions for new hires and promotions	X Excessive use of non-performance based compensation
✓ Tie a significant portion of executive compensation to stockholder interests in the form of at-risk compensation	X Excessive severance benefits
✓ Use an independent compensation consultant	X Dividend equivalent rights or dividends on executives’ unvested performance awards or restricted stock units
✓ Annual Say-on-Pay vote	

Overview of Our Executive Compensation Program

Our compensation program is intended to attract, retain and motivate highly qualified executives.

The principal elements of compensation that we have historically provided to our executives are: base salary, annual short-term performance-based cash incentives and long-term performance-based equity incentive awards. We use short and long-term compensation to motivate our executives to meet and exceed the short and long-term business objectives of the Company.

Since 2011, we have used 100% performance-based equity compensation for our annual long-term equity incentive awards as a means to further align the interests of our executives with those of our stockholders. In 2015, however, in anticipation of the Separation and the fact that the Company and the Company’s financial plans would be very different following the mid-year Separation, we used service-based restricted stock units for

[Table of Contents](#)

our annual long-term equity awards in lieu of performance-based equity. Effective January 2016, we returned to our historical practice of awarding 100% performance-based equity compensation for our annual long-term equity incentive awards.

We generally target total compensation (base salary, annual short-term performance-based cash incentives and long-term equity incentive awards) to be competitive with the compensation paid to similarly positioned executives at companies within our peer group of companies (the “Comparative Group”) as described in the section entitled “Our Executive Compensation Process — Competitive Market Review.” We do not, however, manage pay to a certain target percentile of the Comparative Group practices.

We employ leading governance practices, such as clawback policies and stock ownership guidelines, and we conduct an annual risk assessment of the Company’s compensation practices.

In addition, our executive officers are prohibited from trading in Company securities during quarterly blackout periods and they are also prohibited from engaging in hedging or short sales of the Company’s equity securities.

Finally, when making decisions about our executive compensation program, the Compensation Committee takes into account the stockholders’ view of such matters. In 2015, 96% of our investors voted in favor of our Say-on-Pay Proposal at our Annual Meeting. No changes were made to the design of our executive compensation program in response to the 2015 stockholder vote.

Our Executive Compensation Philosophy

The key design priorities of the Company’s executive compensation program are to:

- Maintain a financially responsible program aligned with the Company’s strategic plan to build stockholder value and long-term, sustainable earnings and dividend growth;
- Provide a total compensation package that is aligned with the standards in our industry thereby enhancing the Company’s ability to:
 - Attract and retain executives with competitive compensation opportunities;
 - Motivate and reward executives for achieving and exceeding our business objectives;
 - Provide substantial portions of pay at risk for failure to achieve our business objectives;
- Align the interests of stockholders and executives by emphasizing stock-denominated compensation opportunities; and
- Comply with applicable laws and regulations.

The Compensation Committee believes that the Company’s executive compensation program is thoughtfully and effectively constructed to fulfill our compensation objectives, and rewards decision making that creates value for our stockholders, customers and other key stakeholders.

Principal Elements of Our 2015 Compensation Program

We have designed our program to meet our business objectives using various compensation elements intended to drive both short-term and long-term performance.

We believe that a large percentage of total compensation for our Named Executive Officers should be performance-based, and the proportion of at-risk, performance-based compensation should increase as the executive’s level of responsibility within the Company increases. The Compensation Committee believes the appropriate mix of the elements of compensation should take into account the Company’s financial and strategic objectives, the competitive environment, Company performance, individual performance and responsibilities and evolving governance practices. For example, in anticipation of the Separation, the Compensation Committee determined it appropriate to approve 2015 annual long-term equity awards to our Named Executive Officers solely in the form of service-based restricted stock units that vest in February 2018, subject to the executive’s continued employment.

[Table of Contents](#)

We believe that the principal elements of our total compensation package for 2015, as more fully described below, help us achieve the objectives of our compensation program as follows:

Element of Total Compensation	Form of Compensation	Attraction	Time Horizon		Alignment with Stockholder Interest	Retention
			Short-Term	Long-Term		
Base Salary	Cash	✓				✓
Annual Performance-Based Cash Incentive	Cash	✓	✓		✓	✓
Long-Term Equity Incentive	Shares	✓		✓	✓	✓

Base Salary

Base salary is designed to provide our employees with a level of fixed pay that is commensurate with role and responsibility. We believe that by delivering base salaries that are reflective of market norms, the Company is well-positioned to attract, retain and motivate top caliber executives in an increasingly competitive labor environment. The Compensation Committee annually reviews the base salaries of the Company’s senior executives, including the Named Executive Officers, to evaluate whether they are competitive within our industry. In reviewing the base salaries, the Compensation Committee considers the base salaries paid to similarly situated executives by the companies in the Comparative Group. See the section entitled “Our Executive Compensation Process — Competitive Market Review” listing the companies in our Comparative Group used by the Compensation Committee for the first half of 2015 (pre-Separation) and in the second half of 2015 (post-Separation). The Compensation Committee determines any base salary changes for the Company’s senior executives based on a combination of factors that includes competitive pay standards, level of responsibility, experience, internal equity considerations, historical compensation, and individual performance and contribution to business objectives, as well as recommendations from Mr. Skaggs, our CEO at the time. Mr. Skaggs was evaluated separately by the Compensation Committee, taking into account those factors reviewed for all other senior executives. The Compensation Committee then provided their recommendation regarding CEO compensation to the independent members of the Board for approval. See the section below entitled “Compensation Committee Actions Related to 2015 Compensation” for more information.

Annual Performance-Based Cash Incentive Plan (“Incentive Plan”)

This component of total compensation provides employees with the opportunity to earn a cash award tied to both the performance of the Company and individual contributions to the organization’s success. Annual cash incentives are authorized by the Omnibus Plan which was originally approved by stockholders in May 2010 and re-approved by stockholders for Code Section 162(m) purposes in May 2015. The performance goals for the Incentive Plan are based on the financial plan approved by the Board at the beginning of the applicable performance period. The financial plan is designed to achieve the Company’s aim of creating sustainable stockholder value by growing earnings, effectively managing the Company’s cash and providing a strong dividend. In January 2015, in anticipation of the Separation, the Compensation Committee approved performance measures and goals for the first half of 2015 and, in June, the Compensation Committee approved the same corporate performance measures (eliminating business unit measures) but different goals for the second half of 2015 as a result of the Separation.

Eligibility for participation in the Incentive Plan extends to nearly all Company employees. Every eligible employee has an incentive opportunity at trigger, target and stretch levels of performance and the Compensation Committee identifies expectations for all senior executives, including the Named Executive Officers. See the section below entitled “Compensation Committee Actions Related to 2015 Compensation” for more information regarding the 2015 Incentive Plan, including incentive opportunities, performance measures, goals and payouts for each of the Named Executive Officers.

Long-Term Equity Incentive Plan (“LTIP”)

Our compensation program also includes a long-term equity incentive component. The Compensation Committee believes it important that each executive, in particular each of our senior executives, has personal

[Table of Contents](#)

financial exposure to the performance of the Company's stock and, therefore, is aligned with the financial interests of stockholders. The Compensation Committee also believes that long-term equity incentives promote decision making that is consistent with the Company's long-term business objectives.

Since 2011, the Compensation Committee delivered annual long-term equity incentive awards solely in performance shares to further align our executives' interests with those of our stockholders and the Company's long-term business objectives. However, in January 2015, in anticipation of the Separation, the Compensation Committee determined that the 2015 annual long-term equity awards should be in the form of service-based restricted stock units that vest in February 2018, subject to the executive's continued employment through the vesting date. In January 2016, the Compensation Committee reverted back to its historical practice of delivering annual long-term equity incentive awards solely in the form of performance shares that vest based on the achievement of multi-year performance goals and the executive's continued employment through the vesting date.

When establishing equity grants for each Named Executive Officer, the Compensation Committee considers, among other things, the executive's base salary, the appropriate mix of cash and equity award opportunities, prior awards under the LTIP and the compensation practices for similarly situated executives at other companies in our Comparative Group. The actual value of each annual long-term equity award will vary based on the Company's stock price at the time the award is settled.

The Compensation Committee may also approve special equity awards to attract and retain executive talent or to recognize significant contributions. See the section below entitled "Compensation Committee Actions Related to 2015 Compensation" for more information regarding the 2015 LTIP awards for each of the Named Executive Officers, including the special equity grant to Mr. Brown, the performance results for the 2013 and 2014 performance share awards, based on performance through the Separation, and the conversion of the 2013 and 2014 performance share awards into service-based restricted stock units at the time of the Separation.

Other Compensation and Benefits

We also provide other forms of compensation to our executives, including the Named Executive Officers, consisting of a limited number of perquisites, severance and change-in-control arrangements and a number of other employee benefits that generally are extended to our entire employee population. These other forms of compensation are generally comparable to those that are provided to similarly situated executives at other companies of our size.

Perquisites

Perquisites are not a principal element of our executive compensation program. They are intended to assist executive officers in the performance of their duties on behalf of the Company or otherwise to provide benefits that have a combined personal and business purpose. Generally, the Company does not reimburse the Named Executive Officers for the payment of personal income taxes incurred by the executives in connection with their receipt of these benefits, except for relocation expenses, consistent with Company practice for all employees who receive Company-paid relocation expenses. For more information on these perquisites, see the Summary Compensation Table and footnote (6) to that table.

Severance and Change-In-Control Benefits

We maintain an executive severance policy, and Change-in-Control Agreements with each of the Named Executive Officers that we currently employ, and we previously maintained a letter agreement with Mr. Smith, our former Chief Financial Officer, regarding payments to be made in the event of termination of his employment. No severance or Change-in-Control payments were triggered by the terminations of employment of Messrs. Skaggs, Smith or Kettering in connection with the Separation.

Change-in-Control Agreements are intended to ensure that thoroughly objective judgments are made in relation to any potential change in corporate ownership so that stockholder value is appropriately safeguarded and returns to investors are maximized. The Change-in-Control Agreements provide for cash severance benefits upon a double-trigger (meaning there must be both a qualifying change-in-control and termination of employment) and do not provide for any "gross-up" payments to executives for excise taxes incurred with respect to benefits

[Table of Contents](#)

received under a Change-in-Control Agreement. Effective as of October 2015, the Omnibus Plan was amended to provide that all equity awards granted under the Plan that are assumed or replaced by an acquiring company will be subject to double-trigger vesting upon a change-in-control. Awards that are not assumed or replaced by the acquiring company vest upon such change-in-control.

For further discussion of these agreements, see the table in the section entitled “Potential Payments upon Termination of Employment or a Change-in-Control of the Company” and the accompanying narrative.

Pension Programs

During 2015, we maintained a tax-qualified defined benefit pension plan for essentially all salaried exempt employees hired before January 1, 2010, all non-exempt employees (both non-union and certain union employees) hired before January 1, 2013, as well as for other union employees, regardless of hire date, and a non-qualified defined benefit pension plan (the “Pension Restoration Plan”) for all eligible employees with annual compensation or pension benefits in excess of the limits imposed by the Internal Revenue Service (“IRS”), including the Named Executive Officers. The Pension Restoration Plan provides for a pension benefit under the same formula provided under the tax-qualified plan but without regard to the IRS limits, reduced by amounts paid under the tax-qualified plan. The material terms of the pension programs are described in the narrative to the Pension Benefits Table.

Savings Programs

Our Named Executive Officers are eligible to participate in the same tax-qualified 401(k) Plan as most employees and in a non-qualified defined contribution plan (the “Savings Restoration Plan”) maintained for eligible executive employees. The 401(k) Plan includes a Company match that varies depending on the pension plan in which the employee participates and a Company profit sharing contribution for most employees of between 0.5% and 1.5% of the employee’s eligible earnings based on the overall corporate net operating earnings per share measure. In addition, for salaried employees hired after January 1, 2010, and non-union hourly employees hired after January 1, 2013, the 401(k) Plan includes a 3% Company contribution to the employee accounts. The Savings Restoration Plan provides for Company contributions in excess of IRS limits under the 401(k) Plan for eligible employees, including the Named Executive Officers. The material terms of the Savings Restoration Plan are described in the narrative to the 2015 Non-qualified Deferred Compensation Table.

Deferred Compensation Plan

We also maintain the Executive Deferred Compensation Plan (the “Deferred Compensation Plan”) through which eligible Company executives, including the Named Executive Officers, may elect to defer between 5% and 80% of their base salary and annual cash incentive payout. The Company makes the Deferred Compensation Plan available to eligible executives so they have the opportunity to defer their cash compensation without regard to the limits imposed by the IRS for amounts that may be deferred under the 401(k) Plan. The material terms of the Deferred Compensation Plan are described in the narrative to the 2015 Non-qualified Deferred Compensation Table.

Health and Welfare Benefits

We also provide other broad-based benefits such as medical, dental, life insurance and long-term disability coverage on the same terms and conditions to all employees, including the Named Executive Officers. We believe that these broad-based benefits enhance the Company’s reputation as an employer of choice and thereby serve the objectives of our compensation program to attract, retain and motivate our employees.

Our Executive Compensation Process

The Compensation Committee is responsible for determining salaries, performance-based incentives and other matters related to the compensation of our executives and for overseeing the administration of our equity plans, including equity award grants to our executive officers. The Compensation Committee takes into account various factors when making compensation decisions, including:

- Attainment of established business and financial goals of the Company;
- Competitiveness of the Company’s compensation program based upon competitive market data; and

[Table of Contents](#)

- An executive’s position, level of responsibility and performance, as measured by the individual’s contribution to the Company’s achievement of its business objectives.

The Compensation Committee reviews the compensation of our CEO and his executive direct reports each year. In determining the compensation of the CEO and his executive direct reports, the Compensation Committee takes into consideration the CEO’s recommendation with respect to his executive direct reports and submits its recommendation with respect to the CEO compensation to the independent members of the Board. When considering changes in compensation for the Named Executive Officers, the Compensation Committee also considers input from the Executive Vice President, Corporate Affairs and Human Resources and the Compensation Committee’s independent executive compensation consultant, Exequity LLP.

Competitive Market Review

In connection with its compensation decision making, the Compensation Committee reviews the executive compensation practices in effect at other companies in the Comparative Group. Prior to Separation, these companies comprised leading gas, electric, and combination utility and natural gas transmission companies that were selected by the Compensation Committee for their operational comparability to the Company and because we generally compete with these companies for the same executive talent. For purposes of considering 2015 compensation practices prior to the Separation, the pre-Separation Comparative Group included the following companies:

AGL Resources Inc.	Pepco Holdings, Inc.
Ameren Corporation	PPL Corporation
American Electric Power Company, Inc.	Public Service Enterprise Group Incorporated
CenterPoint Energy, Inc.	Questar Corporation
CMS Energy Corporation	SCANA Corporation
Dominion Resources, Inc.	Sempra Energy
DTE Energy Company	Spectra Energy Corp
EQT Corporation	WGL Holdings, Inc.
FirstEnergy Corp.	The Williams Companies, Inc.

In anticipation of the Separation, in May 2015, the Compensation Committee’s independent compensation consultant presented a revised group of comparator companies to reflect the Company’s smaller size and narrower range of operations post-Separation. This revised group was used in evaluating the compensation adjustments that were approved in June 2015 in connection with the Separation. This revised group of companies was based on the Comparative Group prior to the Separation, but updated to (i) remove the following companies: EQT Corporation, Pepco Holdings, Inc., Spectra Energy Corp, and The Williams Companies, Inc. and (ii) include the following companies: Atmos Energy Corporation, The Laclede Group, Inc., OGE Energy Corp., One Gas, Inc., Piedmont Natural Gas Company, Inc., and PNM Resources, Inc.

[Table of Contents](#)

In August 2015, the Compensation Committee, with input from its independent compensation consultant, revised the Comparative Group for purposes of evaluating compensation practices in 2016. The new post-Separation Comparative Group, set forth below, removed companies in the transportation and storage sector (EQT Corporation, Pepco Holding, Inc., Spectra Energy Corp and The Williams Companies, Inc.) and added several companies (Alliant Energy Corporation, Atmos Energy Corporation, The Laclede Group, Inc., OGE Energy Corp., One Gas, Inc., Piedmont Natural Gas Company, Inc., PNM Resources, Inc., Vectren Corporation and WEC Energy Group) in order to align with companies that are operationally similar to the Company following the Separation.

AGL Resources Inc.	One Gas, Inc.
Alliant Energy Corporation	Piedmont Natural Gas Company, Inc.
Ameren Corporation	PNM Resources, Inc.
American Electric Power Company, Inc.	PPL Corporation
Atmos Energy Corporation	Public Service Enterprise Group Incorporated
CenterPoint Energy, Inc.	Questar Corporation
CMS Energy Corporation	SCANA Corporation
Dominion Resources, Inc.	Sempra Energy
DTE Energy Company	Vectren Corporation
FirstEnergy Corp.	WEC Energy Group, Inc.
The Laclede Group, Inc.	WGL Holdings, Inc.
OGE Energy Corp.	

Policies and Guidelines

We maintain various guidelines and policies to help us meet our compensation objectives including:

- **Executive Stock Ownership and Retention Guidelines.** Senior executives, including the Named Executive Officers, are generally expected to satisfy their applicable ownership guidelines within five years of becoming subject to the guidelines. The stock ownership guideline for the CEO is five times his annual base salary. The other senior executives have a stock ownership guideline of three times their respective annual base salaries. Once the senior executive satisfies the guidelines, he/she must continue to own a sufficient number of shares to remain in compliance with the guidelines. Until such time as the senior executives satisfy the stock ownership guidelines, they are required to hold at least 50% of the shares of common stock received upon the lapse of the restrictions on restricted stock units and the vesting of performance shares. At the end of 2015, all of the currently employed Named Executive Officers exceeded their ownership guidelines.
- **Trading Windows/Trading Plans/Hedging .** We restrict the ability of certain employees to freely trade in the Company's common stock because of their periodic access to material non-public information regarding the Company. Under our insider trading policy, our key executives are prohibited from trading in Company securities during quarterly blackout periods, and at such other times as the Chief Legal Officer may deem appropriate. In addition, under our Securities Transaction Compliance Policy for Certain Employees and our Securities Transaction Compliance Policy for Directors and Executive Officers, all directors and all senior executives, including our Named Executive Officers, are prohibited from engaging in short sales of the Company's equity securities or in buying or selling puts, calls or other options on the Company's securities or otherwise hedging against or speculating in the potential changes in the value of the Company's common stock. None of our directors or executive officers owns Company securities that are pledged.
- **Compensation Recovery for Misconduct .** While we believe our executives conduct business with the highest integrity and in full compliance with our Code of Business Conduct, the Compensation Committee believes it is appropriate to ensure that the Company's compensation plans and agreements provide for financial penalties to an executive who engages in certain fraudulent or other inappropriate conduct. Consequently, our Incentive Plan, the Omnibus Plan, contains "clawback" provisions that require

[Table of Contents](#)

reimbursement of amounts received in the event of certain acts of misconduct with respect to both the annual short-term cash incentive and long-term equity awards.

Tax Treatment of Executive Compensation.

Section 162(m) of the Code provides that annual compensation in excess of \$1,000,000 paid to the CEO or certain of the other Named Executive Officers, other than compensation meeting the definition of “performance-based compensation,” will not be deductible by a corporation for federal income tax purposes. The Compensation Committee reviews the deductibility of compensation under Section 162(m) of the Code and related regulations published by the IRS. The Compensation Committee retains the discretion to amend any compensation arrangement to comply with Code Section 162(m)’s requirements for deductibility in accordance with the terms of such arrangements and what it believes is in the best interest of the Company.

The Compensation Committee considers the anticipated tax treatment to the Company when determining executive compensation and routinely seeks to structure its executive compensation program in a way that preserves the deductibility of compensation payments and benefits. It should be noted, however, that there are many factors which are considered by the Compensation Committee in determining executive compensation and, similarly, there are many factors which may affect the deductibility of executive compensation. To maintain the flexibility to compensate the Named Executive Officers in a manner designed to promote varying corporate goals, the Compensation Committee has not adopted a policy that all executive compensation must be deductible under Section 162(m) of the Code.

Compensation Committee Actions Related to 2015 Compensation

During 2015, the Compensation Committee reviewed and, as appropriate, took action with respect to each element of total compensation for each Named Executive Officer following the principles, practices and processes described above. In doing so, the Compensation Committee concluded that the total compensation provided for each of the Company’s senior executives in 2015, including the Named Executive Officers, was consistent with the Company’s compensation philosophy and was reasonable, competitive and appropriate.

The Compensation Committee’s compensation determinations, though subjective in part, were based primarily upon recognition of the roles and responsibilities and performance of each Named Executive Officer, and a determination that the total compensation awarded to each Named Executive Officer provided well-balanced incentives to focus on serving the interests of the Company and its stockholders.

In addition, the Compensation Committee considered the stockholders’ advisory approval of the 2014 compensation of our Named Executive Officers at the 2015 Annual Meeting and determined that no changes were necessary or advisable in connection with the design of our senior executive compensation program as a result of the stockholders’ vote.

2015 Base Salaries

Historically, base salaries of senior executives, including the Named Executive Officers, have been adjusted when deemed necessary to maintain competitiveness and reflect performance. The Compensation Committee reviewed the base salaries of the Company’s senior executives, including the Named Executive Officers, and approved salary increases, effective upon the Separation, for Messrs. Hamrock and Stanley and Ms. Sistovaris, each of whom assumed new roles with increased responsibilities following the Separation. No other salary adjustments were made. In addition, the Compensation Committee established Mr. Brown’s initial base salary of \$450,000 at the time he joined the Company in April 2015, considering the compensation he received from his prior employer, market data and the compensation practices within the Company.

In reviewing the base salaries of the Named Executive Officers, the Compensation Committee considered the base salaries earned by similarly situated executives of companies in the post-Separation Comparative Group, increased responsibilities, experience, internal pay equity, historical compensation practices, individual performance and contributions to achievement of business objectives. In particular, the Compensation Committee considered Mr. Hamrock’s new role and responsibilities as President and CEO of the Company and determined that an increase in salary of \$300,000 was appropriate, particularly as compared to the market data for chief executive officers at companies in the post-Separation Comparative Group. The Compensation Committee also

[Table of Contents](#)

determined that increases of \$25,000 for Mr. Stanley and \$80,000 for Ms. Sistovaris were appropriate based on market data and in recognition of their new roles and increased responsibilities as Chief Operating Officer and Executive Vice President, respectively.

The 2015 base salary adjustments, effective upon the Separation, for Messrs. Hamrock and Stanley and Ms. Sistovaris are shown in the table below. As noted above, no other base salary adjustments were made in 2015 for the Named Executive Officers.

Name	2014 Annual Salary	2015 Annual Salary
Joseph Hamrock	\$ 500,000	\$ 800,000
Jim L. Stanley	\$ 500,000	\$ 525,000
Violet Sistovaris	\$ 320,000	\$ 400,000

Annual Performance-Based Cash Incentives

Certain elements of our executive compensation program had to be modified in 2015 as a result of the Separation. In particular, the Incentive Plan was bifurcated into two six-month performance periods, with the same corporate performance measures for each half (but excluding business unit measures for the second half of 2015) and different performance goals for each half, reflecting the fact that the Company and its financial plans were very different pre-Separation as compared to post-Separation. Similarly, as explained below, annual performance-based cash incentive ranges and base salary amounts used to determine actual payout amounts changed post-Separation for certain Named Executive Officers.

Pre-Separation Annual Performance-Based Incentive Ranges

In January 2015, in anticipation of the Separation, the Compensation Committee established performance measures and goals for the first half of the year to determine the first half incentive payouts to the Named Executive Officers employed by the Company on December 31, 2015. In determining incentive compensation ranges for the Named Executive Officers for the first half of 2015, the Compensation Committee considered competitive information from the pre-Separation Comparative Group, input from the independent compensation consultant, historical payouts and individual performance and made no changes to the ranges for the then-serving Named Executive Officers.

The annual performance-based cash incentive ranges for each of the Named Executive Officers as of June 30, 2015, used to determine the incentive payout based on performance for the first half of the year are set forth below.

Named Executive Officer	Trigger (% of Salary)	Target (% of Salary)	Stretch (% of Salary)
Joseph Hamrock	25%	65%	105%
Donald E. Brown	25%	60%	95%
Jim L. Stanley	25%	65%	105%
Carrie J. Hightman	25%	60%	95%
Violet Sistovaris	20%	50%	80%
Robert C. Skaggs, Jr. ⁽¹⁾	50%	125%	200%
Stephen P. Smith ⁽¹⁾	30%	70%	110%
Glen L. Kettering ⁽¹⁾	25%	60%	95%

(1) Messrs. Skaggs, Smith and Kettering were not employed by the Company on December 31, 2015, and thus were not eligible to receive an incentive payout for 2015 under the terms of the Incentive Plan. Pursuant to the Employee Matters Agreement between the Company and CPG, the Company provided funds to CPG in the amount of \$972,500 to be used by CPG to fund CPG incentive plan payouts to

[Table of Contents](#)

Messrs. Skaggs, Smith and Kettering subject to the terms and conditions of the CPG incentive plan, including the requirement that each be employed by CPG on December 31, 2015 in order to be eligible to receive a payment from CPG.

Post-Separation Annual Performance-Based Incentive Ranges

In June 2015, in anticipation of the Separation, the Compensation Committee established performance measures and goals for the second half of 2015 to determine the second half incentive payouts to the Named Executive Officers employed by the Company on December 31, 2015. The Compensation Committee also approved additional adjustments to the cash-based incentive compensation ranges for Messrs. Hamrock and Stanley and Ms. Sistovaris based on their new roles and responsibilities following the Separation taking into account competitive information from the modified post-Separation Comparative Group, and input from the independent compensation consultant to determine their payout based on performance for the second half of the year.

The annual performance-based cash incentive ranges for each of the Named Executive Officers employed by the Company on December 31, 2015, used to determine the incentive payout based on performance for the second half of the year are set forth below.

Named Executive Officer ⁽¹⁾	Trigger (% of Salary)	Target (% of Salary)	Stretch (% of Salary)
Joseph Hamrock	40%	100%	160%
Donald E. Brown	25%	60%	95%
Jim L. Stanley	30%	75%	120%
Carrie J. Hightman	25%	60%	95%
Violet Sistovaris	25%	65%	105%

(1) Messrs. Skaggs, Smith and Kettering were not eligible to receive an incentive payout from the Company for the second half of 2015 under the terms of the Incentive Plan because they were not employed by the Company following the Separation.

For more information on the 2015 payout amounts for each of the Named Executive Officers, see the sections below entitled “Pre-Separation 2015 Incentive Plan Payouts to the Named Executive Officers” and “Post-Separation 2015 Incentive Plan Payouts to the Named Executive Officers.”

Pre- and Post-Separation Financial Goals

The 2015 Incentive Plan awards for senior executives, including the eligible Named Executive Officers, were subject to achievement with respect to two corporate financial goals, net operating earnings per share and corporate funds from operations, as well as an additional operational measure relating to safety. The Compensation Committee approved these measures for the performance periods for both the first and second half of 2015 because they were deemed to be important to the Company’s success in increasing stockholder value.

Earnings, cash flow and safety were measured as follows:

- The measure of earnings was net operating earnings per share (after accounting for the cost of any incentive payout). Net operating earnings was defined as income from continuing operations determined in accordance with Generally Accepted Accounting Principles (“GAAP”), adjusted for certain items, such as fluctuation in weather, environmental compliance costs, gains and losses on the sale of assets, Separation-related costs and certain income tax items. The Compensation Committee uses net operating earnings, a non-GAAP financial measure, for determining financial performance for incentive compensation plans because the Board and management believe this measure better represents the fundamental earnings strength and performance of the Company. The Company uses net operating earnings internally for budgeting and for reporting to the Board.
- The cash flow measure, corporate funds from operations, was calculated by taking net income from operations and adding back non-cash items such as depreciation. The Compensation Committee uses corporate funds from operations as an Incentive Plan measure because the Compensation Committee and management believe this measure fairly represents the amount of cash produced by the Company’s operations.

[Table of Contents](#)

- Safety was measured by the number of employee work days missed or restricted or the number of days an employee was transferred, known as the DART metric, which was developed by the Occupational Safety and Health Administration. Each business unit of the Company had its own safety goal and the safety goal for corporate staff was based upon the respective business unit goals, weighted by employee hours for each business unit.

The incentive opportunities for the senior executives, including the Named Executive Officers, were contingent on achievement of goals relating to these measures, subject to final discretionary adjustment by the Compensation Committee.

For the first half performance period, the 2015 Incentive Plan awards for the leaders of our business units during the first half of the year (Mr. Hamrock, who led NiSource Gas Distribution, Mr. Stanley, who led NIPSCO, and Mr. Kettering, who led Columbia Pipeline Group) also were subject to achievement with respect to business unit net operating earnings and funds from operations goals for each of the business units. The Compensation Committee extended to Mr. Skaggs the authority to establish the annual business unit targets for the year. He assigned goals that, if accomplished, would help the Company achieve its overall corporate objectives, consistent with the Compensation Committee's belief that the inclusion of business unit goals in the annual Incentive Plan improves the line of sight between employees and the incentive measures, thereby enhancing Company performance.

Consequently, the incentive opportunities for Messrs. Hamrock, Stanley and Kettering for the first half of the 2015 performance period were subject to achievement with respect to the corporate financial measures (net operating earnings per share and corporate funds from operations), and achievement of business unit net operating earnings, business unit funds from operations and business unit safety measures for which they had responsibility. As such, each of their measures for the first half of 2015 is weighted differently than the other Named Executive Officers who were members of the corporate service group during the first half of the year, as shown in the tables below.

There are no business units remaining following the Separation since the Company is more operationally aligned following the Separation and each of the Named Executive Officers employed post-Separation was subject to the same performance goals and weighting for the second half of 2015.

Messrs. Skaggs, Smith and Kettering were not eligible to receive an incentive payout from the Company under the terms of the Incentive Plan as they were not employed on December 31, 2015 and have been excluded from the Pre-Separation Performance Results Table below. If Messrs. Skaggs and Smith had remained employed through December 31, 2015, they would have been eligible to receive annual incentive payouts based on the performance measures and weightings set forth below with respect to Ms. Hightman and Ms. Sistovaris.

Pre-Separation Performance Results

The applicable performance measures and their associated weightings and results as a percentage of the target incentive opportunity for the first half of 2015 for Ms. Hightman and Ms. Sistovaris were:

Corporate Measures ⁽¹⁾	Weight	Trigger	Target	Stretch	Result	Carrie J. Hightman		Violet Sistovaris	
						Formulaic Amounts ⁽²⁾		Formulaic Amounts ⁽²⁾	
						Payout as a % of Target	Weighted Adjusted Payout as a % of Target	Payout as a % of Target	Weighted Adjusted Payout as a % of Target
NiSource Net Operating Earnings Per Share	50%	\$.97	\$1.00	\$1.03	\$1.03	158.33%	79.17%	160.00%	80.00%
NiSource Funds from Operations	40%	\$765M	\$847M	\$929M	\$909M	144.11%	57.64%	145.37%	58.15%
Safety	10%	.76 days	.60 days	—	.92 days	0%	0%	0%	0%

- (1) For performance between two performance levels (for example, between target and stretch goals), the incentive opportunity is determined by interpolation and is expressed as a percentage of the target incentive opportunity. Interpolation for the safety goal only applies between trigger and target. Consequently, target is the maximum available level for the safety goal.

[Table of Contents](#)

(2) These amounts reflect a percentage of each executive’s target incentive opportunity. The trigger, target and stretch incentive opportunities for Ms. Hightman and Ms. Sistovaris are provided in the section entitled “Pre-Separation 2015 Incentive Plan Payouts to the Named Executive Officers.”

The applicable performance measures and their associated weightings for the first half of 2015 for Messrs. Hamrock, Stanley and Kettering and results as a percentage of the target incentive opportunity for Messrs. Hamrock and Stanley were:

Corporate and Business Unit Measures ⁽¹⁾	Weight	Trigger	Target	Stretch	Result	Formulaic Payout as a % of Target ⁽²⁾	Weighted Adjusted Formulaic Payout as a % of Target ⁽²⁾
Mr. Hamrock							
NiSource Net Operating Earnings Per Share	25%	\$0.97	\$1.00	\$1.03	\$1.03	161.54%	40.38%
NiSource Funds from Operations	20%	\$765M	\$847M	\$929M	\$909M	146.53%	29.31%
NGD Safety	10%	1.03 days	.72 days	—	1.55 days	0%	0%
NGD Net Operating Earnings	22.50%	\$157M	\$161M	\$169M	\$159M	69.23%	15.58%
NGD Funds from Operations	22.50%	\$274M	\$316M	\$358M	\$378M	161.54%	36.35%
Mr. Stanley							
NiSource Net Operating Earnings Per Share	25%	\$0.97	\$1.00	\$1.03	\$1.03	162.00%	40.38%
NiSource Funds from Operations	20%	\$765M	\$847M	\$929M	\$909M	146.53%	29.31%
NIPSCO Safety	10%	.84 days	.69 days	—	.66 days	100.00%	10.00%
NIPSCO Net Operating Earnings	22.50%	\$93M	\$96M	\$102M	\$91M	0%	0%
NIPSCO Funds from Operations	22.50%	\$187M	\$216M	\$245M	\$201M ⁽³⁾	68.45%	15.34%
Mr. Kettering ⁽⁴⁾							
NiSource Net Operating Earnings Per Share	25%	\$0.97	\$1.00	\$1.03	N/A	N/A	N/A
NiSource Funds from Operations	20%	\$765M	\$847M	\$929M	N/A	N/A	N/A
CPG Safety	10%	.09 days	.19 days	—	N/A	N/A	N/A
CPG Net Operating Earnings	22.50	\$134M	\$136M	\$141M	N/A	N/A	N/A
CPG Funds from Operations	22.50	\$226M	\$261M	\$296M	N/A	N/A	N/A

- (1) For performance between two performance levels (for example, between target and stretch goals), the incentive opportunity is determined by interpolation and is expressed as a percentage of the target opportunity. Interpolation for the safety goal only applies between trigger and target. Consequently, target is the maximum available level for the safety goal.
- (2) These amounts reflect a percentage of the executive’s target incentive opportunity. The trigger, target and stretch incentive opportunities for Messrs. Hamrock and Stanley are provided in the section entitled “Pre-Separation 2015 Incentive Plan Payouts to the Named Executive Officers.”
- (3) In accordance with the terms of the Incentive Plan, this includes an upward adjustment to Funds from Operations for NIPSCO of \$2.4 million taking into consideration the impact of non-recurring items related to deferred tax changes.
- (4) As a result of the Separation, the Compensation Committee did not certify results with respect to CPG since Mr. Kettering was not eligible to receive an annual incentive payout pursuant to the terms of the Incentive Plan because he was not employed on December 31, 2015.

[Table of Contents](#)

Pre-Separation 2015 Incentive Plan Payouts to the Named Executive Officers

The annual incentive opportunities and actual payout amounts for each of the eligible Named Executive Officers as approved by the Compensation Committee for the first half of 2015 performance period were:

Named Executive Officer (1)	Trigger (% of Salary)	Target (% of Salary)	Stretch (% of Salary)	2015 Award (% of Target)	2015 Award (2)
Joseph Hamrock	25%	65%	105%	122%	\$ 198,250
Donald E. Brown	25%	60%	95%	137%	\$ 88,271
Jim L. Stanley	25%	65%	105%	95%	\$ 154,375
Carrie J. Hightman	25%	60%	95%	137%	\$ 201,390
Violet Sistovaris	20%	50%	80%	138%	\$ 110,400

- (1) Messrs. Skaggs, Smith and Kettering were not eligible to receive an incentive payout from the Company for the first half of 2015 under the terms of the Incentive Plan because they were not employed by the Company on December 31, 2015.
- (2) The 2015 Awards for each of the eligible Named Executive Officers were calculated as follows: 50% annual base salary at the end of the applicable performance period with the exception of the use of 2015 eligible earnings on June 30, 2015, for Mr. Brown, who joined the Company in April 2015, multiplied by his/her Target (% of Salary) period multiplied by the applicable 2015 Award (% of Target).

Post-Separation Performance Results

The applicable performance measures and their associated weightings and results as a percentage of the target incentive opportunity for the second half of 2015 for each of the currently employed Named Executive Officers were:

Corporate Measures (1)	Weight	Trigger	Target	Stretch	Result	Formulaic Payout as a % of Target (2)	Weighted Adjusted Formulaic Payout as a % of Target (2)
Mr. Hamrock and Mr. Stanley							
NiSource Net Operating Earnings Per Share	50%	\$0.32	\$0.35	\$0.38	\$0.37	140.00%	70.00%
NiSource Funds from Operations	40%	\$328M	\$396M	\$464M	\$365M (3)	72.65%	29.06%
Corporate Safety	10%	.76 days	.70 days	—	1.03 days	0%	0%
Ms. Hightman and Mr. Brown							
NiSource Net Operating Earnings Per Share	50%	\$0.32	\$0.35	\$0.38	\$0.37	138.89%	69.44%
NiSource Funds from Operations	40%	\$328M	\$396M	\$464M	\$365M (3)	73.41%	29.36%
Corporate Safety	10%	.76 days	.70 days	—	1.03 days	0%	0%
Ms. Sistovaris							
NiSource Net Operating Earnings Per Share	50%	\$0.32	\$0.35	\$0.38	\$0.37	141.03%	70.51%
NiSource Funds from Operations	40%	\$328M	\$396M	\$464M	\$365M (3)	71.95%	28.78%
Corporate Safety	10%	.76 days	.70 days	—	1.03 days	0%	0%

- (1) For performance between two performance levels (for example, between target and stretch goals), the incentive opportunity is determined by interpolation and is expressed as a percentage of the target opportunity. Interpolation for the safety goal only applies between trigger and target. Consequently, target is the maximum available level for the safety goal.

[Table of Contents](#)

- (2) These amounts reflect a percentage of the Named Executive Officers target incentive opportunity for the second half of 2015. The trigger, target and stretch incentive opportunities for each Named Executive Officer are provided in the section entitled “Post-Separation 2015 Incentive Plan Payouts to the Named Executive Officers.”
- (3) In accordance with the terms of the Incentive Plan, this includes an upward adjustment to Funds from Operations for NiSource of \$3.9 million taking into consideration the impact of accounting changes.

Post-Separation 2015 Incentive Plan Payouts to the Named Executive Officers

For 2015, the annual incentive opportunities and actual payout amounts for each of the eligible Named Executive Officers as approved by the Compensation Committee for the second half of 2015 were:

Named Executive Officer	Trigger (% of Salary)	Target (% of Salary)	Stretch (% of Salary)	2015 Award (% of Target)	2015 Award (\$) (1)
Joseph Hamrock	40%	100%	160%	99%	\$ 396,000
Donald E. Brown	25%	60%	95%	99%	\$ 133,650
Jim L. Stanley	30%	75%	120%	99%	\$ 194,906
Carrie J. Hightman	25%	60%	95%	99%	\$ 145,530
Violet Sistovaris	25%	65%	105%	99%	\$ 128,700

- (1) The 2015 Awards for each of the eligible Named Executive Officers were calculated as follows: 50% of annual base salary on December 31, 2015, multiplied by his/her Target (% of Salary) on December 31, 2015, multiplied by the applicable 2015 Award (% of Target).

In January 2016, the Compensation Committee certified the performance results set forth in the tables above. The Compensation Committee determined it was appropriate to recommend to the independent members of the Board that Mr. Hamrock receive an Incentive Plan payout of \$594,250 based on the Company’s 2015 performance, Mr. Hamrock’s contribution to the Company’s success in 2015, and his performance in the Company’s top leadership role. The independent members of the Board approved the Incentive Plan payout recommended by the Compensation Committee.

Mr. Hamrock also made recommendations to the Compensation Committee with respect to the award of Incentive Plan payouts to the other senior executives, including the other Named Executive Officers. In making his recommendations, Mr. Hamrock considered the Company’s performance and the performance of the senior executives in delivering strong stockholder returns again in 2015, as well as the performances of the business unit and corporate functions the executive led during the first half of 2015. The Compensation Committee considered and accepted Mr. Hamrock’s recommendations and approved Incentive Plan payouts to the Named Executive Officers in accordance with the Incentive Plan formula, as set forth in the table above.

2015 Discretionary Payments to Mr. Brown and Mr. Hamrock

In March 2015, the Compensation Committee approved a sign-on bonus of \$75,000 as part of Mr. Brown’s offer of employment in order to compensate him for lost compensation opportunities at his prior employer. In January 2016, the Compensation Committee approved a discretionary bonus for Mr. Brown in the amount of \$28,079 at the recommendation of the CEO based on Mr. Brown’s exceptional performance as the Company’s new Chief Financial Officer. The Compensation Committee also recommended to the independent members of the Board an additional modest discretionary adjustment of \$5,750 to Mr. Hamrock’s Incentive Plan payout in recognition of his contributions to the Company’s success in 2015. These discretionary bonus amounts are set forth in the Bonus column of the Summary Compensation Table.

LTIP Awards

2015 Annual Long-Term Equity Awards. In January 2015, the Compensation Committee approved a grant of restricted stock units to senior executives of the Company, including each of the Named Executive Officers. The Compensation Committee determined that the award of restricted stock units instead of performance shares was more appropriate in a year of fundamental change for the Company as a result of the Separation. In

[Table of Contents](#)

determining the 2015 long-term incentive grant values to be awarded to the Named Executive Officers based on their positions at the beginning of 2015, the Compensation Committee considered the competitive pay practices at companies within our pre-Separation Comparative Group, input from the Compensation Committee’s independent compensation consultant, the historical mix of fixed compensation versus variable incentive compensation and individual performance for each of the Named Executive Officers’ current positions. The Compensation Committee did not take into account potential future roles of the Named Executive Officer following Separation into its consideration at such time. The Compensation Committee approved an increase in 2015 grant values for Messrs. Hamrock, Stanley, Kettering and Smith that were approximately 43%, 14%, 60% and 11% greater than their prior year’s award values, respectively.

In particular, in approving the increased long-term incentive values for Messrs. Hamrock, Stanley, Kettering and Smith, the Compensation Committee considered the consistent strong performance by Messrs. Hamrock and Stanley and the appropriateness of market adjustments for Messrs. Hamrock and Stanley based on Comparative Group information, Mr. Hamrock’s contribution in developing a strategy for the Company following the Separation, as well as consistently excellent performance of Mr. Kettering in leading CPG and of Mr. Smith who was recognized as one of the top 20 Chief Financial Officers in the Wall Street Journal.

In June 2015, the Compensation Committee approved incremental grants of the 2015 service-based restricted stock units to Messrs. Hamrock and Stanley and Ms. Sistovaris contingent on the occurrence of the Separation and based on their promotions to CEO, Chief Operating Officer and Executive Vice President, respectively. The incremental grant values for Messrs. Hamrock and Stanley and Ms. Sistovaris were approximately 100%, 25% and 70%, respectively, greater than the grant values of their equity awards granted at the beginning of 2015. These incremental grants were made based on a review of the post-Separation Comparative Group for individuals holding similar positions at companies within the post-Separation Comparative Group as well as the Company’s historical compensation practices.

Vesting of the 2015 grants of restricted stock units is dependent on the executive’s continued employment through February 2, 2018. Special vesting rules apply in the event of death, “Retirement,” “Disability” or a “Change-in-Control” (each as defined in the Omnibus Plan). Termination for any other reason will result in forfeiture of all restricted stock units.

The Compensation Committee authorized the restricted stock unit awards to the Named Executive Officers in the original and adjusted and incremental grant amounts shown below:

Named Executive Officer	Restricted Stock Units Awarded ⁽¹⁾	Restricted Stock Units Following Valuation Adjustment ⁽²⁾	Incremental Restricted Stock Unit Awards ⁽³⁾
Joseph Hamrock	22,894	62,972	58,858
Donald E. Brown	16,790	46,183	—
Jim L. Stanley	18,315	50,377	11,772
Carrie J. Hightman	17,170	47,228	—
Violet Sistovaris	8,013	22,041	14,715
Robert C. Skaggs, Jr. ⁽⁴⁾	85,852	—	—
Stephen P. Smith ⁽⁴⁾	34,341	—	—
Glen L. Kettering ⁽⁴⁾	18,315	—	—

- (1) These amounts represent the number of restricted stock units awarded prior to the Separation.
- (2) Pursuant to the terms of the Omnibus Plan, as a result of the Separation, the Compensation Committee approved the adjustment to outstanding unvested restricted stock unit awards granted under the Omnibus Plan, in order to preserve the intrinsic aggregate value of such award prior to the Separation. The Compensation Committee approved this equitable adjustment based on a ratio determined by comparing the average pre-Separation price of a share of NiSource Common Stock for three days prior to the Separation with the NiSource share price traded on a when issued basis for the same three day period (the “Valuation Adjustment”). No Valuation Adjustment was made to the awards held by Messrs. Skaggs, Smith and Kettering which were forfeited upon their termination of employment from the Company.

[Table of Contents](#)

- (3) These amounts represent the incremental number of restricted stock unit awards awarded in July 2015 (following the Separation) in connection with promotions of Messrs. Hamrock and Stanley and Ms. Sistovaris. As a result, the total number of restricted stock units awarded in 2015 to each of these executives is as follows: Mr. Hamrock 121,830; Mr. Stanley, 62,149; and Ms. Sistovaris 36,756.
- (4) Messrs. Skaggs, Smith and Kettering forfeited their restricted stock unit awards upon their termination of employment from the Company.

Special 2015 Restricted Stock Unit Award for Mr. Brown. In March 2015, the Compensation Committee approved a special award of 11,417 restricted stock units for Mr. Brown upon commencement of his employment in order to compensate him for the loss of equity compensation from his prior employer as a result of joining the Company. This award was adjusted to 31,404 restricted stock units based on the Valuation Adjustment in order to preserve the pre-Separation intrinsic value of the grant as discussed in footnote (2) to the table above. One-third of Mr. Brown’s special award will vest on the first anniversary of his employment and the two-thirds will vest on the second anniversary of this employment.

2013 and 2014 Performance Share Awards. In 2013 and 2014, the Compensation Committee awarded grants of performance shares to each of the Named Executive Officers. Under the original terms of the awards, vesting of the performance shares was dependent upon the Company meeting certain performance measures over the three-year performance period for each award and the executive’s continued employment through February 29, 2016, and February 28, 2017, for the 2013 and 2014 awards, respectively. In connection with the Separation, the Compensation Committee approved adjustments to the performance period and the performance targets for the 2013 and 2014 performance share awards through the Separation Date. The Compensation Committee used the underlying financial plan to determine the June 30, 2015 revised performance targets relative to the original net operating earnings per share and funds from operations performance targets and determined that the appropriate adjustments for the targets for the 2013 and 2014 performance share awards should equal 84.5% and 50% of the original targets, respectively. Relative Total Shareholder Return for the 2013 and 2014 performance share awards was measured as of March 31, 2015. The Compensation Committee reviewed performance results through April 2015 for the financial measures and forecasted performance for May and June and determined that the 2013 performance shares would be paid out based on above target performance of 188% through two and one-half years of the performance period and 50% of the 2014 performance shares would be paid out based on above target performance of 170% through one-half of the performance period and the remaining 50% of the 2014 performance shares would be paid out in the form of restricted stock units. The Compensation Committee determined that these adjustments were appropriate based upon performance through two and one half years of the three year performance period for the 2013 awards and performance through one and one half years of the three year performance period for the 2014 awards. The 2013 and 2014 performance share awards were then converted to restricted stock units and these restricted stock units were adjusted based on the Valuation Adjustment described above. These awards will remain subject to the service-based vesting conditions included in the original terms of the awards. The performance measures, their weightings and results for the 2013 and 2014 performance share awards, as considered by the Compensation Committee, were:

Performance Measure ⁽¹⁾	Weight	Trigger (50% Award)	Target (100% Award)	Stretch (200% Award)	Actual Results ⁽²⁾
2013 Performance Share Awards					
Cumulative Net Operating Earnings Per Share	40%	\$4.02	\$4.15	≥ \$4.44	\$4.35
Cumulative Funds from Operations	40%	\$2,816M	\$3,114M	≥ \$3,619M	\$3,702M
Relative Total Shareholder Return (RTSR) ⁽³⁾	20%	40-49 th Percentile	50 th Percentile	100 th Percentile	100 th Percentile
Overall Attainment Level					188%

[Table of Contents](#)

Performance Measure ⁽¹⁾	Weight	Trigger (50% Award)	Target (100% Award)	Stretch (200% Award)	Actual Results ⁽²⁾
2014 Performance Share Awards					
Cumulative Net Operating Earnings Per Share	50%	\$2.56	\$2.64	≥ \$2.83	\$2.77
Relative Total Shareholder Return (RTSR) ⁽⁴⁾	50%	40-49 th Percentile	50 th Percentile	100 th Percentile	86 th Percentile
Overall Attainment Level					170%

- (1) For performance between two performance levels (for example, between target and stretch goals), the long-term incentive award opportunity is determined by interpolation and is expressed as a percentage of the target opportunity except that there is no interpolation between goals below the 50th percentile for the RTSR metric.
- (2) Performance results for the financial measures were based on actual performance results through April 2015 and forecasted performance for May and June 2015. The RTSR result was measured as of March 31, 2015.
- (3) The peer group of companies selected by the Compensation Committee for the purpose of determining RTSR for the 2013 awards was comprised of 36 energy companies, including 16 companies from the Comparative Group that the Compensation Committee looked to for purposes of 2013 compensation decision making.
- (4) The peer group of companies selected by the Compensation Committee for the purpose of determining RTSR for the 2014 awards was comprised of 36 energy companies, including 15 companies from the Comparative Group that the Compensation Committee looked to for purposes of 2014 compensation decision making.

Based on the Company's performance, as described above, the 2013 and 2014 performance shares were converted to restricted stock units and adjusted based on the Valuation Adjustment described above, and payable one-for-one in shares of the Company's common stock, as set forth in the table below:

Named Executive Officer	2013 Converted Restricted Stock Units ⁽¹⁾	2014 Converted Restricted Stock Units ⁽²⁾
Joseph Hamrock	117,085	75,870
Donald E. Brown ⁽³⁾	—	—
Jim L. Stanley	117,085	75,870
Carrie J. Hightman	146,353	81,288
Violet Sistovaris	63,419	37,935
Robert C. Skaggs, Jr. ⁽⁴⁾	—	—
Stephen P. Smith ⁽⁴⁾	—	—
Glen L. Kettering ⁽⁴⁾	—	—

- (1) These restricted stock units fully vested on February 29, 2016.
- (2) These restricted stock units will vest on February 28, 2017, subject to the Named Executive Officer's continued employment.
- (3) Mr. Brown was not employed by the Company at the time of the 2013 or 2014 grants of performance share awards.
- (4) Messrs. Skaggs, Smith and Kettering forfeited their 2013 and 2014 performance share awards in connection with their July 2015 terminations of employment from the Company.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors (the “Committee”) has furnished the following report to the stockholders of the Company in accordance with rules adopted by the Securities and Exchange Commission.

The Committee states that it reviewed and discussed with management the Company’s Compensation Discussion and Analysis contained in this Proxy Statement.

Based upon the review and discussions referred to above, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

This report is submitted on behalf of the members of the Compensation Committee:

Compensation Committee
Richard A. Abdoo, Chair
Aristides S. Candris
Deborah A. Henretta

March 8, 2016

ASSESSMENT OF RISK

The Company annually assesses whether its incentive compensation programs are constructed in a manner that might induce participant behaviors that could cause the Company material harm. An assessment was performed in 2015, and the Company concluded that the incentive components of our program for senior executives are not reasonably likely to have a material adverse effect on the Company, for reasons that include the following:

- Our operations are highly regulated at both the federal and state levels and, therefore, are subject to continuous oversight by independent bodies.
- Policies are in place to recoup compensation in the event of certain acts of misconduct and prohibit hedging by our senior executive officers.
- Our compensation program is evaluated annually for its effectiveness and alignment with the Company’s goals without promoting excessive risk.
- Senior executive compensation is weighted toward long-term incentives, thereby providing senior executives with an ongoing, multi-year focus of attention.
- The performance measures that are the basis of incentive awards are approved each year by an independent committee of the Board.
- The long-term incentive equity awards to senior executives generally have three-year vesting periods and are performance based so that their upside potential and downside risk are aligned with that of our stockholders and promote long-term performance over the vesting period.
- The senior executive officers are subject to stock ownership and retention guidelines that are independently set by the Board which are designed for senior executives to assume financial risk that is coincident with our stockholders.
- The senior executive officers’ performance incentive measures include safety metrics in order to encourage a strong culture of safety.

COMPENSATION OF EXECUTIVE OFFICERS

Summary. The following table summarizes compensation for services to NiSource and its affiliates earned by or paid to each of the Named Executive Officers during 2015. Information is also provided for 2014 and 2013 if the Named Executive Officer was included in the Company’s Summary Compensation Table for those years.

2015 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)⁽¹⁾	Bonus (\$)⁽²⁾	Stock Awards (\$)⁽³⁾	Non-equity Incentive Plan Compensation (\$)⁽⁴⁾	Change in Pension Value and Non-qualified Deferred Compensation Earnings (\$)⁽⁵⁾	All Other Compensation (\$)⁽⁶⁾	Total (\$)
Joseph Hamrock President and CEO	2015	650,000	5,750	1,764,675	594,250	—	59,572	3,074,247
	2014	487,500	400,000	633,801	357,500	—	48,930	1,927,731
	2013	461,667	—	532,540	418,535	—	46,529	1,459,271
Donald E. Brown Executive Vice President, CFO and Treasurer	2015	332,386	103,079	1,189,097	221,921	—	108,405	1,954,888
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
Jim L. Stanley Executive Vice President and Chief Operating Officer	2015	512,500	—	904,605	349,281	—	307,937	2,074,323
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
Carrie J. Hightman Executive Vice President and Chief Legal Officer	2015	490,000	—	690,473	346,920	84,693	45,540	1,657,626
	2014	483,750	300,000	679,059	408,660	62,395	47,520	1,981,384
	2013	475,000	—	665,663	384,750	55,232	49,274	1,629,919
Violet Sistovaris Executive Vice President, NIPSCO	2015	360,000	—	533,252	239,100	98,188	36,166	1,266,706
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
Robert C. Skaggs, Jr. ⁽⁷⁾ Former President and Chief Executive Officer	2015	490,000	—	3,452,967	— ⁽⁸⁾	388,949	30,728	4,362,644
	2014	946,667	1,785,000	3,395,356	1,715,000	357,545	82,471	8,282,039
	2013	900,000	—	2,662,652	1,224,000	306,743	85,625	5,179,020
Stephen P. Smith ⁽⁷⁾ Former Executive Vice President and CFO	2015	300,000	—	1,381,195	— ⁽⁸⁾	105,424	15,500	1,802,119
	2014	589,583	750,000	1,222,343	579,600	80,415	52,993	3,274,934
	2013	575,000	—	1,109,438	539,350	70,691	52,436	2,346,915
Glen L. Kettering ⁽⁷⁾ Former Executive Vice President and Group CEO	2015	250,000	—	736,629	— ⁽⁸⁾	109,528	221,213	1,317,370
	2014	448,333	600,000	908,914	426,000	109,019	299,848	2,792,114
	2013	340,000	500,000	443,775	275,400	120,229	68,226	1,747,630

- (1) Salary deferred at the election of the Named Executive Officer is reported in the category and year in which such salary was earned.
- (2) This column shows discretionary bonus payouts that are in addition to any amounts paid under the Incentive Plan described in footnote (4) to this table. These bonus amounts consist of a sign-on bonus of \$75,000 and discretionary bonus of \$28,079 to Mr. Brown and a \$5,750 discretionary payment to Mr. Hamrock as described in the Compensation Discussion and Analysis — Compensation Committee Actions Related to 2015 Compensation — “2015 Discretionary Payments to Mr. Brown and Mr. Hamrock.”
- (3) For a discussion of stock awards granted in 2015, please see the Compensation Discussion and Analysis — “LTIP Awards,” above and the Grants of Plan-Based Awards Table. This column shows the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, of the restricted stock units granted in 2015 based on the average price of our common stock on the grant date and less the present value of any dividends not received in the vesting period. For information on the valuation assumptions used in these computations, see Note 13 to our consolidated financial statements included in our 2015 Annual Report on Form 10-K.

[Table of Contents](#)

- (4) For 2015, the total Incentive Plan amount for each of the Named Executive Officers reflected in the column entitled Non-Equity Incentive Plan Compensation was based upon the sum of two six-month performance periods, with the same corporate performance measures (but excluding business unit measures for the second half of 2015), but different performance goals in the second half. For more information regarding 2015 corporate and first half business unit performance, second half performance goals, Incentive Plan payout opportunities for the Named Executive Officers and the payout amounts, please see Compensation Discussion and Analysis — “Compensation Committee Actions Related to 2015 Compensation — Annual Performance-Based Cash Incentives” and the discussion on the pages that follow.
- (5) This column shows the change in the present value of each pension eligible Named Executive Officer’s accumulated benefits under our tax-qualified pension plans and the non-qualified Pension Restoration Plan as a result of annual pay and interest credits to their account balance under the plans as described in the narrative to the Pension Benefits Table. Messrs. Hamrock, Brown and Stanley are not eligible to participate the Company’s pension plans. For a description of these plans and the basis used to develop the present values, see the Pension Benefits Table and accompanying narrative. No earnings on deferred compensation are shown in this column, since no earnings were above market or preferential.
- (6) The table below provides a breakdown of the amounts shown in the “All Other Compensation” column for each Named Executive Officer in 2015.

Name	Other Compensation				Total (\$)
	Perquisites & Personal Benefits (a) (\$)	Tax Gross-Ups (b) (\$)	Company Contributions To 401(k) Plan (c) (\$)	Company Contributions To Savings Restoration Plan (d) (\$)	
Joseph Hamrock	14,072	—	18,550	26,950	59,572
Donald E. Brown	53,502	34,960	15,900	4,043	108,405
Jim L. Stanley	191,896	80,166	18,550	17,325	307,937
Carrie J. Hightman	11,240	—	18,550	15,750	45,540
Violet Sistovaris	10,966	—	18,550	6,650	36,166
Robert C. Skaggs, Jr.	15,178	—	15,550	(f)	30,728
Stephen P. Smith	(e)	—	15,500	(f)	15,500
Glen L. Kettering	206,213	—	15,000	(f)	221,213

- (a) All perquisites are valued based on the aggregate incremental cost to the Company, as required by the rules of the SEC. Please see Compensation Discussion and Analysis — “Other Compensation and Benefits — Perquisites” above for additional information about the perquisites provided by the Company to its Named Executive Officers. The perquisite amounts listed include financial planning and tax services as follows: Mr. Hamrock, \$14,072; Mr. Brown, \$4,942; Mr. Stanley, \$11,857; Ms. Hightman, \$11,240; Ms. Sistovaris, \$10,858 and Mr. Skaggs \$8,153; Mr. Kettering, \$6,823; travel expenses as follows: Mr. Stanley, \$83,940; Mr. Skaggs \$7,025; and Mr. Kettering, \$199,259; living expense as follows: Mr. Stanley, \$6,691; relocation expenses as follows: Mr. Brown, \$48,560 and Mr. Stanley, \$87,303; and taxable gifts as follows: Ms. Sistovaris \$108; and Mr. Kettering, \$131; personal commercial flight as follows: Mr. Stanley, \$2,105. The travel expense amounts provided for Mr. Stanley and Mr. Kettering were calculated by the Company based on the incremental variable operating costs associated with the use of the Company-leased aircraft to commute to the executive’s office, which includes an hourly use rate, fuel rate and other flight-related fees and expenses. Executives are responsible for all taxes associated with the use of the Company aircraft for this purpose. The relocation expense amounts provided are the actual amounts paid for services required to complete a household goods move.
- (b) Messrs. Brown and Stanley each received compensation of \$34,960 and \$80,166 respectively for taxes in connection with Company-paid relocation expenses, consistent with Company practice for all employees who receive Company-paid relocation expenses.

[Table of Contents](#)

- (c) This column reflects Company matching contributions and profit sharing contributions made on behalf of each of the Named Executive Officers and a Company non-elective contribution of 3% of compensation on behalf of Mr. Hamrock, Mr. Brown and Mr. Stanley to the 401(k) Plan. The 401(k) Plan is a tax-qualified defined contribution plan, as described above under Compensation Discussion and Analysis — “Other Compensation and Benefits — Savings Programs.”
 - (d) This column reflects Company matching contributions and profit sharing contributions made on behalf of all eligible Named Executive Officers and a Company non-elective contribution of 3% of compensation on behalf of Mr. Hamrock, Mr. Brown and Mr. Stanley in excess of IRS limits to the Savings Restoration Plan. The Savings Restoration Plan is a non-qualified defined contribution plan, as described above under Compensation Discussion and Analysis — “Other Compensation and Benefits — Savings Programs,” and in the narrative following the 2015 Non-qualified Deferred Compensation Table.
 - (e) Pursuant to SEC rules, perquisites and personal benefits are not reported for any Named Executive Officer for whom such amounts were less than \$10,000 in aggregate for 2015.
 - (f) Messrs. Skaggs, Smith and Kettering were not employed by the Company on December 31, 2015, and thus were not eligible to receive Company contributions for 2015 under the terms of the Savings Restoration Plan.
- (7) All data shown for Messrs. Skaggs, Smith and Kettering was earned, paid or granted in the first half of 2015, prior to the Separation. In connection with their terminations of employment from the Company at the time of Separation, the 2015 equity grants to Messrs. Skaggs, Smith and Kettering were forfeited, as detailed in the Compensation Discussion and Analysis — “LTIP Awards.”
- (8) Messrs. Skaggs, Smith and Kettering were not eligible to receive an Incentive Plan payout for 2015, because they were not employed with the Company on December 31, 2015, as described in footnote (1) to the table included in the Compensation Discussion and Analysis — “Pre-Separation Annual Performance-Based Incentive Ranges.”

[Table of Contents](#)

2015 Grants of Plan-Based Awards

The following table sets forth information concerning plan-based awards granted under the Omnibus Plan to the Named Executive Officers in 2015. The grants reported in the table that occurred prior to the Separation reflect the number of shares subject to the Awards on the grant date and do not reflect the adjustments to the awards in connection with the Separation. No performance shares were granted in 2015. Please see the Compensation Discussion and Analysis for further information regarding the impact of the Separation on the Company’s equity awards.

Name	Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards (\$) ⁽²⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Joseph Hamrock	Pre-Separation	Pre-Separation	62,500	162,500	262,500	—	—	—	—	—
	Post-Separation	Post-Separation	160,000	400,000	660,000	—	—	—	—	—
	01/29/2015	01/29/2015	—	—	—	—	—	—	22,894 ⁽³⁾⁽⁴⁾	920,651
	07/13/2015	06/02/2015	—	—	—	—	—	—	58,858 ⁽⁵⁾	844,024
Donald E. Brown	Pre-Separation	Pre-Separation	26,847	64,432	102,017	—	—	—	—	—
	Post-Separation	Post-Separation	56,250	135,000	213,750	—	—	—	—	—
	04/06/2015	04/06/2015	—	—	—	—	—	—	16,790 ⁽³⁾⁽⁴⁾	700,596
	04/06/2015	04/06/2015	—	—	—	—	—	—	11,417 ⁽⁶⁾	488,501
Jim L. Stanley	Pre-Separation	Pre-Separation	62,500	162,500	262,500	—	—	—	—	—
	Post-Separation	Post-Separation	78,750	196,875	315,000	—	—	—	—	—
	01/29/2015	01/29/2015	—	—	—	—	—	—	18,315 ⁽³⁾⁽⁴⁾	736,512
	07/13/2015	06/02/2015	—	—	—	—	—	—	11,772 ⁽⁵⁾	168,093
Carrie J. Hightman	Pre-Separation	Pre-Separation	61,250	147,000	232,750	—	—	—	—	—
	Post-Separation	Post-Separation	61,250	147,000	232,750	—	—	—	—	—
	01/29/2015	01/29/2015	—	—	—	—	—	—	17,170 ⁽³⁾⁽⁴⁾	690,473
Violet Sistovaris	Pre-Separation	Pre-Separation	32,000	80,000	128,000	—	—	—	—	—
	Post-Separation	Post-Separation	50,000	130,000	210,000	—	—	—	—	—
	01/29/2015	01/29/2015	—	—	—	—	—	—	8,013 ⁽³⁾⁽⁴⁾	322,239
	07/13/2015	06/02/2015	—	—	—	—	—	—	14,715 ⁽⁵⁾	211,013
Robert C. Skaggs, Jr.	Pre-Separation	Pre-Separation	245,000	612,500	980,000	—	—	—	—	—
	01/29/2015	01/29/2015	—	—	—	—	—	—	85,852 ⁽³⁾⁽⁷⁾	3,452,967
Stephen P. Smith	Pre-Separation	Pre-Separation	90,000	210,000	330,000	—	—	—	—	—
	01/29/2015	01/29/2015	—	—	—	—	—	—	34,341 ⁽³⁾⁽⁷⁾	1,381,195
Glen L. Kettering	Pre-Separation	Pre-Separation	62,500	150,000	237,500	—	—	—	—	—
	01/29/2015	01/29/2015	—	—	—	—	—	—	18,315 ⁽³⁾⁽⁷⁾	736,629

(1) The information in the “Threshold,” “Target,” and “Maximum” columns reflects potential payouts based on the performance targets set under the 2015 Incentive Plan. The amounts actually paid appear in the “Non-Equity Incentive Plan Compensation” column of the 2015 Summary Compensation Table. For 2015, the performance year was divided into two six-month performance periods and corresponding metrics: prior to the Separation, shown in the Pre-Separation row, and following the Separation, shown in the Post-Separation row. The amounts reported in the Post-Separation row reflect increases in the base salary and incentive ranges for each Named Executive Officer that assumed additional duties following the Separation. Under the terms of the 2015 Incentive Plan, Messrs. Skaggs, Smith and Kettering were each eligible for an award for the Pre-Separation performance period, but each forfeited his award because he failed to satisfy the service condition for the award since his employment ended in connection with the Separation. For a description of the 2015 Incentive Plan, please see the Compensation Discussion and Analysis — “Annual Performance-Based Cash Incentive Plan” and “Compensation Committee Actions Related to 2015 Compensation — Annual Performance-Based Cash Incentives.”

[Table of Contents](#)

- (2) Amounts reported in this column represent the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, of restricted stock units granted in 2015 based on the average market price of our common stock on the grant date and less the present value of any dividends not received during the vesting period.
- (3) Represents the 2015 annual long-term equity awards in the form of service-based restricted stock units. These awards will vest on February 2, 2018, provided the executive continues to be employed by the Company on that date, as described in the Compensation Discussion and Analysis — “LTIP Awards.” These awards were granted on January 29, 2015, except for Mr. Brown’s award, which was granted on April 6, 2015, the date he joined the Company.
- (4) Represents number of shares granted prior to the Separation. Outstanding awards at the time of Separation were adjusted to preserve the intrinsic aggregate value of the awards prior to the Separation. The number of shares were adjusted as follows: Mr. Hamrock 62,972; Mr. Brown 46,183; Mr. Stanley 50,377; Ms. Hightman 47,228; and Ms. Sistovaris 22,041.
- (5) Represents equity awards in the form of incremental service-based restricted stock units approved prior to the Separation and granted on July 13, 2015, in connection with the assumption of additional responsibilities following the Separation. These awards will vest on February 2, 2018, provided the executive continues to be employed by the Company on that date. For further information regarding these awards, please see the Compensation Discussion and Analysis — “LTIP Awards.”
- (6) Represents a special equity grant of service-based restricted stock units awarded upon joining the Company on April 6, 2015, of which 3,767 units (or, 10,362 units, as adjusted for the Separation) will vest on April 6, 2016, and 7,650 units (or, 21,042 units, as adjusted for the Separation) will vest on April 6, 2017, provided Mr. Brown continues to be employed by the Company on the applicable vesting date. For further information regarding these awards, please see the Compensation Discussion and Analysis — “LTIP Awards.”
- (7) In connection with their terminations of employment from the Company at the time of the Separation, the 2015 equity grants to Messrs. Skaggs, Smith and Kettering were forfeited.

Outstanding Equity Awards at 2015 Fiscal Year-End

As discussed in the Compensation Discussion and Analysis, the outstanding equity awards of NiSource at the time of the Separation were adjusted to preserve the intrinsic aggregate value of the awards prior to the Separation. The following table sets forth information at fiscal year-end concerning outstanding grants of equity awards to the Named Executive Officers, as adjusted at the time of the Separation. None of the Named Executive Officers has any outstanding options or unvested performance shares as of December 31, 2015.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Joseph Hamrock	—	—	—	—	117,085 ⁽²⁾	2,284,328	—	—
	—	—	—	—	75,870 ⁽³⁾	1,480,224	—	—
	—	—	—	—	62,972 ⁽⁴⁾	1,228,584	—	—
	—	—	—	—	58,858 ⁽⁵⁾	1,148,320	—	—
Donald E. Brown	—	—	—	—	46,183 ⁽⁴⁾	901,030	—	—
	—	—	—	—	31,404 ⁽⁶⁾	612,692	—	—
Jim L. Stanley	—	—	—	—	117,085 ⁽²⁾	2,284,328	—	—
	—	—	—	—	75,870 ⁽³⁾	1,480,224	—	—
	—	—	—	—	50,377 ⁽⁴⁾	982,855	—	—
	—	—	—	—	11,772 ⁽⁵⁾	229,672	—	—
Carrie J. Hightman	—	—	—	—	146,353 ⁽²⁾	2,855,347	—	—
	—	—	—	—	81,288 ⁽³⁾	1,585,929	—	—
	—	—	—	—	47,228 ⁽⁴⁾	921,418	—	—
Violet Sistovaris	—	—	—	—	63,419 ⁽²⁾	1,237,305	—	—
	—	—	—	—	37,935 ⁽³⁾	740,112	—	—
	—	—	—	—	22,041 ⁽⁴⁾	430,020	—	—
	—	—	—	—	14,715 ⁽⁵⁾	287,090	—	—
Robert C. Skaggs, Jr. ⁽¹⁰⁾	—	—	—	—	176,157 ⁽⁷⁾	3,436,823	—	—
	—	—	—	—	128,412 ⁽⁸⁾	2,505,318	—	—
	—	—	—	—	80,114 ⁽⁹⁾	1,563,024	—	—
Stephen P. Smith ⁽¹⁰⁾	—	—	—	—	—	—	—	
Glen L. Kettering ⁽¹⁰⁾	—	—	—	—	—	—	—	

- (1) Amounts shown represent the market value of the unvested restricted stock units held by the Named Executive Officers based on the closing price of our common stock on December 31, 2015, which was \$19.51 per share.
- (2) Represents restricted stock units received following the conversion of the 2013 Performance Share Awards into restricted stock units. These awards vested on February 29, 2016.
- (3) Represents restricted stock units received following the conversion of the 2014 Performance Share Awards into restricted stock units. These awards vest on February 28, 2017, provided the executive continues to be employed by the Company on that date.

[Table of Contents](#)

- (4) Represents the 2015 annual long-term equity awards in the form of service-based restricted stock units. These awards vest on February 2, 2018, provided the executive continues to be employed by the Company on that date, as described in the Compensation Discussion and Analysis — “LTIP Awards.” These awards were granted on January 29, 2015, except for Mr. Brown’s award, which was granted on April 6, 2015, the date he joined the Company.
- (5) Represents equity awards in the form of service-based restricted stock units granted on July 13, 2015, in connection with the assumption of additional responsibilities following the Separation. These awards vest on February 2, 2018, provided the executive continues to be employed by the Company on that date, as described in the Compensation Discussion and Analysis — “LTIP Awards.”
- (6) Represents a special equity award of service-based restricted stock units granted upon joining the Company on April 6, 2015, of which 10,362 units will vest on April 6, 2016, and 21,042 units will vest on April 6, 2017, provided Mr. Brown continues to be employed by the Company on the applicable vesting date, for the reasons explained in the Compensation Discussion and Analysis — “LTIP Awards.”
- (7) Award shown represents restricted stock units granted on March 24, 2009, the vesting of which was delayed under the terms of Mr. Skaggs’ award agreement due to the limitations on deductibility under Section 162(m) of the Code. Because he is no longer an employee and the award is deductible as compensation in 2016, the award was paid in shares of common stock on January 4, 2016.
- (8) Award shown represents restricted stock units granted on January 22, 2010, the vesting of which was delayed under the terms of Mr. Skaggs’ award agreement due to limitations on deductibility under Section 162(m) of the Code. Because he is no longer an employee and the award is deductible as compensation in 2016, the award was paid in shares of common stock on January 4, 2016.
- (9) Award shown represents restricted stock units granted on March 23, 2010, the vesting of which was delayed under the terms of Mr. Skaggs’ award agreement due to limitations on deductibility under Section 162(m) of the Code. Because he is no longer an employee and the award is deductible as compensation in 2016, the award was paid in shares of common stock on January 4, 2016.
- (10) All other equity awards were forfeited in connection with Messrs. Skaggs, Smith and Kettering’s termination of employment at the time of the Separation, with the exception of Mr. Skaggs’ restricted stock units for which vesting was delayed as noted in above footnotes (7), (8), and (9), as described in the Compensation Discussion and Analysis — “LTIP Awards.”

2015 Option Exercises and Stock Vested

The following table sets forth information on the number of shares vested and the value received upon vesting during 2015 with respect to our Named Executive Officers. None of the Named Executive Officers exercised any stock options during 2015.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#) ⁽¹⁾	Value Realized on Vesting (\$) ⁽²⁾
Joseph Hamrock	—	—	43,710	1,919,306
Donald E. Brown	—	—	—	—
Jim L. Stanley	—	—	28,784	1,263,905
Carrie J. Hightman	—	—	58,728	2,578,746
Violet Sistovaris	—	—	25,450	1,117,510
Robert C. Skaggs, Jr.	—	—	234,917	10,315,205
Stephen P. Smith	—	—	97,881	4,297,955
Glen L. Kettering	—	—	39,153	1,719,208

[Table of Contents](#)

- (1) Represents awards of performance shares granted on January 26, 2012, which vested on February 18, 2015, immediately following the certification of Company performance after satisfaction of the service condition on January 30, 2015, except for awards to Messrs. Hamrock and Stanley, which were granted on May 14, 2012, and October 1, 2012, respectively.
- (2) Amounts shown reflect the value realized by the Named Executive Officer upon the vesting of stock which is computed by multiplying the number of shares that vested by the market value of our common stock on the vesting date.

2015 Pension Benefits

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$)
Joseph Hamrock ⁽¹⁾	NiSource Inc. Pension Plan	—	—
	Pension Restoration Plan	—	—
Donald E. Brown ⁽¹⁾	NiSource Inc. Pension Plan	—	—
	Pension Restoration Plan	—	—
Jim L. Stanley ⁽¹⁾	NiSource Inc. Pension Plan	—	—
	Pension Restoration Plan	—	—
Carrie J. Hightman	NiSource Inc. Pension Plan	8.1	134,750
	Pension Restoration Plan	8.1	284,087
Violet Sistovaris	NiSource Inc. Pension Plan	21.0	832,306
	Pension Restoration Plan	21.0	275,899
Robert C. Skaggs, Jr.	Columbia Energy Group Pension Plan ⁽²⁾	34.0	1,518,496
	Pension Restoration Plan ⁽³⁾	34.0	4,382,561
Stephen P. Smith	Columbia Energy Group Pension Plan ⁽²⁾	7.1	127,207
	Pension Restoration Plan ⁽³⁾	7.1	390,233
Glen L. Kettering	Columbia Energy Group Pension Plan ⁽²⁾	36.0	873,663
	Pension Restoration Plan ⁽³⁾	36.0	625,932

- (1) Because Messrs. Hamrock, Brown and Stanley were hired after January 1, 2010, they are not eligible to participate in any defined benefit pension plan sponsored by the Company or its affiliates.
- (2) Amounts shown are as of June 30, 2015. As a result of the Separation and pursuant to the Employee Matters Agreement entered into by the Company and CPG in connection with the Separation (the “EMA”), on the Separation Date, the Company ceased to have any qualified defined benefit plan benefit liabilities under the NiSource-sponsored qualified defined benefit plans (the “NiSource Plans”) related to any employees whose employment transferred to CPG (including Messrs. Skaggs, Smith and Kettering).
- (3) Amounts shown are as of June 30, 2015. As a result of the Separation and pursuant to the EMA, on the Separation Date, the Company ceased to have any Pension Restoration Plan benefit liabilities related to any employees whose employment transferred to CPG (including Messrs. Skaggs, Smith and Kettering).

Tax Qualified Pension Plans The NiSource Plans consist of several qualified defined benefit pension plans sponsored by the Company and its affiliates for their respective exempt salaried employees hired before January 1, 2010, including certain of the Named Executive Officers. Benefits under these plans are funded through and are payable from a trust fund, which consists of contributions made by the Company and the earnings of the fund.

The specific defined benefit pension plan in which an employee participates generally depends upon the affiliate into which the employee was hired. Mses. Hightman and Sistovaris participate in the NiSource Inc. Pension Plan (the “NiSource Pension Plan”), while Messrs. Skaggs, Smith and Kettering participated in Columbia Energy Group Pension

[Table of Contents](#)

Plan (the “CEG Plan”). Both the NiSource Pension Plan and the CEG Plan previously provided for a “final average pay” benefit (“FAP benefit”) for exempt employees and, alternatively, a cash balance benefit feature (described below). All active exempt employees participating in the NiSource Plans, including the CEG Plan and the NiSource Pension Plan, who had accrued a benefit under a FAP benefit formula or, alternatively, under the prior cash balance formula, were converted to each plan’s respective current cash balance formula as of January 1, 2011. Mr. Skaggs and Ms. Sistovaris were the only Named Executive Officers participating in the FAP benefit formula at the time of the 2011 conversion. Mr. Kettering also previously participated in the FAP benefit formula but was converted to the prior cash balance formula during an earlier choice program. Therefore, Messrs. Skaggs and Kettering’s accrued benefits under the CEG plan as of June 30, 2015, and Ms. Sistovaris’ accrued benefit under the NiSource Plan, were equal to their cash balance accounts, calculated as described below or, if greater at the time of retirement, their “protected benefit” which is a calculation taking into consideration the accrued benefit under the FAP benefit formula as of the day immediately preceding conversion of the participant’s benefit to the cash balance formula (using only service and compensation earned prior to the benefit conversion). Ms. Hightman and Mr. Smith were participating in the applicable current cash balance benefit formula at the time of the 2011 conversion.

Pursuant to the 2011 conversion to the applicable current cash balance feature, each eligible exempt employee who transitioned to the current cash balance feature has a benefit consisting of: (1) an “opening account balance” equal to either (a) in the case of an employee transitioning from a FAP benefit formula, the lump sum actuarial equivalent of his accrued FAP benefit as of the conversion date, or (b) in the case of an employee transitioning from the prior cash balance formula, equal to the account balance in such prior cash balance formula as of the conversion date; plus (2) annual pay and interest credits to the cash balance account from and after the conversion date. Annual pay credits to a participant’s account under the current cash balance formula equal a percentage of compensation, taking into account the Social Security Taxable Wage Base, based on the participant’s combined age and service for the plan year. The applicable pay credits are listed in the following table:

Sum of Age Plus Years of Service	Percentage of Total Compensation	Percentage of Compensation Above ^{1/2} of the Taxable Wage Base
Less than 50	4.0%	1.0%
50-69	5.0%	1.0%
70 or more	6.0%	1.0%

Compensation for purposes of annual pay credits means base pay, any performance-based pay, any “banked” vacation (in the year of vacation payout) and any salary reduction contributions made for the employee pursuant to a plan maintained by the Company or an affiliate under Sections 125 or 401(k) of the Code, but excluding any amounts deferred to a non-qualified plan maintained by the Company. In accordance with Code limits, the maximum compensation taken into account in determining benefits under the plans with respect to all participants, including the Named Executive Officers, in 2015 was limited to \$265,000. Interest is credited each year to the account based on the interest rate on 30-year Treasury securities, as determined by the IRS, for the September immediately preceding the first day of each year, subject to a minimum interest credit of 4%.

The automatic form of benefit under the cash balance features of both the CEG Plan and the NiSource Pension Plan is a single life annuity in the case of an unmarried participant and a 50% joint and survivor pop-up annuity in the case of a married participant (unreduced for the value of the pop-up feature). Optional forms of payment are available under the pension plans, depending on the plan and the participant’s marital status. Each optional form of benefit is defined in the applicable plan to be the actuarial equivalent of the normal form of benefit defined in the plan.

Under the cash balance features of the applicable plans, any participant may take a distribution of his or her vested cash balance account benefit upon termination of employment, without any reduction. Alternatively, if the participant’s accrued benefit is determined by the protected benefit calculation referenced above (*i.e.* , the protected benefit calculation is greater than the participant’s cash balance account), the participant would receive the protected benefit amount (which may reflect an actuarial or early retirement reduction if the participant elects to

[Table of Contents](#)

receive it prior to normal retirement date as provided in the applicable plan). Because each of the participating Named Executive Officers now participates in the current cash balance feature of the applicable plan, each such Named Executive Officer is eligible to take an unreduced distribution of his cash balance account upon termination of employment regardless of age and service, or, if greater, the Named Executive Officer could take a distribution of the accrued benefit using the protected benefit calculation. As of December 31, 2015, none of our continuing Named Executive Officers were eligible for early retirement (which impacts the protected benefit calculation and is generally defined as attainment of age 55 with 10 years of eligible service) under the applicable plans.

Assumptions. The present value of the accumulated benefit for each eligible Named Executive Officer consists of the account balance payable under the applicable plan. Under the assumptions set forth in Note 10 — Pension and Other Postretirement Benefits in the footnotes to the consolidated financial statements contained in our 2015 Annual Report on Form 10-K, this value was greater than the present value of the protected benefit for Messrs. Skaggs and Kettering and Ms. Sistovaris. As noted above, in connection with the Separation, the pension benefits accrued by Messrs. Skaggs, Smith and Kettering were transferred to CPG. The Company has not granted any extra years of credited service under the plans identified above.

Non-qualified Pension Benefit Plan. The Company also sponsors the Pension Restoration Plan (the “Pension Restoration Plan”). The Pension Restoration Plan is a non-qualified, unfunded defined benefit plan. The plan includes employees of the Company and its affiliates whose benefits under the applicable tax-qualified pension plan are limited by Sections 415 and 401(a)(17) of the Code, including each of the Named Executive Officers. The Pension Restoration Plan provides for a supplemental retirement benefit equal to the difference between (i) the benefit a participant would have received under the qualified pension plan had such benefit not been limited by Sections 415 and 401(a)(17) of the Code, or any other applicable section, and reduced by deferrals into our Deferred Compensation Plan, minus (ii) the actual benefit received under the qualified pension plan after applying any limits and considering deferrals into our Deferred Compensation Plan. Participants have the opportunity to elect any form of payment available under the qualified pension plan prior to accruing a benefit under the plan. If no election is made, the benefit is payable as a lump sum. The timing of payment under the Pension Restoration Plan generally is 45 days after one of the following: (1) if the participant qualifies for early retirement under the applicable qualified pension plan, following separation from service; or (2) if the participant does not qualify for early retirement at the time of separation from service, the later of separation from service or age 65, subject to a six-month delay for key employees under Section 409A of the Code for payments triggered by separation from service. No plan benefits were paid to any Named Executive Officer under the CEG Plan, the NiSource Pension Plan or the Pension Restoration Plan in 2015.

2015 Non-qualified Deferred Compensation

Name	Plan Name	Executive Contributions in Last FY (\$) ⁽¹⁾	Registrant Contributions in Last FY (\$) ⁽²⁾	Aggregate Earnings in Last FY (\$) ⁽³⁾	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last FYE (\$) ⁽⁴⁾
Joseph Hamrock	Deferred Compensation Plan ⁽⁵⁾	—	—	(1,376)	—	266,160
	Savings Restoration Plan ⁽⁶⁾	—	26,950	746	—	63,605
Donald E. Brown	Deferred Compensation Plan ⁽⁵⁾	—	—	—	—	—
	Savings Restoration Plan ⁽⁶⁾	—	4,043	—	—	4,043
Jim L. Stanley	Deferred Compensation Plan ⁽⁵⁾	—	—	—	—	—
	Savings Restoration Plan ⁽⁶⁾	—	17,325	944	—	49,158
Carrie J. Hightman	Deferred Compensation Plan ⁽⁵⁾	—	—	—	—	—
	Savings Restoration Plan ⁽⁶⁾	—	15,750	5,573	—	194,617
Violet Sistovaris	Deferred Compensation Plan ⁽⁵⁾	112,000	—	(6,849)	—	260,490
	Savings Restoration Plan ⁽⁶⁾	—	6,650	1,213	—	45,555
Robert C. Skaggs, Jr.	Deferred Compensation Plan ⁽⁵⁾⁽⁷⁾	—	—	156,291	—	—
	Savings Restoration Plan ⁽⁶⁾⁽⁸⁾	—	—	30,411	—	—
	Phantom Stock Units ⁽⁹⁾	—	—	608,084	—	—
Stephen P. Smith	Savings Restoration Plan ⁽⁶⁾⁽⁸⁾	—	—	5,027	—	—
Glen L. Kettering	Savings Restoration Plan ⁽⁶⁾⁽⁸⁾	—	—	30,571	—	—
	Phantom Stock ⁽⁹⁾	—	—	163,257	—	—

(1) Amounts shown as “Executive Contributions in Last FY,” if any, were deferred under our Deferred Compensation Plan. The Named Executive Officers may elect to defer and invest between 5% and 80% of their base compensation and between 5% and 80% of their bonus on a pre-tax basis. These contributions are fully vested.

[Table of Contents](#)

- (2) The amount of Company contributions for each Named Executive Officer in this column is included in each Named Executive Officer's compensation reported in the 2015 Summary Compensation Table — "All Other Compensation." Messrs. Skaggs, Smith and Kettering were not employed by the Company on December 31, 2015, and thus were not eligible to receive Company contributions for 2015 under the terms of the Savings Restoration Plan.
- (3) The aggregate earnings in this column are not reported in the Summary Compensation Table. For a discussion of investment options under these plans, see the narrative accompanying this table. Earnings for Messrs. Skaggs, Smith and Kettering are as of June 30, 2015.
- (4) The aggregate balance reflects amounts for each Named Executive Officer that would have been previously reported as compensation in the Summary Compensation Table for prior years had he or she been a Named Executive Officer in those prior years with the exception of any amounts shown for phantom stock units and the aggregate earnings on deferred compensation.
- (5) For a description of the Deferred Compensation Plan, please see the Compensation Discussion and Analysis — "Other Compensation and Benefits — Deferred Compensation Plan" and the narrative accompanying this table.
- (6) For a description of the Savings Restoration Plan, please see the Compensation Discussion and Analysis — "Other Compensation and Benefits — Savings Programs" and the narrative accompanying this table. These contributions are fully vested.
- (7) As a result of the Separation and pursuant to the EMA, on the Separation Date the Company ceased to have any Deferred Compensation Plan benefit plan liabilities related to any employees whose employment transferred to CPG (including Mr. Skaggs). Messrs. Smith and Kettering did not participate in the Deferred Compensation Plan. Effective on the Separation Date, the Company ceased to have any liability for Mr. Skaggs' aggregate balance of \$3,696,315 in the Deferred Compensation Plan as of June 30, 2015.
- (8) As a result of the Separation and pursuant to the EMA, on the Separation Date the Company ceased to have any Savings Restoration Plan benefit liabilities related to any employees whose employment transferred to CPG (including Messrs. Skaggs, Smith and Kettering). Effective on the Separation Date, the Company ceased to have any liability for the following aggregate balances as of June 30, 2015: \$1,927,925 for Mr. Skaggs, \$368,072 for Mr. Smith and \$1,128,418 for Mr. Kettering.
- (9) For more details regarding the phantom stock units, see the narrative accompanying this table. Dividend equivalent rights for dividends paid prior to the Separation Date are shown in the aggregate earnings in last fiscal year column. As a result of the Separation and pursuant to the EMA, on the Separation Date, the Company ceased to have any liabilities with respect to the aggregate balance of approximately 165,405 and 44,243 phantom stock units for Messrs. Skaggs and Kettering, respectively, as of June 30, 2015.

The Company sponsors the Savings Restoration Plan and the Deferred Compensation Plan, two non-qualified defined contribution plans, neither of which credits above-market or preferential earnings. Participants in both plans have an unsecured contractual right to be paid the amounts due under the plans from the Company's general assets.

Savings Restoration Plan . The Company sponsors the Savings Restoration Plan to provide a supplemental benefit to eligible employees, including the Named Executive Officers, equal to the difference between: (i) the employer contributions (including matching and profit sharing contributions) an employee would have received under our Retirement Savings Plan had such benefit not been limited by Sections 415 (a limitation on annual contributions under a defined contribution plan of \$53,000 for 2015) and 401(a)(17) (a limitation on annual compensation of \$265,000 for 2015) of the Code, and the Retirement Savings Plan's definition of compensation, which excludes deferrals into our Deferred Compensation Plan for purposes of calculating certain employer contributions, minus (ii) the actual employer contributions the employee received under the Retirement Savings Plan. Amounts credited under the Savings Restoration Plan are deferred on a pre-tax basis. Participants' accounts under the Savings Restoration Plan are 100% vested. Employees designate how these contributions will be invested; the investment options generally are the same as those available under our Retirement Savings Plan.

The timing of payment under the Savings Restoration Plan differs depending on whether the amounts were earned and vested before January 1, 2005 ("Pre-409A Amounts") or after December 31, 2004, ("Post-409A Amounts"). Pre-409A Amounts generally are payable at the time when amounts under the Retirement Savings

[Table of Contents](#)

Plan are paid. Participants may elect in any year to withdraw Pre-409A Amounts, but that withdrawal is subject to a 10% reduction to the extent the payment is before the amount was otherwise payable under the Retirement Savings Plan. Post-409A Amounts generally are paid within 45 days after separation from service, although key employees are subject to a six-month payment delay in accordance with Section 409A of the Code. Participants may not elect to receive early in-service distributions of Post-409A Amounts. Both Pre-409A Amounts and Post-409A Amounts may be distributed upon an unforeseeable emergency, as determined in accordance with the terms of the plan. The form of payment for both amounts is the form elected by the participant among the choices available under the Retirement Savings Plan.

Deferred Compensation Plan. The Company sponsors the Deferred Compensation Plan in which employees at certain job levels and other key employees designated by the Compensation Committee, including the Named Executive Officers, are eligible to participate to allow deferral on a pre-tax basis of compensation, including compensation that would otherwise be limited by the Code. Participants may elect to defer and invest between 5% and 80% of their base compensation and between 5% and 80% of their non-equity incentive payment on a pre-tax basis. Employees designate how their contributions will be invested; the investment options generally are the same as those available under our Retirement Savings Plan. Employee contributions and any earnings thereon are 100% vested. The timing of payment under the Deferred Compensation Plan generally is the March 31st after the date of the participant's separation from service. This timing applies both to the Pre-409A Amounts and Post-409A Amounts. In the case of Post-409A Amounts payable to key employees within the meaning of Code Section 409A, payments generally will not be payable until six months after the date of separation from service. Participants also may elect to receive in-service distributions of both Pre-409A Amounts and Post-409A Amounts. If a participant requests an in-service distribution of a Pre-409A Amount with less than 12 months' advance notice, however, the distribution is subject to a 10% reduction. Participants may delay the commencement of distributions for five years after their originally scheduled payment date, in accordance with the subsequent deferral procedures under Section 409A of the Code. Both Pre-409A Amounts and Post-409A Amounts also may be paid upon an unforeseeable emergency, as determined in accordance with the terms of the plan. The form of payment for both amounts may be either a lump sum or annual installments of up to 15 years, as elected by the participant.

Phantom Units. As part of an agreement entered into as of February 1, 2001, Messrs. Skaggs and Kettering were granted fully vested phantom stock units. Under this agreement, Messrs. Skaggs and Kettering agreed to terminate their rights under a Columbia Energy Group Change-in-Control Agreement and to be bound by certain non-competition and non-solicitation provisions and, in exchange, they accepted employment with the Company and the fully vested phantom stock units. These phantom stock units were recorded as a bookkeeping entry in our books and records and represented an unsecured contractual right to receive cash in the future. They were unfunded and subject to the rights of the Company's general creditors. One phantom stock unit was equal in value to one share of our common stock. The phantom stock units also were credited with dividend equivalents, which were equal in value to dividends declared on shares of our common stock and payable, at Mr. Skaggs' and Mr. Kettering's election, in cash or credited to his account as additional phantom stock units. These phantom stock units were payable in cash upon termination of employment from the Company, subject to the executive's execution of a general release of claims.

In connection with the Separation and pursuant to the EMA, the Company no longer has an obligation to Messrs. Skaggs and Kettering with respect to these phantom stock units and the Company no longer has phantom stock unit agreements with any of its Named Executive Officers.

**Potential Payments upon Termination of Employment or a Change-in-Control
of the Company**

The Company provides certain benefits to eligible employees, including the Named Executive Officers, upon certain types of termination of employment, including a termination of employment involving a Change-in-Control of the Company. These benefits are in addition to the benefits to which the employees would be entitled upon a termination of employment generally (i.e., (i) vested retirement benefits accrued as of the date of termination, (ii) stock-based awards that are vested as of the date of termination, and (iii) the right to continue medical coverage pursuant to COBRA). The incremental benefits that pertain to the Named Executive Officers are described below. Messrs. Skaggs, Smith and Kettering voluntarily terminated from the Company and were not eligible for any incremental benefits described below.

[Table of Contents](#)

NiSource Executive Severance Policy. The NiSource Executive Severance Policy was established to provide severance pay and other benefits to terminated executive-level employees who satisfy the terms of the policy. No employee is eligible to receive benefits under the policy if termination of employment results in the employee being eligible for a payment under a Change-in-Control and Termination Agreement or employment agreement.

A participant becomes entitled to receive benefits under the policy only if he or she is terminated for any of the following reasons: (a) the employee's position is eliminated due to a reduction in force or other restructuring; (b) the employee's position is required by the Company to relocate more than 50 miles from its current location and results in the employee having a longer commute of at least 20 miles and the employee chooses not to relocate; or (c) the employee is constructively terminated. Constructive termination means (1) the scope of the participant's position is changed materially, (2) the participant's base pay is reduced by a material amount or (3) the participant's opportunity to earn a bonus under a corporate incentive plan of the Company is materially reduced or is eliminated, and, in any such event, the participant chooses not to remain employed in such position.

Under the NiSource Executive Severance Policy, an eligible employee receives severance pay in the amount of 52 weeks of base salary at the rate in effect on the date of termination. The employee also receives: a lump sum payment equivalent to 130% of 52-weeks of COBRA (as defined in the Code and the Employee Retirement Income Security Act of 1974) continuation coverage premiums and outplacement services.

Each of the Named Executive Officers who are currently employed by the Company are eligible to receive benefits under the NiSource Executive Severance Policy.

Change-in-Control and Termination Agreements. As of December 31, 2015, the Company had Change-in-Control and Termination Agreements with each of the Named Executive Officers. The Company entered into these agreements based upon its belief that they are in the best interests of the stockholders, they are designed to help ensure that in the event of extraordinary events, a thoroughly objective judgment is made on any potential corporate transaction, so that stockholder value is appropriately safeguarded and maximized. The Change-in-Control Agreements provide for cash severance benefits if the executive terminates employment for "Good Reason" (as defined below) or is terminated by the Company for any reason other than "Good Cause" (as defined below) within 24 months following certain Change-in-Control events (referred to as a double trigger). None of the agreements contain a "gross-up" provision to reimburse executives for excise taxes incurred with respect to benefits received under a Change-in-Control Agreement. The Change-in-Control Agreements can be terminated on twelve months' notice.

For purposes of the Change-in-Control and Termination Agreements:

"*Change-in-Control*" shall be deemed to take place on the occurrence of any of the following events: (1) the acquisition by an entity, person or group (including all affiliates or associates of such entity, person or group) of beneficial ownership, as that term is defined in Rule 13d-3 under the Exchange Act, of capital stock of the Company entitled to exercise more than 30% of the outstanding voting power of all capital stock of the Company entitled to vote in elections of directors ("Voting Power"); (2) the effective time of: (i) a merger or consolidation of the Company with one or more other corporations unless the holders of the outstanding Voting Power of the Company immediately prior to such merger or consolidation (other than the surviving or resulting corporation or any affiliate or associate thereof) hold at least 50% of the Voting Power of the surviving or resulting corporation (in substantially the same proportion as the Voting Power of the Company immediately prior to such merger or consolidation), or (ii) a transfer of a substantial portion of the property of the Company, other than to an entity of which the Company owns at least 50% of the Voting Power; or (3) the election to the Board of candidates who were not recommended for election by the Board, if such candidates constitute a majority of those elected in that particular election (for this purpose, recommended directors will not include any candidate who becomes a member of the Board as a result of an actual or threatened election contest or proxy or consent solicitation on behalf of anyone other than the Board or as a result of any appointment, nomination, or other agreement intended to avoid or settle a contest or solicitation). Notwithstanding the foregoing, a Change-in-Control shall not be deemed to take place by virtue of any transaction in which the executive is a participant in a group effecting an acquisition of the Company and, after such acquisition, the executive holds an equity interest in the acquiring entity.

[Table of Contents](#)

“*Good Cause*” shall be deemed to exist if, and only if, the Company notifies the executive, in writing, within 60 days of its knowledge that one of the following events occurred: (1) the executive has engaged in acts or omissions constituting dishonesty, intentional breach of fiduciary obligation or intentional wrongdoing or malfeasance, in each case that results in substantial harm to the Company; or (2) the executive has been convicted of a criminal violation involving fraud or dishonesty.

“*Good Reason*” shall be deemed to exist if, and only if: (1) there is a significant diminution in the nature or the scope of the executive’s authorities or duties; (2) there is a significant reduction in the executive’s monthly rate of base salary and the executive’s opportunity to earn a bonus under an incentive bonus compensation plan maintained by the Company or the executive’s benefits; (3) the Company changes by 50 miles or more the principal location at which the executive is required to perform services as of the date of a Change-in-Control; or (4) there is a material breach of the Change-in-Control Agreement.

The Change-in-Control Agreements provide for a lump sum payment of two (three in the case of Mr. Hamrock) times the executive’s current annual base salary and target incentive bonus compensation. The executive will also receive a pro rata portion of the executive’s targeted incentive bonus for the year of termination. The Change-in-Control Agreements also provide that in the event of a Change-in-Control, the executive’s total Change-in-Control payments will be equal to the best “net benefit” which is equal to the greater of (i) the after-tax value of the executive’s total severance amount reduced by the 20% excise tax and other federal, state, local and other taxes and (ii) the after-tax value of the executive’s severance amount that has been reduced to the extent necessary so that is would not trigger an excise tax, reduced for federal, state, local and other taxes (in each case, without a gross-up).

In addition, the Change-in-Control Agreements provide for the executives to receive 130% of the COBRA continuation premiums due for the two-year period (three in the case of Mr. Hamrock) following termination. In the event of a Change-in-Control, all equity awards which have been granted to each of the Named Executive Officers under the Omnibus Plan and are outstanding as of December 31, 2015, will vest only upon a termination of employment in connection with a Change-in-Control.

[Table of Contents](#)

Potential Payments Upon Termination of Employment. The table below represents amounts payable at, following, or in connection with the events described below, assuming that such events occurred on December 31, 2015, for each of the Named Executive Officers except for Messrs. Skaggs, Smith and Kettering. In accordance with SEC proxy disclosure rules, the only triggering event described below for Messrs. Skaggs, Smith and Kettering is voluntarily termination from the Company as of the Separation Date.

	Severance (\$)	Pro Rata Target Bonus Payment (\$)	Equity Grants (\$)	Welfare Benefits (\$)	Outplacement (\$)	Total Payment (\$)
Joseph Hamrock						
Voluntary Termination (1)	—	—	—	—	—	—
Retirement (2)	—	—	—	—	—	—
Disability (2)	—	—	3,702,276	—	—	3,702,276
Death (2)	—	—	3,702,276	—	—	3,702,276
Involuntary Termination (3)	800,000	—	—	21,740	25,000	846,740
Change-in-Control (4)(5)	4,800,000	800,000	6,141,455	71,376	25,000	11,837,831
Donald E. Brown						
Voluntary Termination (1)	—	—	—	—	—	—
Retirement (2)	—	—	—	—	—	—
Disability (2)	—	—	519,454	—	—	519,454
Death (2)	—	—	519,454	—	—	519,454
Involuntary Termination (3)	450,000	—	—	19,505	25,000	494,505
Change-in-Control (4)(5)	1,440,000	270,000	1,513,722	41,473	25,000	3,290,195
Jim L. Stanley						
Voluntary Termination (1)	—	—	—	—	—	—
Retirement (2)	—	—	—	—	—	—
Disability (2)	—	—	3,452,431	—	—	3,452,431
Death (2)	—	—	3,452,431	—	—	3,452,431
Involuntary Termination (3)	525,000	—	—	13,171	25,000	563,171
Change-in-Control (4)(5)	1,837,500	393,750	4,977,079	29,214	25,000	7,262,543
Carrie J. Hightman						
Voluntary Termination (1)	—	—	—	—	—	—
Retirement (2)	—	—	—	—	—	—
Disability (2)	—	—	3,997,677	—	—	3,997,677
Death (2)	—	—	3,997,677	—	—	3,997,677
Involuntary Termination (3)	490,000	—	—	13,616	25,000	528,616
Change-in-Control (4)(5)	1,568,000	294,000	5,362,694	29,912	25,000	7,279,606
Violet Sistovaris						
Voluntary Termination (1)	—	—	—	—	—	—
Retirement (2)	—	—	—	—	—	—
Disability (2)	—	—	1,829,238	—	—	1,829,238
Death (2)	—	—	1,829,238	—	—	1,829,238
Involuntary Termination (3)	400,000	—	—	13,408	25,000	438,408
Change-in-Control (4)(5)	1,320,000	260,000	2,694,526	29,005	25,000	4,328,531
Robert C. Skaggs, Jr.						
Voluntary Termination (1)	—	—	7,497,472	—	—	7,497,472
Retirement (2)	—	—	—	—	—	—
Disability (2)	—	—	—	—	—	—
Death (2)	—	—	—	—	—	—
Involuntary Termination (3)	—	—	—	—	—	—
Change-in-Control (4)	—	—	—	—	—	—

[Table of Contents](#)

	Severance (\$)	Pro Rata Target Bonus Payment (\$)	Equity Grants (\$)	Welfare Benefits (\$)	Outplacement (\$)	Total Payment (\$)
Stephen P. Smith						
Voluntary Termination ⁽¹⁾	—	—	—	—	—	—
Retirement ⁽²⁾	—	—	—	—	—	—
Disability ⁽²⁾	—	—	—	—	—	—
Death ⁽²⁾	—	—	—	—	—	—
Involuntary Termination ⁽³⁾	—	—	—	—	—	—
Change-in-Control ⁽⁴⁾	—	—	—	—	—	—
Glen L. Kettering						
Voluntary Termination ⁽¹⁾	—	—	—	—	—	—
Retirement ⁽²⁾	—	—	—	—	—	—
Disability ⁽²⁾	—	—	—	—	—	—
Death ⁽²⁾	—	—	—	—	—	—
Involuntary Termination ⁽³⁾	—	—	—	—	—	—
Change-in-Control ⁽⁴⁾	—	—	—	—	—	—

- (1) Amounts payable to each of the Named Executive Officers as shown in the Pension Benefits Table and the Non-qualified Deferred Compensation Table and under the tax-qualified, nondiscriminatory 401(k) Plan are not included. Upon voluntary termination, Mr. Skaggs was eligible to receive 176,157 shares under his 2009 Restricted Stock Unit Award, 80,114 shares under his special 2010 Restricted Stock Unit Award, and 128,412 shares under his 2010 annual Restricted Stock Unit Award. These shares were subject to delayed vesting in accordance with the terms of the award agreements due to limitations on deductibility under Section 162(m) of the Code. Since he was no longer subject to Code Section 162(m), these shares were paid to Mr. Skaggs on January 4, 2016, in accordance with the terms of the governing award agreements. Amount shown for Mr. Skaggs is the actual value of the shares paid to Mr. Skaggs based on the closing price of the Company’s common stock on January 4, 2016, which was \$19.49 per share.
- (2) Special vesting rules apply in the event of Retirement, Disability or death pursuant to the terms and conditions of our equity award agreements as discussed above in the Compensation Discussion and Analysis — “LTIP Awards.” None of the Named Executive Officers employed by the Company on December 31, 2015, were eligible for Retirement as of December 31, 2015. For each of these Named Executive Officers, the number of shares that would have vested in the event of the executive’s Disability or death is as follows: Mr. Hamrock, 189,763 shares; Mr. Brown, 26,625 shares; Mr. Stanley, 176,957 shares; Ms. Hightman, 204,904 shares; and Ms. Sistovaris, 93,759 shares. The value of the equity grants was determined by multiplying the closing price of the Company’s common stock on December 31, 2015, which was \$19.51 per share, by the number of shares that would have vested upon the Disability or death, as applicable, of the Named Executive Officer.
- Equity awards held by Messrs. Skaggs, Smith and Kettering were forfeited in accordance with the terms of the governing award agreement with the exception of certain awards granted to Mr. Skaggs in 2009 and 2010 as described above in footnote (1) that were subject to delayed vesting solely due to limitations on deductibility under Section 162(m) of the Code, in accordance with the terms of the original award agreements. Additionally, to preserve their intrinsic aggregate value prior to Separation, these awards were subject to the Valuation Adjustment as described in the Compensation Discussion and Analysis — “LTIP Awards.”
- (3) Amounts shown reflect payments to be made upon the involuntary termination of each Named Executive Officer eligible under the Company’s Executive Severance Policy described above.
- (4) Amounts shown reflect payments to be made upon termination of employment in the event of a Change-in-Control of the Company under the Change-in-Control and Termination Agreements described above which have been reduced by excise tax payments if applicable. As described above, the Change-in-Control Agreements do not provide for any “gross-up” payments to executives for excise taxes incurred with respect to benefits received under a Change-in-Control Agreement. The Change-in-Control and Termination Agree-

[Table of Contents](#)

ments provide that in the event of a Change-in-Control, the executive’s total Change-in-Control will be equal to the best “net benefit” which is equal to the greater of (i) the after-tax value of the executive’s total severance amount (reduced by the 20% excise tax and other federal, state, local and other taxes) and (ii) the after-tax value of the executive’s severance amount that has been reduced to the extent necessary so that it would not trigger an excise tax, reduced for federal, state, local and other taxes (in each case, without a gross-up).

- (5) Amounts shown for the Named Executive Officers that we currently employ have not been reduced under the best “net benefit” provision in the Change-in-Control and Termination Agreements as described above because none of the Named Executive Officers would have been in a better after-tax position as a result of a benefit reduction.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information for all equity compensation plans and individual compensation arrangements (whether with employees or non-employees, such as directors), in effect as of December 31, 2015.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (#)(a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$)(2)(b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a) #)(c)
Equity compensation plans approved by security holders ⁽¹⁾	3,726,156	—	6,627,869
Equity compensation plans not approved by security holders	—	—	—
Total	3,726,156	—	6,627,869

- (1) The Plans approved by security holders include the following plans: the 1994 Long Term Incentive Plan, approved by the stockholders on May 10, 2005 (no shares remain available for future issuance under the plan), the Non-Employee Director Stock Incentive Plan, approved by the stockholders on May 20, 2003, (no shares remain available for future issuance under the plan), the Omnibus Plan approved by the stockholders on May 11, 2010 (and re-approved for Code Section 162(m) purposes on May 12, 2015), and the Company’s Employee Stock Purchase Plan, approved by the stockholders on May 12, 2015. As of December 31, 2015, 5,704,139 remained available for issuance under the Omnibus Plan and 923,730 shares remained available for purchase under the Employee Stock Purchase Plan.
- (2) In calculating the weighted-average exercise price of outstanding options, shown in column (b), restricted stock units and performance stock units (if applicable) which can convert into shares of common stock upon vesting are excluded. Restricted stock units and performance stock units are payable at no cost to the grantee on a one-for-one basis.

PROPOSAL 2 — ADVISORY APPROVAL OF EXECUTIVE COMPENSATION

Pursuant to Section 14A of the Exchange Act, we are asking stockholders to approve in an advisory vote the compensation paid to the Company's Named Executive Officers, as disclosed under the heading "Executive Compensation" above, including the "Compensation Discussion and Analysis," commonly known as a "Say-on-Pay" proposal.

At our 2011 Annual Meeting, stockholders were asked to cast a non-binding advisory vote on whether the Say-on-Pay vote should be held every year, every two years or every three years (the "Frequency Vote"). A majority of stockholders voting on the matter indicated a preference for holding the Say-on-Pay vote on an annual basis. Accordingly, the Board resolved that the non-binding advisory vote to approve the compensation of our named executive officers will be held on an annual basis at least until the next Frequency Vote is held.

The Board encourages stockholders to carefully review the Executive Compensation section of this Proxy Statement, including the Compensation Discussion and Analysis, for a thorough discussion of our executive compensation program and philosophy. Our compensation program is designed to be significantly performance-based and to attract and retain highly qualified individuals who enhance long-term stockholder value by contributing to the Company's ongoing success. All facets of our compensation program are regularly monitored by the Compensation Committee to ensure that the program is well-tailored to fulfill the Company's compensation philosophy and objectives.

In considering this proposal, stockholders may wish to consider the following factors that demonstrate our commitment to maintaining a robust compensation program:

- Compensation is closely tied to both corporate and individual performance;
- Annual and long-term incentive compensation opportunities are contingent on the Company achieving pre-established goals;
- Total compensation packages are competitive with those offered by members of the Company's Comparative Group;
- Perquisites are appropriately limited in number and modest in dollar value; and
- Our compensation program does not create incentives for behaviors that create material risk to the Company.

As discussed in the Executive Compensation section of this Proxy Statement, the Compensation Committee and the Board believe that the Company's executive compensation program fulfills the objectives of its compensation philosophy in a prudent and effective manner.

Accordingly, the following resolution is submitted for an advisory stockholder vote at the Annual Meeting:

RESOLVED, that the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved on an advisory basis.

As this is an advisory vote, the result will not be binding on the Company, the Board or the Compensation Committee, although the Committee and the Board will carefully consider the outcome of the vote when evaluating our compensation program and philosophy.

Vote Required

The affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote is needed to approve the advisory vote on the compensation of the Named Executive Officers. Proxies submitted without direction pursuant to this solicitation will be voted "FOR" the advisory approval of executive compensation of the Company's Named Executive Officers. Abstentions by those present or represented by proxy will have the same effect as a vote against the Say-on-Pay proposal. Brokers will not have discretionary authority to vote on the Say-on-Pay proposal. Accordingly, there could be broker non-votes, which will have no effect on the vote.

THE BOARD RECOMMENDS A VOTE "FOR" THE ADVISORY APPROVAL OF EXECUTIVE COMPENSATION PAID TO THE NAMED EXECUTIVE OFFICERS.

PROPOSAL 3 — RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee of the Board is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accountants retained to audit the Company’s financial statements. The Audit Committee appointed Deloitte & Touche LLP (“Deloitte”), 111 South Wacker Drive, Chicago, IL 60606, as the Company’s independent registered public accountants for the year 2016. As part of its oversight of the Company’s relationship with its independent registered public accountants, and to assure continuing independence of such firm, the Audit Committee considers whether it is appropriate to adopt a policy of rotating its independent registered public accountants on a regular basis. Further, in conjunction with ensuring the rotation of such firm’s lead engagement partner, the Audit Committee and its Chair are directly involved with the selection of Deloitte’s lead engagement partner. The Audit Committee also reviews proposals for all auditing services (including fees and terms thereof) of the Company’s independent registered public accountants, and approves all such proposals prior to the commencement or performance of such services, subject to the pre-approval policies and procedures described under “Independent Auditor Fees.”

The Board and its Audit Committee consider Deloitte well qualified to serve as our independent registered public accountants, and believe that the continued retention of Deloitte is in the best interest of the Company and its stockholders. Although action by stockholders for this matter is not required, the Board and the Audit Committee believe that it is appropriate to seek stockholder ratification of this appointment in order to provide stockholders a means of communicating the stockholders’ level of satisfaction with the performance of the independent registered public accountants and their level of independence from management. If the proposal is not approved and the appointment of Deloitte is not ratified by the stockholders, the Audit Committee will take this into consideration and will reconsider the appointment. A representative of Deloitte will be present at the meeting, will be given an opportunity to make a statement if he or she so desires, and will be available to respond to appropriate questions.

Vote Required

The affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote is needed to ratify the appointment of Deloitte. Proxies submitted without direction pursuant to this solicitation will be voted “FOR” the ratification of the appointment of Deloitte. Abstentions by those present or represented by proxy will have the same effect as a vote against the proposal. Brokers will have discretionary authority to vote on this proposal, and accordingly, there will not be any broker non-votes.

THE BOARD AND ITS AUDIT COMMITTEE RECOMMEND A VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF DELOITTE AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS FOR FISCAL YEAR 2016.

AUDIT COMMITTEE REPORT

Our Audit Committee consists of Messrs. Abdo, Jesanis, Kabat and Ms. Woo. Each of the members of the Audit Committee is independent as defined by the applicable NYSE and SEC rules and meets the additional independence standard set forth by the Board of Directors in the Corporate Governance Guidelines. Each of the members of the Audit Committee also is “financially literate” for purposes of applicable NYSE rules. The Board of Directors has designated Michael E. Jesanis, the Chair of the Audit Committee, as the “audit committee financial expert.”

The Audit Committee has reviewed and discussed the audited consolidated financial statements with management and has discussed with Deloitte, the Company’s independent registered public accountants, the matters required to be discussed by Public Company Accounting Oversight Board (“PCAOB”), Auditing Standard No. 16, “Communications with Audit Committees”; SEC regulation S-X Rule 2-07; PCAOB Auditing Standard No. 5 and the NYSE Corporate Governance Rules. The Audit Committee also has received the written disclosures and the letter from Deloitte required by PCAOB Ethics and Independence Rule 3526, “Communication with Audit Committees Concerning Independence,” and has discussed with Deloitte its independence. The Audit Committee has considered whether Deloitte’s provision of non-audit services to the Company is compatible with maintaining Deloitte’s independence.

[Table of Contents](#)

In reliance on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

The Audit Committee has appointed Deloitte to serve as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2016.

Audit Committee
Michael E. Jesanis, Chair
Richard A. Abdo
Kevin T. Kabat
Carolyn Y. Woo

February 17, 2016

INDEPENDENT AUDITOR FEES

The following table represents the aggregate fees for professional services billed by Deloitte for the fiscal years ended December 31, 2014 and 2015.

	2014	2015
Audit Fees ⁽¹⁾	\$ 6,279,000	\$ 4,433,500
Audit-Related Fees ⁽²⁾	2,566,582	2,139,156
Tax Compliance ⁽³⁾	84,750	110,000
Tax Advice and Tax Planning ⁽⁴⁾	448,382	197,232
All Other Fees ⁽⁵⁾	14,140	222,300

- (1) *Audit Fees* — These are fees for professional services performed by Deloitte for the audit of the Company’s annual financial statements in the Company’s Annual Report on Form 10-K and review of financial statements included in the Company’s Form 10-Q filings, and services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) *Audit-Related Fees* — These are fees for the assurance and related services performed by Deloitte that are reasonably related to the performance of the audit or review of the Company’s financial statements. These fees included services provided by Deloitte in connection with the Separation and Columbia Pipeline Partners LP’s initial public offering of its outstanding limited partnership interests.
- (3) *Tax Compliance* — These are fees for professional services performed by Deloitte with respect to tax compliance.
- (4) *Tax Advice and Tax Planning* — These fees are for professional services performed by Deloitte with respect to tax advice and tax planning.
- (5) *All Other Fees* — These are fees for permissible work performed by Deloitte that does not meet the above categories.

Pre-Approval Policies and Procedures. During fiscal year 2015, the Audit Committee approved all audit, audit related and non-audit services provided to the Company by Deloitte prior to management engaging the auditor for those purposes. The Audit Committee’s current practice is to consider for pre-approval annually all audit, audit related and non-audit services proposed to be provided by our independent auditors for the fiscal year. Additional fees for other proposed audit-related or non-audit services (not within the scope of the approved audit engagement) which have been properly presented to the Pre-Approval Subcommittee of the Audit Committee (consisting of Michael E. Jesanis) by the Vice President, Controller and Chief Accounting Officer of the Company may be considered and, if appropriate, approved by the Pre-Approval Subcommittee of the Audit Committee, subject to later ratification by the full Audit Committee. In no event, however, will any non-audit related service be approved by the Pre-Approval Subcommittee that would result in the independent auditor no longer being considered independent under the applicable SEC rules. In appointing Deloitte as our independent auditor, the Audit Committee has considered whether the provision of the non-audit services rendered by Deloitte is compatible with maintaining that firm’s independence.

PROPOSAL 4 — STOCKHOLDER PROPOSAL REGARDING REPORTS ON POLITICAL CONTRIBUTIONS

The Comptroller of the State of New York, as the sole Trustee of the New York State Common Retirement Fund, which beneficially held at least \$2,000 in market value of common stock, has informed the Company that it plans to present the following proposal at the meeting:

Resolved, that the shareholders of NiSource Inc., (“Company”) hereby request that the Company provide a report, updated semiannually, disclosing the Company’s:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:
 - a. The identity of the recipient as well as the amount paid to each; and
 - b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company’s website.

STOCKHOLDER SUPPORTING STATEMENT

As long-term shareholders of NiSource, we support transparency and accountability in corporate spending on political activities. These include any activities considered intervention in any political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations; independent expenditures; or electioneering communications on behalf of federal, state or local candidates.

Disclosure is in the best interest of the company and its shareholders and critical for compliance with federal ethics laws. Moreover, the Supreme Court’s *Citizens United* decision recognized the importance of political spending disclosure for shareholders when it said, “[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.” Gaps in transparency and accountability may expose the company to reputational and business risks that could threaten long-term shareholder value.

NiSource contributed at least \$1,751,079 in corporate funds since the 2003 election cycle. (CQ: <http://moneyline.cq.com> and National Institute on Money in State Politics: <http://www.followthemoney.org>)

However, relying on publicly available data does not provide a complete picture of the Company’s political spending. For example, the Company’s payments to trade associations used for political activities are undisclosed and unknown. In some cases, even management does not know how trade associations use their company’s money politically. The proposal asks the Company to disclose all of its political spending, including payments to trade associations and other tax exempt organizations used for political purposes. This would bring our Company in line with a growing number of leading companies, including Exelon, Merck and Microsoft that support political disclosure and accountability and present this information on their websites.

The Company’s Board and its shareholders need comprehensive disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.

Board of Directors’ Statement in Opposition

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

The Board has considered this proposal and, as discussed below, concluded that it is unnecessary and undesirable, and is not in the best interests of the Company or our stockholders. This view was shared by more than a majority of our stockholders who rejected a similar proposal from the proponent last year and also in 2014.

We are committed to being a good corporate citizen in the communities in which we conduct our business. Consistent with this commitment, we support and encourage our employees to actively engage in community and

[Table of Contents](#)

civic activities. We also encourage employees to participate in the political process as private citizens should they desire to do so. Our commitment to corporate citizenship is set forth in our Code of Business Ethics under a section entitled “Our Commitment to Fair and Ethical Dealings with Others,” and is available on our website at: www.nisource.com/ethics . Our Political Spending Policy, which describes our approach and governance process related to political spending, is also available on our website at: <http://ir.nisource.com/governance.cfm> .

We do not — and under federal law we cannot — use corporate funds for direct contributions to federal candidates. Such contributions may be made only by NiSource Inc. PAC (NiPAC), a non-profit entity that solicits voluntary contributions from eligible administrative and management employees in compliance with federal election laws. NiPAC contributes to the campaigns of federal and state candidates, where permissible, and files required reports with the Federal Election Commission and various state and local election commissions. These reports are publicly available. Reports filed with the Federal Election Commission are available at www.fec.gov. Our corporate political activities are conducted under the oversight of the Nominating and Governance Committee of the Board.

We also do not make independent expenditures, as authorized by the *Citizens United* decision, and do not currently have any plans to do so.

We participate in trade and industry associations to benchmark best practices and share knowledge. While some of these trade organizations may engage in legislative or other political activity, we do not necessarily support all of their political goals. Because these associations operate independently of their members, disclosure of our dues paid to them would not provide our stockholders with greater understanding of our business strategies, sustainability initiatives or values. Furthermore, compiling information regarding every trade association to which any of our business units may have paid dues would be unreasonably burdensome and an inefficient use of Company resources.

The Board believes that the Company’s existing oversight and review procedures are sufficient to ensure accountability. We also believe that much of what the proposal advocates is already publicly available, and that adopting a policy as set forth in the proposal is unnecessary and would result in an unproductive use of Company resources.

Vote Required

If this proposal is properly presented at the meeting, approval requires the affirmative vote of a majority of the shares present at the meeting, in person or represented by proxy, and entitled to vote. Proxies submitted without direction pursuant to this solicitation will be voted AGAINST the stockholder proposal. Abstentions will have the same effect as a vote against the proposal. Brokers will not have discretionary authority to vote on this proposal. Accordingly, there could be broker non-votes, which will have no effect on the vote.

THE BOARD BELIEVES THAT THE PROPOSAL IS NOT IN YOUR BEST INTERESTS, AND RECOMMENDS THAT YOU VOTE “AGAINST” THIS PROPOSAL.

PROPOSAL 5 — STOCKHOLDER PROPOSAL REGARDING A SENIOR EXECUTIVE EQUITY RETENTION POLICY

The American Federation of Labor and Congress of Industrial Organizations Reserve Fund, which beneficially held at least \$2,000 in market value of common stock, has informed the Company that it or its agent plans to present the following proposal at the meeting:

RESOLVED: Shareholders of NiSource Inc. (the “Company”) urge the Compensation Committee of the Board of Directors (the “Committee”) to adopt a policy requiring that senior executives retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age. For the purpose of this policy, normal retirement age shall be defined by the Company’s qualified retirement plan that has the largest number of plan participants.

The shareholders recommend that the Committee adopt a share retention percentage requirement of at least 75 percent of net after-tax shares. The policy should prohibit hedging transactions for shares subject to this policy which are not sales but reduce the risk of loss to the executive. This policy shall supplement any other share ownership requirements that have been established for senior executives, and should be

implemented so as not to violate the Company's existing contractual obligations or the terms of any compensation or benefit plan currently in effect.

SUPPORTING STATEMENT:

Equity-based compensation is an important component of senior executive compensation at our Company. While we encourage the use of equity-based compensation for senior executives, we are concerned that our Company's senior executives are generally free to sell shares received from our Company's equity compensation plans. Our proposal seeks to better link executive compensation with long-term performance by requiring a meaningful share retention ratio for shares received by senior executives from the Company's equity compensation plans.

Requiring senior executives to hold a significant percentage of shares obtained through equity compensation plans until they reach retirement age will better align the interests of executives with the interests of shareholders and the Company. A 2009 report by the Conference Board Task Force on Executive Compensation observed that such hold-through-retirement requirements give executives "an ever growing incentive to focus on long-term stock price performance as the equity subject to the policy increases." (http://www.conference-board.org/pdf_free/ExecCompensation2009.pdf).

In our opinion, the Company's current share ownership guidelines for its senior executives do not go far enough to ensure that the Company's equity compensation plans continue to build stock ownership by senior executives over the long-term. We believe that requiring senior executives to only hold shares equal to a set target loses effectiveness over time. After satisfying these target holding requirements, senior executives are free to sell all the additional shares they receive in equity compensation.

For example, our Company's share ownership guidelines require its CEO to hold shares equal to five times base salary, equal to \$4.7 million in 2014. In comparison, our Company granted its former CEO Robert C. Skaggs Jr. equity awards with total grant date fair value of \$3.4 million in 2014 and \$2.7 million in 2013, enabling him to satisfy the ownership requirement in just two years.

We urge shareholders to vote FOR this proposal.

Board of Directors' Statement in Opposition

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

The Board has considered this proposal and, as discussed below, concluded that it is unnecessary and undesirable, and is not in the best interests of the Company or our stockholders.

The Board agrees with the proponent that equity-based compensation is an important component of our executive compensation program that aligns management and stockholder interests. We believe, however, that our current stock ownership requirements and executive compensation program, when taken together, reasonably align the interests of stockholders and executives while encouraging executives to make prudent business decisions that benefit stockholders over the long-term. Accordingly, the adoption of the current proposal is unnecessary. Moreover, the proposal could have undesirable effects, including a competitive disadvantage in our efforts to recruit and retain executive officers.

We already maintain stock ownership requirements for our senior executives and Named Executive Officers' stock ownership currently exceeds these requirements.

Our senior executives are already subject to stock ownership and retention requirements and we believe that our existing requirements already accomplish the proponent's expressed purpose of aligning executive and stockholder interests through meaningful long-term equity ownership. Our executive stock ownership and retention guidelines (which are discussed further in the Compensation Discussion and Analysis section under the caption "Our Executive Compensation Process — Policies and Guidelines") require significant stock ownership for all of our senior executives. As of the date of this proxy statement, all the Named Executive Officers that we currently employ own Company stock at levels in excess of these requirements.

[Table of Contents](#)

We already have prohibitions on insider trading, hedging and “clawback” provisions applicable to our equity-based compensation that complement our stock ownership requirements.

In addition to stock ownership requirements, our executive officers are prohibited from engaging in short sales of the Company’s stock or buying or selling puts, calls or other options on the Company’s stock or otherwise hedging or speculating in the potential changes in the value of the Company’s stock. Our prohibitions on hedging transactions and “clawback” provisions are also discussed in the Compensation Discussion and Analysis section under the caption “Our Executive Compensation Process — *Policies and Guidelines*.” Therefore, the adoption of the proposal for the purpose of implementing restrictions on hedging is not necessary as this restriction is already in place and applicable to all shares owned by our executives whether obtained through equity compensation plans or otherwise. Further, our compensation plans and agreements already contain “clawback” provisions that allow us to recoup compensation from any executive who engages in certain fraudulent or other inappropriate conduct.

Our compensation program aligns long-term interest of executives and stockholders.

As discussed in detail in this Proxy Statement, our compensation plans and policies are designed to further align the long-term interests of our executives and stockholders. The compensation of our executive officers is tied to the attainment of financial and other performance measures that, the Board believes, promote the creation of long-term stockholder value. Additionally, we take into account the stockholders’ view of our executive compensation practices, noting that not less than 96% of our investors have voted in favor of our Say-on-Pay Proposal at each annual meeting since 2013. As described more fully in the Compensation Discussion and Analysis section, the mix of fixed and performance based compensation and the terms of annual and long-term incentive awards are all designed to enable the Company to attract, retain and motivate highly qualified executive talent while, at the same time, creating a close relationship between performance and compensation. Also, the proportion of at-risk performance-based compensation increases as the executive’s level of responsibility within the Company increases, further aligning the relationship between performance and compensation for our most senior executives.

The proposal fails to strike a balance between incentivizing performance-based management behavior and permitting executives to manage their own financial affairs, causing a potential misalignment between the interests of stockholders and executives, as well as putting the Company at a competitive disadvantage.

The proposal suggests that executive officers should hold at least 75% of net after-tax shares acquired through our equity compensation programs until each such executive reaches retirement age. Because equity compensation is the most significant element of compensation for our executive officers, this requirement would likely result in our executive officers holding a disproportionate concentration of their assets in Company common stock relative to their total personal net worth. If the proposal is adopted, an ever increasing portion of each executive’s personal net worth would consist of Company shares, causing a lack of portfolio diversification. While we believe all our executives conduct business with the highest integrity and in full compliance with our Code of Conduct, this proposal could potentially influence the decisions the executive makes concerning the Company’s business operations, and in certain circumstances, potentially encourage executives to cause the Company to assume excessive risk or to be excessively risk averse to the detriment of the Company and its stockholders.

While recognizing that our executive officers should have a meaningful equity stake in our Company, the Board believes that it is important that we do not hinder our executive officers’ ability to responsibly manage their personal financial affairs by adopting an inappropriately high stock retention requirement.

Finally, the type of retention policy described in this proposal is uncommon in the broader market in which we compete for executive talent and we believe that the adoption of this proposal would put us at a competitive disadvantage relative to our peers who do not have such restrictions.

For all these reasons, the Board believes this proposal is unnecessary and undesirable, and contrary to your best interests.

Vote Required

If this proposal is properly presented at the meeting, approval requires the affirmative vote of a majority of the shares present at the meeting, in person or represented by proxy, and entitled to vote. Proxies submitted with-

[Table of Contents](#)

out direction pursuant to this solicitation will be voted AGAINST the stockholder proposal. Abstentions will have the same effect as a vote against the proposal. Brokers will not have discretionary authority to vote on this proposal. Accordingly, there could be broker non-votes, which will have no effect on the vote.

THE BOARD BELIEVES THAT THE PROPOSAL IS NOT IN YOUR BEST INTERESTS, AND RECOMMENDS THAT YOU VOTE “AGAINST” THIS PROPOSAL.

PROPOSAL 6 — STOCKHOLDER PROPOSAL REGARDING ACCELERATED VESTING OF EQUITY AWARDS OF SENIOR EXECUTIVES UPON A CHANGE IN CONTROL

The Utility Workers Union of America, which beneficially held at least \$2,000 in market value of common stock, has informed the Company that it or its designated representative plans to present the following proposal at the meeting:

RESOLVED, that the shareholders of NiSource (the “Company”) urge the Board of Directors to adopt a policy that in the event of a change in control (as defined under any applicable employment agreement, equity incentive plan, or other plan), there shall be no acceleration of vesting of any equity award granted to any named executive officer, provided, however, that the Board’s Officer Nomination and Compensation Committee may provide in an applicable grant or purchase agreement that any unvested award will vest on a partial, *pro rata* basis up to the time of the named executive officer’s termination, with such qualifications for an award as the Committee may determine.

For purposes of this policy, “equity award” means any grant of compensation that is valued in whole or in part by reference to, or is otherwise based upon and/or payable in shares of Company stock. This resolution should be implemented so as not to affect any contractual rights in existence on the date this proposal is adopted, and should apply only to equity awards made under equity incentive plans or plan amendments that shareholders approve after the date of the 2016 annual meeting.

SUPPORTING STATEMENT

NiSource allows senior executives to receive accelerated awards of unearned equity under certain conditions after a change in control of the Company. Indeed, NiSource allows for accelerated vesting of certain equity awards, even if the executive is not terminated following a change in control but continues working for the Company.

According to NiSource’s 2015 proxy statement, for example, all performance shares granted to the named executive officers under the Company’s Omnibus Incentive Plan and outstanding as of the end of 2014 would immediately vest in the event of a change of control, whether or not the executive’s employment was terminated.

In our view, accelerated vesting of unearned equity is inconsistent with any notion of pay for performance, and can permit windfall awards that have nothing to do with executive performance. We accept, however, that an affected executive should be eligible to receive vesting of equity awards on a *pro rata* basis as of his or her termination date, with the details of any *pro rata* award to be determined by the Compensation Committee.

Leading proxy advisory firm Institutional Shareholder Services has stated that acceleration of performance-based awards is especially problematic, since this “effectively waives both time and performance requirements, further divorcing pay from actual performance.” ISS therefore recommends that “best practice for unvested performance-based equity awards is *pro rata* vesting, adjusted for actual performance and the fractional performance period, which would appropriately reward for performance actually achieved.” (2015 U.S. Compensation Policies, Frequently Asked Questions, ISS, February 9, 2015)

Other leading companies, including Apple, Chevron, ExxonMobil, IBM, Intel, and Microsoft, have limitations on accelerated vesting of unearned equity, such as providing *pro rata* awards or simply forfeiting unearned awards.

We believe that NiSource should also observe best practices in its executive compensation policies and therefore urge shareholders to vote **FOR** this proposal.

Board of Directors' Statement in Opposition

Your Board of Directors unanimously recommends a vote AGAINST this proposal.

The Board has considered this proposal and, as discussed below, concluded that it is unnecessary and undesirable, and is not in the best interests of the Company or our stockholders.

The Board believes that our current “double-trigger limited” accelerated vesting of equity awards in the event of a change-in-control accomplishes the following benefits: (i) effectively aligns executives with stockholder interests; (ii) motivates executives to remain engaged with the Company to successfully complete any potential change-in-control transaction; and (iii) allows us to offer competitive executive compensation and attract and retain talented leadership.

Our double-trigger limited vesting provision.

In October 2015, the Compensation Committee approved an amendment to the 2010 Omnibus Incentive Plan to provide for accelerated vesting of equity awards only in the following two limited circumstances:

- (1) if the acquiring company does not agree to assume the awards in the transaction; or
- (2) if the executive is terminated without cause or resigns for good reason in connection with a qualifying change-in-control within two years following or one year prior to such change-in-control.

Double-trigger limited vesting aligns executives' interests with those of stockholders, encourages stability and rewards executives for their performance.

We provide long-term incentive awards to our executive officers to align their interests with those of our stockholders. By preventing the loss of an award through unilateral action by the Company, the existing double-trigger limited vesting terms encourage executives to remain objective when a potential change-in-control transaction arises, to avoid conflicts of interest and to focus on executing strategic changes in the best interests of stockholders. Further, double-trigger limited vesting terms encourage our executive officers to remain with the Company during the process of a change-in-control transaction, which could be critical to the success of any such transaction. Finally, by providing executives the opportunity to realize their long-term incentive awards, our existing double-trigger limited vesting motivates executives to achieve Board and stockholder-approved performance goals.

Implementing the proposal would significantly limit our ability to attract, retain and properly incentivize talented executives.

We believe that it is critical to offer competitive compensation and benefits to our executives and that such policies increase stockholder value. Implementing the pro-rata vesting policy as outlined in the proposal would significantly disadvantage our recruiting and retention efforts, which are key to our success. Our existing double-trigger limited vesting provision is consistent with the vast majority of our peer group companies and the broader market in which we compete for executive talent. As noted in a 2014 study by Meridian Compensation Partners on Executive Change-in-Control Arrangements, over 90% of the 160 largest U.S. public companies vest long-term incentive awards in connection with a change-in-control. The pro-rata vesting requested by the proposal is a declining minority practice according to the Meridian study and is not used by more than two-thirds of our peer companies.

Stockholders have shown strong support for our executive compensation program.

Our executive compensation is designed to align executive pay with the interests of our stockholders. We have consistently received strong support for our executive compensation program in the annual “Say-on-Pay” vote with at least 96% approval at each annual meeting since 2013.

Long-term incentive awards are a significant component of our executive compensation program and encourage executive officers to focus on long-term value creation for our stockholders. We believe that the double-trigger limited vesting provisions provided in our 2010 Omnibus Incentive Plan are appropriate, effective and consistent with prevailing market practices.

For the reasons set forth above, the Board believes that our current double-trigger limited vesting provisions provide a balanced approach to the circumstance under which equity awards would vest following a change-in-control. We believe this approach is in the best interests of the Company and our stockholders.

[Table of Contents](#)

Vote Required

If this proposal is properly presented at the meeting, approval requires the affirmative vote of a majority of the shares present at the meeting, in person or represented by proxy, and entitled to vote. Proxies submitted without direction pursuant to this solicitation will be voted AGAINST the stockholder proposal. Abstentions will have the same effect as a vote against the proposal. Brokers will not have discretionary authority to vote on this proposal. Accordingly, there could be broker non-votes, which will have no effect on the vote.

THE BOARD BELIEVES THAT THE PROPOSAL IS NOT IN YOUR BEST INTERESTS, AND RECOMMENDS THAT YOU VOTE “AGAINST” THIS PROPOSAL.

STOCKHOLDER PROPOSALS AND NOMINATIONS FOR 2017 ANNUAL MEETING

Stockholders may submit proposals appropriate for stockholder action the 2017 Annual Meeting consistent with the requirements of Rule 14a-8 under the Exchange Act, all other rules of the SEC relating to stockholder proposals and our Bylaws. Written notice containing the required information should be addressed to the attention of the Company’s Corporate Secretary, NiSource Inc., 801 E. 86th Avenue, Merrillville, Indiana 46410. For your proposal to be considered for inclusion in the Company’s proxy statement in connection with the 2017 Annual Meeting, we must receive your written proposal no later than December 8, 2016.

Stockholder proposals not intended to be included in the Company’s proxy statement (including director nominations) may be brought before the 2017 Annual Meeting by filing a notice of stockholder’s intent to do so no earlier than January 11, 2017, and no later than February 10, 2017. The notice must include all of the information required to be set forth in any such notice by our Bylaws.

Stockholders who intend to submit director nominees for inclusion in the Company’s proxy materials for the 2017 Annual Meeting must comply with the requirements of proxy access as set forth in our Bylaws. The stockholder or group of stockholders who wish to submit director nominees pursuant to proxy access must deliver the required materials to the Company no earlier than November 8, 2016, and no later than December 8, 2016.

If you would like a copy of our Bylaws, please contact the Company’s Corporate Secretary at the above address or access the Company’s Bylaws filed with the SEC as an exhibit to the Company’s Current Report on Form 8-K filed on February 1, 2016. Failure to comply with the Company’s Bylaw procedure and deadlines may preclude presentation and consideration of the matter or of the proposed nominee for election at the 2017 Annual Meeting.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely upon our review of the Forms 3, 4 and 5 furnished to the Company pursuant to Section 16(a) of the Exchange Act, we believe that all of our directors, officers and beneficial owners of more than 10% of the Company’s common stock filed all such reports on a timely basis during 2015.

ANNUAL REPORT AND FINANCIAL STATEMENTS

Attention is directed to the financial statements contained in the Company’s Annual Report for the year ended December 31, 2015. As of the mail date of this proxy statement, a copy of the Annual Report has been sent, or is concurrently being sent, to stockholders of record as of March 15, 2016. These statements and other reports filed with the SEC are available through our website at <http://ir.nisource.com/financials.cfm>.

AVAILABILITY OF FORM 10-K

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, including the financial statements and the financial statement schedules, but without exhibits, is contained within the Company’s Annual Report which has been sent, or is concurrently being sent, to you and is available free of charge to any stockholder upon written request to the Company’s Corporate Secretary, NiSource Inc., 801 E. 86th Avenue, Merrillville, Indiana 46410 and is also available on our website at <http://ir.nisource.com/annuals.cfm>.

MULTIPLE STOCKHOLDERS SHARING THE SAME ADDRESS — “HOUSEHOLDING”

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by deliver-

[Table of Contents](#)

ing a single set of proxy materials addressed to those stockholders. This process, which is commonly referred to as “householding,” may potentially provide extra convenience for stockholders and cost savings for companies or the intermediary.

You may receive proxy materials through an intermediary who uses householding to deliver proxy materials. If so, a single copy of the proxy materials may be delivered to multiple stockholders sharing an address unless the affected stockholder provides contrary instructions. Once you have received notice from your broker that they will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. If this applies to you and you would prefer to receive separate copies of the proxy materials, please notify your broker that you no longer wish to participate in householding. Additionally, you may direct your written request for a copy of the proxy materials to NiSource Inc., c/o Corporate Secretary, 801 East 86th Avenue, Merrillville, Indiana 46410, or you may request a copy by telephone at (877) 647-5990. If your broker is not currently householding (i.e., you received multiple copies of our Proxy Statement), and you would like to request delivery of a single copy, you should contact your broker and find out if this option is available to you.

OTHER BUSINESS

The Board does not intend to bring any other matters before the Annual Meeting and does not know of any matters that will be brought before the meeting by others. If any matters properly come before the meeting it is the intention of the persons named in the enclosed form of proxy to vote the proxy in accordance with their judgment on such matters.

Whether or not you plan to attend the Annual Meeting, you can be sure your shares are represented at the meeting by submitting your completed proxy by telephone, through the Internet or by promptly marking, dating, signing and returning the enclosed proxy card.

BY ORDER OF THE BOARD OF DIRECTORS



Samuel K. Lee
Corporate Secretary

Dated: April 7, 2016

[Table of Contents](#)



Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.


Proxies submitted by the Internet or telephone must be received by 11:59 PM, Eastern Time, on May 10, 2016 (for registered shares) and 11:59 PM, Eastern Time, on May 8, 2016 (for Plan Shares, as defined in the Proxy Statement).

Vote by Internet

- Go to www.investorvote.com/NI
- Or scan the QR code with your smartphone
- Follow the steps outlined on the secure website

Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone
- Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an X as shown in this example. 
 Please do not write outside the designated areas.

Annual Meeting Proxy Card

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

A Proposals — The Board of Directors recommends a vote “FOR” Proposals 1, 2 and 3.

Proposal 1 – To elect nine directors to hold office until the next annual stockholders’ meeting and until their respective successors have been elected or appointed and qualified.

	For	Against	Abstain		For	Against	Abstain		For	Against	Abstain	
1.1 - Richard A. Abdoo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.2 - Aristides S. Candris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.3 - Wayne S. DeVeydt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	+
1.4 - Joseph Hamrock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.5 - Deborah A. Henretta	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.6 - Michael E. Jesanis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
1.7 - Kevin T. Kabat	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.8 - Richard L. Thompson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.9 - Carolyn Y. Woo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	For	Against	Abstain		For	Against	Abstain
Proposal 2 – To approve executive compensation on an advisory basis.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Proposal 3 – To ratify the appointment of Deloitte & Touche LLP as the Company’s independent registered public accountants.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Board of Directors recommends a vote “AGAINST” Proposals 4, 5 and 6.

	For	Against	Abstain		For	Against	Abstain
Proposal 4 – To consider a stockholder proposal regarding reports on political contributions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Proposal 5 – To consider a stockholder proposal regarding a senior executive equity retention policy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proposal 6 – To consider a stockholder proposal regarding accelerated vesting of equity awards of senior executives upon a change in control.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.



1 U P X



Important notice regarding the Internet availability of proxy materials for the Annual Meeting of Stockholders.
The Proxy Statement and the 2015 Annual Report to Stockholders are available at: <http://ir.nisource.com/annuals.cfm>

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

Proxy — NiSource Inc.

**This Proxy is Solicited on Behalf of the Board of Directors of NiSource Inc.
for its Annual Meeting of Stockholders, to be held on May 11, 2016.**

The undersigned hereby appoints Joseph Hamrock and Donald E. Brown, or either of them, the proxies of the undersigned, with all power of substitution, for and in the name of the undersigned to represent and vote the shares of common stock of the undersigned at the Annual Meeting of Stockholders of the Company, to be held at the Hyatt Rosemont, 6350 N. River Road, Rosemont, IL 60018, on Wednesday, May 11, 2016, at 10:00 a.m., local time, and at the adjournment or adjournments thereof.

Unless otherwise marked, this proxy will be voted: “FOR” all of the nominees listed in Proposal 1, “FOR” advisory approval of executive compensation in Proposal 2, “FOR” ratification of the independent registered public accountants in Proposal 3, “AGAINST” the stockholder proposal regarding reports on political contributions in Proposal 4, “AGAINST” the stockholder proposal regarding a senior executive equity retention policy in Proposal 5 and “AGAINST” the stockholder proposal regarding accelerated vesting of equity awards of senior executives upon a change in control in Proposal 6.

The undersigned stockholder hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders and Proxy Statement relating to the Annual Meeting and hereby revokes any proxy or proxies previously given. The undersigned stockholder may revoke this proxy at any time before it is voted by filing with the Corporate Secretary of the Company a written notice of revocation or a duly executed proxy bearing a later date, by voting by telephone or through the Internet, or by attending the Annual Meeting and voting in person.

PLEASE VOTE YOUR SHARES BY TELEPHONE, THROUGH THE INTERNET, OR BY MARKING, SIGNING, DATING AND MAILING THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

B Non-Voting Items

Change of Address — Please print your new address below.

Comments — Please print your comments below.

Meeting Attendance

Mark the box to the right if you plan to attend the Annual Meeting.

C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below

NOTE: Please sign as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Date (mm/dd/yyyy) — Please print date below.

/ /

Signature 1 — Please keep signature within the box.

Signature 2 — Please keep signature within the box.

IF VOTING BY MAIL, YOU MUST COMPLETE SECTIONS A - C ON BOTH SIDES OF THIS CARD.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

7. Refer to the response to Staff's Second Request, Item 6.a., and Filing Requirement 807 KAR 5:001, Section 16(8)(g), Schedule G-2, page 1 of 1. The response refers to increased headcount projections with eight full-time employees being added between the base period and test period. Schedule G-2 shows Columbia's headcount increasing historically from 122 in 2013 to 130 in 2014 to 140 in 2015, then increasing to 150 in the base period and to 158 in the test period, calendar year 2017. Provide a detailed explanation for the headcount increasing from 122 in 2013 to 150 in the base period, an increase of 28, or 23 percent, over a period of less than 36 months.

Response:

- a. As explained in Columbia's response to AG 2-14 and AG 2-28, Columbia's headcount increase was primarily attributed to an increase in gas operations personnel. This increase in personnel was necessary to support additional gas operations requirements, enhanced operations qualifications (OQ) training, damage prevention initiatives, transfers to engineering and

construction in support of Columbia's capital programs, including accelerated mains replacement program (AMRP) and retiring employees.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

8. Refer to the response to Staff's Second Request. Item 8, Attachments A and B.
 - a. Confirm that the actual amounts shown in Attachment A for the months of September 2015 through February 2016 are the same amounts included in Attachment B in the base period for those same months.
 - b. Confirm that the actual amounts shown in Attachment A for the months of March 2016 through June 2016 are less, by \$13,500 to \$20,500, than the projected amounts shown in Attachment B for those same months.
 - c. Explain why the actual amounts for March through June of 2016 are consistently less than the projected amounts for those months by amounts equal to or greater than one-half the actual amounts.

Response:

a. The actual amounts shown in Staff 2-8 Attachment A for the months of September 2015 through February 2016 are the same amounts included in Staff 2-8 Attachment B in the base period for those same months.

b. The actual amounts shown in Staff 2-8 Attachment A for the months of March 2016 through June 2016 are less, by approximately \$13,500 to \$20,500, than the projected amounts shown in Staff 2-8 Attachment B for those same months.

c. Columbia's response to Staff Set 2 No. 008 is based on the cost of service study that is based on FERC account. As described in Columbia witness Noel's testimony, Columbia budgets by cost category and activity. These categories are internally developed and not based on FERC account. In actual, each cost category contains subsets of FERC account costs. To arrive at a FERC account budget for the cost of service requirement, Columbia takes the actual FERC account costs in correlation to the actual cost category for the most recent calendar year and, based on its weighted average, applies it accordingly to the budgeted cost category. Based on this method, if any cost category were to change from actual significantly (e.g. new initiatives included in a cost category), then all FERC accounts under that cost category would be allocated a portion of that increase. Therefore, Account 902 (Meter Reading Expense) in the cost of service may be

illustrating costs at a budget level greater than what will come through as actual cost. It is important to note that the contrary is true, in that other FERC accounts will actually be higher than the budgeted amounts based on how the allocation from cost category to FERC accounts was conducted. This is the primary variance driver shown between March through June actual amounts versus the base period amounts for those same months.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

9. Refer to the response to Staff's Second Request. Item 12. Explain the remedies available to Columbia under its current tariff to address the failure of DS customers to deliver gas to its system, and provide specific details regarding the actions taken by each Columbia affiliate that has made tariff revisions to deal with this issue.

Response:

Columbia's concerns with respect to the failure of a DS customer to deliver gas to its system falls under two specific categories: (a) failure to deliver during a Balancing Service Interruption ("BSI") driven by high customer demand and inadequate supply deliveries; and (b) the failure of a customer or their marketer to deliver gas supplies on a string of consecutive days to Columbia. Under item (a) Columbia's tariff provides for the ability to charge a customer a \$25 per Mcf fee on the difference between what is required for delivery under the BSI and the

volumes actually delivered or consumed¹ plus the payment of all other charges incurred by Columbia as a result of a customer noncompliance with the BSI. Under item (b) if the failure to deliver on a string of consecutive days occurs outside a period when Columbia has issued a BSI, Columbia has no recourse other than cash-out of the customer's bank at the end of the billing period where such an event would most notably be a case where the customer would owe Columbia for gas deliveries made by Columbia from gas supplies Columbia had procured for its sales customers. Such activity places Columbia and its sales customers at risk in event of a customer or marketer bankruptcy or market exit. To help mitigate this risk Columbia has proposed additional actions when a customer or its marketer fails to deliver gas to Columbia on five (5) consecutive days.

Local gas distribution affiliates of Columbia's located in Ohio and Pennsylvania have implemented equivalent tariff provisions to address this issue.

¹ For customers that have non-daily read meters the difference is equal to actual deliveries vs. required deliveries. For customers with daily read meters the difference is equal to actual deliveries less actual demand. In both circumstances Columbia provides a minimum 3% BSI delivery tolerance in calculating potential penalties.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

10. Refer to the response to Staff's Second Request, Item 13.a. Provide specific details regarding the magnitude of DS customers creating excess and insufficient imbalances on Columbia's system and the impact on Columbia and its other customers.

Response:

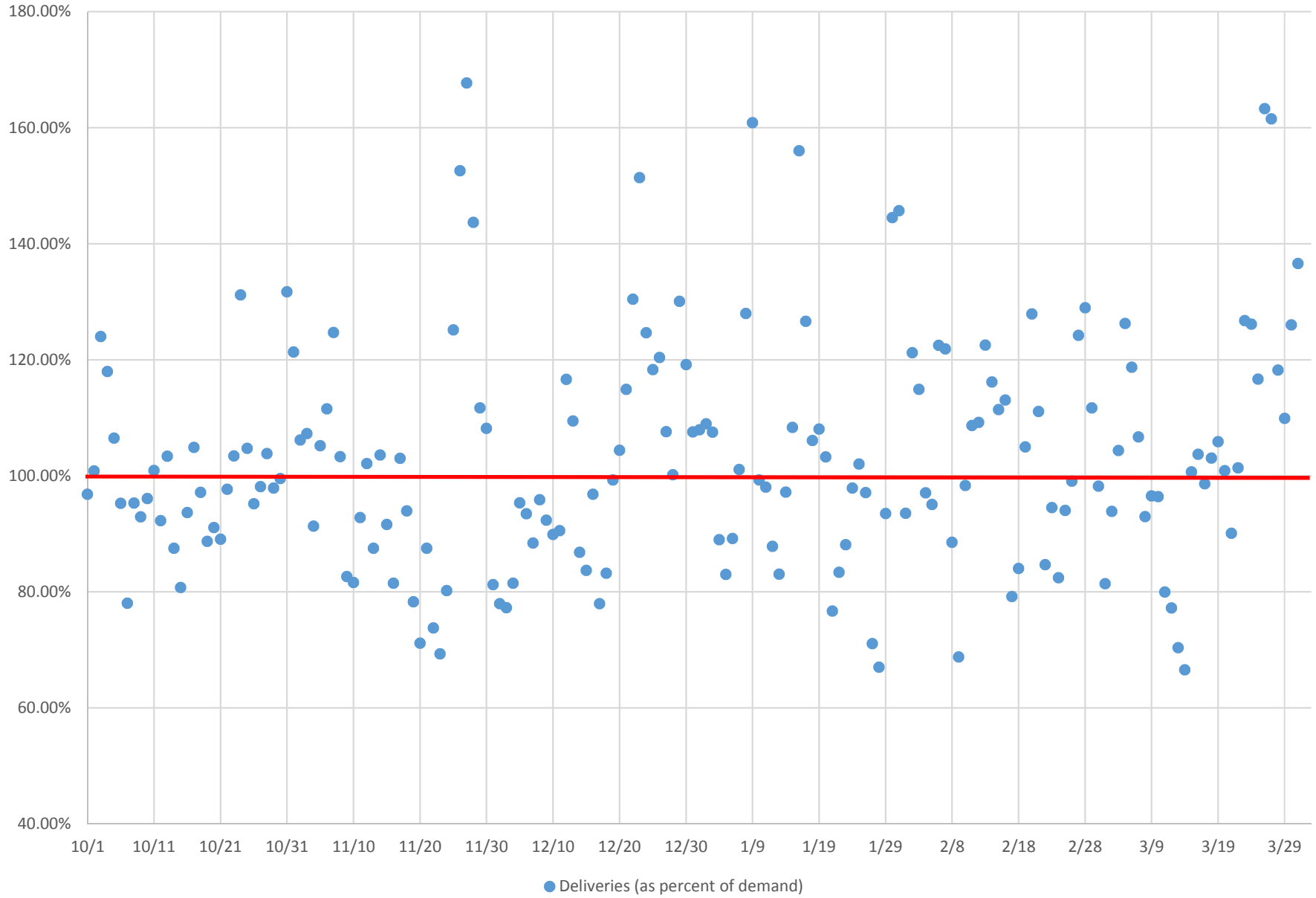
Please see Staff 3-10 Attachment A. This attachment provides a graphical presentation of the over-deliveries and under-deliveries made to Columbia by or on behalf of DS customers for the most recent winter season including October 2015. Any over or under-deliveries must be managed by Columbia through the management of its supply and capacity portfolio in accordance with the upstream pipeline tariffs. Over-deliveries, depending upon the day, will result in: (1) a reduction in Columbia's withdrawal of storage gas or (2) in the extreme may cause Columbia to inject gas supplies into storage potentially placing Columbia at risk of violating the limit on the injection rights, daily and/or monthly, under its contracted storage service. Under-deliveries, depending upon the day, will result

in: (1) a reduction in Columbia's injection of storage gas or (2) an increase in the withdrawal of storage gas, which in the extreme or under extreme weather conditions, may place Columbia at risk of exceeding its contractual rights to withdraw gas from storage.

The impacts upon Columbia and its customers can vary significantly. One of the constant impacts upon Columbia is the need to monitor daily the levels of the DS supply because of the significant daily variances that can occur relative to DS customer demand and the resulting impacts on Columbia's supply and capacity portfolio. In the extremes, the DS customer supply/demand imbalances can cause Columbia to incur overrun charges and be exposed to pipeline penalty costs for exceeding its contractual rights, whether injection or withdrawal, or force Columbia into adjusting its purchase plan. Additional potential impacts include the need to manage supply purchases to meet specific storage inventory levels established in the pipeline tariffs. For example, Columbia Gas Transmission, LLC ("TCO") has a storage tariff provision that requires Columbia reduce its storage inventory to no more than 25% of its Seasonal Contract Quantity by April 1st of each year. During warmer than normal winters reaching this level can be challenging and can be aggravated by over-deliveries by DS customers. Conversely, TCO's storage tariffs place limitations on the percentage of storage

that can be withdrawn each month of the winter season and DS customer under-deliveries can aggravate Columbia's adherence to these tariff provisions.

Confirmed Deliveries as Percentage of Demand



Winter 2015/16 Date	Net Nomination	Consumption	Net Bank	Net Over/Under as % of Demand
10/1	54,822	56,623	(1,801)	96.82%
10/2	54,635	54,188	447	100.82%
10/3	54,635	44,066	10,569	123.98%
10/4	54,635	46,309	8,326	117.98%
10/5	53,546	50,281	3,265	106.49%
10/6	44,730	46,960	(2,230)	95.25%
10/7	44,731	57,333	(12,602)	78.02%
10/8	48,751	51,146	(2,395)	95.32%
10/9	48,751	52,464	(3,713)	92.92%
10/10	48,553	50,531	(1,978)	96.09%
10/11	48,553	48,112	441	100.92%
10/12	48,553	52,618	(4,065)	92.27%
10/13	53,568	51,818	1,750	103.38%
10/14	49,647	56,721	(7,074)	87.53%
10/15	53,409	66,140	(12,731)	80.75%
10/16	58,266	62,218	(3,952)	93.65%
10/17	58,168	55,453	2,715	104.90%
10/18	58,168	59,875	(1,707)	97.15%
10/19	58,168	65,581	(7,413)	88.70%
10/20	58,089	63,772	(5,683)	91.09%
10/21	58,919	66,162	(7,243)	89.05%
10/22	50,890	52,101	(1,211)	97.68%
10/23	58,677	56,739	1,938	103.42%
10/24	60,035	45,769	14,266	131.17%
10/25	60,035	57,326	2,709	104.73%
10/26	60,035	63,075	(3,040)	95.18%
10/27	59,867	60,997	(1,130)	98.15%
10/28	58,311	56,157	2,154	103.84%
10/29	58,731	59,993	(1,262)	97.90%
10/30	60,553	60,836	(283)	99.53%
10/31	60,462	45,900	14,562	131.73%
11/1	63,717	52,519	11,198	121.32%
11/2	63,717	60,016	3,701	106.17%
11/3	58,986	54,982	4,004	107.28%
11/4	53,937	59,074	(5,137)	91.30%
11/5	54,086	51,420	2,666	105.18%
11/6	54,153	48,548	5,605	111.55%
11/7	54,153	43,423	10,730	124.71%
11/8	54,153	52,419	1,734	103.31%

11/9	54,153	65,543	(11,390)	82.62%
11/10	48,417	59,338	(10,921)	81.60%
11/11	53,845	58,027	(4,182)	92.79%
11/12	58,999	57,774	1,225	102.12%
11/13	53,935	61,636	(7,701)	87.51%
11/14	53,982	52,114	1,868	103.58%
11/15	53,982	58,918	(4,936)	91.62%
11/16	54,434	66,789	(12,355)	81.50%
11/17	64,698	62,821	1,877	102.99%
11/18	59,454	63,293	(3,839)	93.93%
11/19	56,239	71,845	(15,606)	78.28%
11/20	53,986	75,863	(21,877)	71.16%
11/21	56,328	64,379	(8,051)	87.49%
11/22	56,328	76,345	(20,017)	73.78%
11/23	61,184	88,292	(27,108)	69.30%
11/24	64,067	79,867	(15,800)	80.22%
11/25	73,319	58,585	14,734	125.15%
11/26	67,444	44,206	23,238	152.57%
11/27	67,444	40,218	27,226	167.70%
11/28	68,300	47,535	20,765	143.68%
11/29	68,297	61,140	7,157	111.71%
11/30	68,327	63,162	5,165	108.18%
12/1	54,462	67,026	(12,564)	81.26%
12/2	59,134	75,863	(16,729)	77.95%
12/3	63,990	82,806	(18,816)	77.28%
12/4	63,693	78,171	(14,478)	81.48%
12/5	63,693	66,795	(3,102)	95.36%
12/6	63,693	68,159	(4,466)	93.45%
12/7	63,693	72,035	(8,342)	88.42%
12/8	68,601	71,544	(2,943)	95.89%
12/9	61,743	66,850	(5,107)	92.36%
12/10	56,887	63,279	(6,392)	89.90%
12/11	53,635	59,244	(5,609)	90.53%
12/12	53,951	46,271	7,680	116.60%
12/13	53,951	49,293	4,658	109.45%
12/14	53,951	62,161	(8,210)	86.79%
12/15	63,369	75,711	(12,342)	83.70%
12/16	64,821	66,955	(2,134)	96.81%
12/17	63,921	81,987	(18,066)	77.96%
12/18	63,938	76,848	(12,910)	83.20%
12/19	63,564	64,037	(473)	99.26%
12/20	63,564	60,883	2,681	104.40%
12/21	63,564	55,325	8,239	114.89%
12/22	64,274	49,277	14,997	130.43%
12/23	65,009	42,948	22,061	151.37%
12/24	53,096	42,593	10,503	124.66%
12/25	53,081	44,866	8,215	118.31%

12/26	52,782	43,842	8,940	120.39%
12/27	53,002	49,253	3,749	107.61%
12/28	56,137	56,027	110	100.20%
12/29	61,250	47,090	14,160	130.07%
12/30	62,786	52,699	10,087	119.14%
12/31	62,758	58,353	4,405	107.55%
1/1	68,722	63,666	5,056	107.94%
1/2	68,722	63,075	5,647	108.95%
1/3	68,722	63,906	4,816	107.54%
1/4	68,722	77,229	(8,507)	88.98%
1/5	68,847	82,940	(14,093)	83.01%
1/6	68,772	77,122	(8,350)	89.17%
1/7	68,818	68,074	744	101.09%
1/8	67,996	53,124	14,872	127.99%
1/9	69,061	42,937	26,124	160.84%
1/10	69,061	69,575	(514)	99.26%
1/11	69,061	70,435	(1,374)	98.05%
1/12	68,876	78,422	(9,546)	87.83%
1/13	63,921	76,987	(13,066)	83.03%
1/14	55,728	57,332	(1,604)	97.20%
1/15	58,598	54,091	4,507	108.33%
1/16	79,423	50,904	28,519	156.03%
1/17	82,784	65,387	17,397	126.61%
1/18	82,704	77,963	4,741	106.08%
1/19	83,352	77,144	6,208	108.05%
1/20	79,343	76,852	2,491	103.24%
1/21	62,562	81,600	(19,038)	76.67%
1/22	60,330	72,384	(12,054)	83.35%
1/23	60,439	68,590	(8,151)	88.12%
1/24	60,439	61,754	(1,315)	97.87%
1/25	60,439	59,237	1,202	102.03%
1/26	64,919	66,856	(1,937)	97.10%
1/27	49,080	69,079	(19,999)	71.05%
1/28	47,485	70,873	(23,388)	67.00%
1/29	58,837	62,919	(4,082)	93.51%
1/30	60,001	41,526	18,475	144.49%
1/31	60,452	41,494	18,958	145.69%
2/1	57,297	61,257	(3,960)	93.54%
2/2	57,149	47,151	9,998	121.20%
2/3	62,006	53,971	8,035	114.89%
2/4	62,004	63,888	(1,884)	97.05%
2/5	54,138	56,958	(2,820)	95.05%
2/6	59,277	48,405	10,872	122.46%
2/7	59,277	48,642	10,635	121.86%
2/8	59,277	66,953	(7,676)	88.54%
2/9	53,469	77,757	(24,288)	68.76%
2/10	83,807	85,217	(1,410)	98.35%

2/11	95,296	87,683	7,613	108.68%
2/12	95,078	87,057	8,021	109.21%
2/13	96,780	79,000	17,780	122.51%
2/14	96,780	83,310	13,470	116.17%
2/15	96,780	86,879	9,901	111.40%
2/16	96,781	85,610	11,171	113.05%
2/17	62,461	78,882	(16,421)	79.18%
2/18	58,756	69,937	(11,181)	84.01%
2/19	56,517	53,837	2,680	104.98%
2/20	56,607	44,258	12,349	127.90%
2/21	56,607	50,958	5,649	111.09%
2/22	56,736	66,996	(10,260)	84.69%
2/23	56,532	59,811	(3,279)	94.52%
2/24	56,285	68,287	(12,002)	82.42%
2/25	69,384	73,777	(4,393)	94.05%
2/26	69,938	70,591	(653)	99.07%
2/27	71,092	57,230	13,862	124.22%
2/28	70,579	54,728	15,851	128.96%
2/29	70,581	63,180	7,401	111.71%
3/1	65,753	66,954	(1,201)	98.21%
3/2	59,721	73,378	(13,657)	81.39%
3/3	65,646	69,938	(4,292)	93.86%
3/4	65,646	62,909	2,737	104.35%
3/5	65,646	51,994	13,652	126.26%
3/6	65,646	55,306	10,340	118.70%
3/7	65,646	61,527	4,119	106.69%
3/8	57,375	61,722	(4,347)	92.96%
3/9	58,328	60,419	(2,091)	96.54%
3/10	58,147	60,315	(2,168)	96.41%
3/11	46,804	58,543	(11,739)	79.95%
3/12	38,466	49,815	(11,349)	77.22%
3/13	38,467	54,668	(16,201)	70.36%
3/14	39,122	58,788	(19,666)	66.55%
3/15	56,568	56,193	375	100.67%
3/16	60,124	57,987	2,137	103.69%
3/17	60,124	60,964	(840)	98.62%
3/18	59,916	58,135	1,781	103.06%
3/19	61,746	58,321	3,425	105.87%
3/20	61,746	61,213	533	100.87%
3/21	61,746	68,540	(6,794)	90.09%
3/22	60,935	60,118	817	101.36%
3/23	63,951	50,458	13,493	126.74%
3/24	63,010	49,952	13,058	126.14%
3/25	60,965	52,251	8,714	116.68%
3/26	60,965	37,337	23,628	163.28%
3/27	60,965	37,743	23,222	161.53%
3/28	60,964	51,575	9,389	118.20%

3/29	58,037	52,814	5,223	109.89%
3/30	60,899	48,334	12,565	126.00%
3/31	60,984	44,645	16,339	136.60%

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

11. Refer to the response to Staff's Second Request. Item 16. State whether any other NiSource subsidiary company recovers the cost of replacing failed meter families through a tracker, as proposed by Columbia, rather than through base rates.

Response:

No other NiSource subsidiary recovers failed meter families through a tracker; however, none of the other companies has a testing program as stringent as Columbia's, using the military standards for meter sampling. As a result, Columbia is more likely to be required to replace a larger number of meter in a shorter period of time than would be required by the testing programs of any of the other NiSource subsidiary companies.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

12. Refer to the response to Staff's Second Request, Item 18. State whether Columbia would be willing to consider changing its AMRP filing schedule so that it files one application per year to both establish future AMRP investment for recovery and reconcile past under/over collections of AMRP investment. For example, pursuant to Commission Order in Case No. 2015-00210¹, Duke Energy Kentucky files its Accelerated Service Replacement Program projections for the following calendar year annually by July 1, including a reconciliation of actual and projected cost, taking into account actual revenue recovered through the surcharge during the previous calendar year. Rates become effective January 1 following the July 1 application.

¹ Case No. 2015-00210. *Application of Duke Energy Kentucky, Inc. for a Certificate of Public Convenience and Necessity Authorizing the Implementation of an Accelerated Service Line Replacement Program, Approval of Ownership of Service Lines, and a Gas Pipeline Replacement Surcharge* (Ky. PSC Feb. 2, 2016).

Response:

Columbia is willing to consider filing only one application per year to establish both future recovery and reconcile past collections, however, the timing of such a filing is challenging in July. Columbia's normal capital budgeting cycle closes in the fourth quarter. Columbia's approved filing schedule better coincides with its budgeting process. The current schedule was chosen to try to align to the capital budgeting process and therefore provide a more accurate forecast and curtail the fluctuation in amounts to be included in the reconciliation filings.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

13. Refer to the response to Staff's Second Request, Item 20. Explain what has changed since the referenced response in Case No. 2013-00167 with regard to Columbia's intention to provide disclosure statements and promote greater awareness of the Choice program².

Response:

The disclosure statements under consideration at the time of the response filed in Case No. 2013-00167 were intended to be provided by the individual CHOICE marketers, each to its respective customers as a direct communication between the two. The information was to be specific to each Columbia customer. The idea was suggested, but continuation of the CHOICE program was approved in Case No. 2013-00167 without the addition of any such requirement.

² Case No. 2013-00167, Application of Columbia Gas of Kentucky, Inc. for an Adjustment of Rates for Gas Service (Ky. PSC Dec. 13. 2013).

Columbia is not aware that any of the CHOICE marketers have provided the notice referenced in the data request.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

14. Refer to the response to Staff's Second Request, Item 25.
- a. Confirm that, if the new training facility is not constructed in Kentucky, employees would have to travel instead to facilities like the one being built in Gahanna, Ohio, or the just opened facility near Pittsburgh, Pennsylvania.
 - b. Explain where new or current employees currently must travel for various training needs, such as Advanced Workforce Training.
 - c. Explain which of the travel expenses listed on Attachment A are currently included in base rates.
 - d. Explain whether Columbia identifies a portion of company labor and employee benefits as part of travel expenses in base rates.

Response:

- a. Yes, the majority of training for new employees and current employees will be provided for Columbia employees in Gahanna, Ohio, once

constructed or in Monaca, Pennsylvania if Columbia's new training facility is not constructed in Kentucky.

b. The majority of Columbia's current training for new and current employees has been held at Columbia's Lexington facility. However, as the new training curriculum is implemented, the office environment does not have the capability to offer the Advanced Workforce Training.

c. All costs shown as "Less: Historical Travel Cost assumption" on Staff 2-25 Attachment A are presumed by Columbia as currently included in base rates.

d. Columbia does identify a portion of company labor as part of travel expenses in base rates as shown on Staff 2-25 Attachment A on the lines identified as "Less: Historical Travel Cost assumption". The hourly rate used also includes employee benefits and overheads.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

15. Refer to the response to Staffs Second Request, Item 27.
- a. Provide a breakdown by year indicating the mileage of cast and wrought iron planned to be replaced.
 - b. Explain how the timetable was determined for replacement of the entire 15 miles of cast and wrought iron.

Response:

- a. Columbia does not have a complete breakdown by year for the replacement of the 15 miles of cast and wrought iron pipe; however, Columbia will retire approximately 2.8 miles of cast iron in 2016 and plans to retire 2.3 miles of cast iron in 2017. Based on Columbia's rate of retirement of cast iron since 2012, Columbia is on track to retire the entire inventory by December 31, 2022.
- b. In 2012 Columbia's management established an internal goal of 10 years for the retirement of the entire inventory of cast iron pipe after considering

recommendations indicated in a PHMSA Supplementary Advisory Bulletin and Columbia's leakage history/failure rate on cast iron pipe.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

16. Refer to the response to Staff's Second Request, Item 29, Columbia states, "Generally speaking, the projected O&M costs related to GPS will be held in account 923, outside services. The entire amount is incremental. It is not included in the base or forecasted periods."

a. Confirm that the projected operation and maintenance ("O&M") costs related to GPS are included in Account 923 — Outside Service Employed.

b. Explain whether the O&M costs related to GPS should be charged to Account 923 — Outside Service Employed, which is an Administrative and General ("A&G") Expense, or to Account 874 — Mains and Services Expenses and/or Account 887 — Maintenance of Mains, which are Distribution Expenses.

c. If the O&M costs should be charged to Accounts 874 and 887, provide the percentage split between the two accounts, any impact to the cost of service allocation of the projected O&M costs between customer classes, and an

updated Cost of Service Study in electronic Excel spreadsheet format, with formulas intact and cells unprotected.

Response:

a. The projected costs associated with GPS and represented in Schedule D-2.4 are included in Account 923.

b. Upon further review Columbia agrees that these costs should be moved out of Account 923 and into Account 874. GPS expense is an operating expense versus a maintenance expense, as such, Columbia believes the entire amount should be booked to Account 874, which includes both mains and service lines.

c. Please see Staff 3-16 Attachments A, B and C, filed in this docket as CKY_R_PSCDR3_NUM16_ATT_A_081916.xlsx, CKY_R_PSCDR3_NUM16_ATT_B_081916.xlsx, and CKY_R_PSCDR3_NUM16_ATT_C_081916.xlsx, for the updated Customer-Demand, Demand-Commodity and Average Cost of Service studies, respectively. Note that the changes in cost allocation among the classes are relatively immaterial. The table below summarizes the impact to class returns at current rates after the reclassification of GPS expenses from Account 923 to Account 874.

	<u>GS-RESIDENTIAL</u>	<u>GS-OTHER</u>	<u>IUS</u>	<u>DS-ML</u>	<u>DS/IS</u>
CD Study as Filed (1)	-1.04%	11.25%	13.32%	52.38%	12.73%
Attachment A Staff 3-16	<u>-1.04%</u>	<u>11.26%</u>	<u>13.30%</u>	<u>52.68%</u>	<u>12.65%</u>
Difference	0.00%	0.01%	-0.02%	0.30%	-0.08%
DC Study as Filed (2)	2.22%	6.71%	4.13%	52.48%	-3.33%
Attachment B Staff 3-16	<u>2.27%</u>	<u>6.69%</u>	<u>4.06%</u>	<u>52.79%</u>	<u>-3.46%</u>
Difference	0.05%	-0.02%	-0.07%	0.31%	-0.13%
AVG Study as Filed (3)	0.34%	8.70%	7.50%	52.45%	0.44%
Attachment C Staff 3-16	<u>0.36%</u>	<u>8.70%</u>	<u>7.41%</u>	<u>52.74%</u>	<u>0.33%</u>
Difference	0.02%	0.00%	-0.09%	0.29%	-0.11%

(1) Attachment CEN-1

(2) Attachment CEN-2

(3) Attachment CEN-3

COLUMBIA GAS OF KENTUCKY, INC.

TABLE OF CONTENTS

STUDY: ATTACHMENT CEN-1
CASE NO.: 2016 - 00162
WITNESS: C. NOTESTONE
STUDY TYPE: FORECASTED TEST YEAR - ORIGINAL FILING
ALLOCATION BASIS: CUSTOMER-DEMAND
TEST YEAR: 12/31/2017
RATE BASE: 12/31/17

TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND	
<u>SUMMARY</u>	<u>CLASSIFICATION</u>	<u>ALLOCATION</u>	<u>ALLOCATION</u>	<u>ALLOCATION</u>
PAGE	PAGE	PAGE	PAGE	PAGE
1	26	52	78	104
2	27	53	79	105
3	28	54	80	106
4	29	55	81	107
5	30	56	82	108
6	31	57	83	109
7	32	58	84	110
8	33	59	85	111
9	34	60	86	112
10	35	61	87	113
11	36	62	88	114
12	37	63	89	115
13	38	64	90	116
14	39	65	91	117
15	40	66	92	118
16	41	67	93	119
17	42	68	94	120
18	43	69	95	121
19	44	70	96	122
20	45	71	97	123
21	46	72	98	124
22	47	73	99	125
23	48	74	100	126
24	49	75	101	127
25	50	76	102	128
N/A	51	77	103	129

RATE OF RETURN - PROFORMA @ PROPOSED RATES
RATE OF RETURN - PROFORMA @ AUTHORIZED RETURN
DEVELOPMENT OF PROFORMA ADJUSTMENTS
RATE OF RETURN BY CLASS @ CURRENT RATES
GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. (ACCTS 101,106)
GROSS DIST. & GENERAL PLANT ALLOCATION (ACCTS 101,106)
GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. RESERVE
GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. RESERVE
GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. EXPENSE
GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. EXPENSE
OPERATING REVENUE @ CURRENT RATES
PRODUCTION EXPENSE ALLOCATION
DISTRIBUTION O & M EXPENSE ALLOCATION - LABOR
CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - LABOR
SALES AND A & G EXPENSE ALLOCATION - LABOR
DISTRIBUTION O & M EXPENSE ALLOCATION - M & E
CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - M & E
SALES AND A & G EXPENSE ALLOCATION - M & E
OPERATION & MAINTENANCE EXPENSE SUMMARY
TAXES OTHER THAN INCOME
KENTUCKY STATE INCOME TAX - CURRENT
KENTUCKY STATE INCOME TAX - DEFERRED
FEDERAL INCOME TAX - CURRENT
FEDERAL INCOME TAX - DEFERRED
WORKING CAPITAL/RATE BASE SUMMARY
ALLOCATION FACTORS

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED REVENUE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 1 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0	
2	PROPOSED INCREASE		<u>25,408,373</u>	<u>16,471,876</u>	<u>6,826,911</u>	<u>8,147</u>	<u>2</u>	<u>2,101,436</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		118,090,539	76,151,700	33,512,196	56,228	481,737	7,888,678	0	0	
4	COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0	
5	OPERATING & MAINTENANCE EXPENSE		45,377,931	35,818,154	7,510,642	6,110	58,070	1,984,955	0	0	
6	DEPRECIATION & AMORTIZATION		15,939,780	12,623,709	2,495,022	1,985	17,840	801,224	0	0	
7	FEDERAL INCOME TAX		7,781,830	1,872,225	4,412,318	6,407	119,288	1,371,592	0	0	
8	KENTUCKY STATE INCOME TAX		1,416,521	322,695	816,420	1,188	22,394	253,825	0	0	
9	TAXES OTHER THAN INCOME		<u>4,790,879</u>	<u>3,701,114</u>	<u>799,227</u>	<u>754</u>	<u>8,568</u>	<u>281,216</u>	<u>0</u>	<u>0</u>	
10	TOTAL EXPENSES & TAXES		96,782,891	68,144,992	23,677,476	41,452	226,160	4,692,812	0	0	
11	OPERATING INCOME		21,307,648	8,006,708	9,834,720	14,775	255,578	3,195,866	0	0	
12	INTEREST EXPENSE		<u>6,688,725</u>	<u>4,933,601</u>	<u>1,338,282</u>	<u>1,956</u>	<u>12,809</u>	<u>402,077</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		14,618,923	3,073,107	8,496,438	12,819	242,769	2,793,789	0	0	
14	RATE BASE		253,360,781	186,878,842	50,692,501	74,101	485,176	15,230,192	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	4.28%	19.40%	19.94%	52.68%	20.98%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	0.51	2.31	2.37	6.26	2.49	0.00	0.00	

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 2 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		118,090,544	88,912,113	24,290,895	42,087	126,266	4,719,171	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		45,377,931	35,960,232	7,407,969	5,953	54,112	1,949,665	0	0
4		DEPRECIATION & AMORTIZATION		15,939,787	12,623,709	2,495,022	1,985	17,840	801,224	0	0
5		FEDERAL INCOME TAX		7,781,827	6,023,657	1,412,289	1,806	3,640	340,435	0	0
6		KENTUCKY STATE INCOME TAX		1,416,520	1,079,795	269,302	349	1,303	65,772	0	0
7		TAXES OTHER THAN INCOME		<u>4,790,879</u>	<u>3,701,114</u>	<u>799,227</u>	<u>754</u>	<u>8,568</u>	<u>281,216</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		96,782,894	73,195,602	20,027,656	35,855	85,463	3,438,312	0	0
9		OPERATING INCOME		21,307,650	15,716,511	4,263,239	6,232	40,803	1,280,859	0	0
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>4,933,601</u>	<u>1,338,282</u>	<u>1,956</u>	<u>12,809</u>	<u>402,077</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,925	10,782,910	2,924,957	4,276	27,994	878,782	0	0
12		RATE BASE		253,360,781	186,878,842	50,692,501	74,101	485,176	15,230,192	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 3 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total Company (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		25,408,378	29,232,288	(2,394,390)	(5,993)	(355,469)	(1,068,071)	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	269,910	(22,108)	(55)	(3,282)	(9,862)	0	0
4	LESS: PSC FEES @ 0.00190100		<u>48,302</u>	<u>55,571</u>	<u>(4,552)</u>	<u>(11)</u>	<u>(676)</u>	<u>(2,030)</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,473	28,906,807	(2,367,730)	(5,927)	(351,511)	(1,056,179)	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>1,734,408</u>	<u>(142,064)</u>	<u>(356)</u>	<u>(21,091)</u>	<u>(63,371)</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,945	27,172,399	(2,225,666)	(5,571)	(330,420)	(992,808)	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,277</u>	<u>9,510,340</u>	<u>(778,983)</u>	<u>(1,950)</u>	<u>(115,647)</u>	<u>(347,483)</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		15,351,668	17,662,059	(1,446,683)	(3,621)	(214,773)	(645,325)	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 4 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		45,095,029	35,634,751	7,434,629	6,019	58,070	1,961,557	0	0
4		DEPRECIATION & AMORTIZATION [3]		15,939,787	12,623,709	2,495,022	1,985	17,840	801,224	0	0
5		FEDERAL INCOME TAX [4]		(484,451)	(3,486,683)	2,191,272	3,756	119,287	687,918	0	0
6		KENTUCKY STATE INCOME TAX [5]		(91,006)	(654,613)	411,366	705	22,394	129,143	0	0
7		TAXES OTHER THAN INCOME [6]		<u>4,790,881</u>	<u>3,701,114</u>	<u>799,227</u>	<u>754</u>	<u>8,568</u>	<u>281,216</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		86,726,189	61,625,373	20,975,363	38,227	226,159	3,861,058	0	0
9		OPERATING INCOME		5,955,978	(1,945,549)	5,709,922	9,853	255,576	1,926,184	0	0
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>4,933,601</u>	<u>1,338,282</u>	<u>1,956</u>	<u>12,809</u>	<u>402,077</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(6,879,150)	4,371,640	7,897	242,767	1,524,107	0	0
12		RATE BASE [8]		253,360,781	186,878,842	50,692,501	74,101	485,176	15,230,192	0	0
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	-1.04%	11.26%	13.30%	52.68%	12.65%	0.00%	0.00%
14		UNITIZED RETURN		1.00	(0.44)	4.79	5.66	22.42	5.38	0.00	0.00

REFERENCES: [1] PAGE 11, [2] PAGE 19, [3] PAGE 10, [4] PAGE 24, [5] PAGE 22, [6] PAGE 20, [7] PAGE 23, [8] PAGE 25.

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PRODUCTION, & DIST. PLANT ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 5 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
	INTANGIBLE PLANT										
2	301.00	ORGANIZATION	521	404	84	0	1	32	0	0	
3	303.00	MISC. INTANGIBLE PLANT	74,348	57,613	12,032	12	134	4,558	0	0	
4	303.10	DIS SOFTWARE	0	0	0	0	0	0	0	0	
5	303.20	FARA SOFTWARE	0	0	0	0	0	0	0	0	
6	303.30	OTHER SOFTWARE	<u>8,341,319</u>	<u>6,463,732</u>	<u>1,349,907</u>	<u>1,338</u>	<u>15,006</u>	<u>511,335</u>	<u>0</u>	<u>0</u>	
7		TOTAL INTANGIBLE PLANT	8,416,188	6,521,749	1,362,023	1,350	15,141	515,925	0	0	
8		PRODUCTION PLANT									
9	304.10	LAND	0	0	0	0	0	0	0	0	
10	305.00	STRUCTURES & IMPROVEMENTS	0	0	0	0	0	0	0	0	
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
12		TOTAL PRODUCTION PLANT	0	0	0	0	0	0	0	0	
13		DISTRIBUTION PLANT									
14	374.10	LAND - CITY GATE & M/L IND M&R	206	152	34	0	0	20	0	0	
15	374.20	LAND - OTHER DISTRIBUTION	877,756	647,723	146,945	211	0	82,877	0	0	
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	661,306	487,998	110,709	159	0	62,440	0	0	
17	374.50	RIGHTS OF WAY	2,729,828	2,014,422	457,001	655	0	257,751	0	0	
18	375.20	CITY GATE - MEAS & REG STRUCTURES	2,125	1,568	356	0	0	201	0	0	
19	375.30	STRUC & IMPROV-GENERAL M&R	0	0	0	0	0	0	0	0	
20	375.40	STRUC & IMPROV-REGULATING	2,176,686	1,606,243	364,399	523	0	205,523	0	0	
21	375.40	DIRECT STRUC & IMPROV-REGULATING	46,211	0	0	0	46,211	0	0	0	
22	375.60	STRUC & IMPROV-DIST. IND. M & R	0	0	0	0	0	0	0	0	
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	8,761,416	6,789,268	1,417,892	1,406	15,762	537,087	0	0	
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	259,809	201,328	42,046	42	468	15,927	0	0	
25	375.80	STRUC & IMPROV-COMMUNICATION	0	0	0	0	0	0	0	0	
26	376.00	MAINS	221,300,854	163,304,540	37,047,976	53,112	0	20,895,227	0	0	
27	376.00	DIRECT MAINS	11,682	0	0	0	11,682	0	0	0	
28	378.10	M & R GENERAL	518,504	382,620	86,803	125	0	48,957	0	0	
29	378.20	M & R GENERAL - REGULATING	9,175,090	6,770,575	1,536,002	2,202	0	866,312	0	0	
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	45,443	33,534	7,608	11	0	4,290	0	0	
31	379.10	STA EQUIP - CITY	254,901	188,100	42,673	62	0	24,068	0	0	
32	380.00	SERVICES	127,467,343	112,461,887	14,554,221	1,275	0	449,960	0	0	

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 6 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT		ALLOC	TOTAL							
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS		22,789,579	16,395,279	6,292,659	2,963	0	98,679	0	0
3	382.00	METER INSTALLATIONS		9,462,175	6,807,278	2,612,696	1,230	0	40,971	0	0
4	383.00	HOUSE REGULATORS		5,770,311	4,151,277	1,593,298	750	0	24,985	0	0
5	384.00	HOUSE REG INSTALLATIONS		2,257,522	1,624,106	623,347	293	0	9,775	0	0
6	385.00	IND M&R EQUIPMENT		2,697,547	0	700,742	782	0	1,996,050	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		677,829	0	0	0	677,829	0	0	0
8	387.20	ODORIZATION		0	0	0	0	0	0	0	0
9	387.41	TELEPHONE		735,771	570,153	119,073	118	1,324	45,104	0	0
10	387.42	RADIO		795,187	616,195	128,688	128	1,431	48,746	0	0
11	387.44	OTHER COMMUNICATION		133,590	103,520	21,620	22	241	8,190	0	0
12	387.45	TELEMETERING		3,779,585	2,928,821	611,664	607	6,800	231,694	0	0
13	387.46	CIS		<u>113,644</u>	<u>88,064</u>	<u>18,392</u>	<u>19</u>	<u>205</u>	<u>6,966</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		423,501,900	328,174,651	68,536,844	66,695	761,953	25,961,800	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC		735,278	569,771	118,993	118	1,323	45,074	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND		18,816	14,581	3,045	3	34	1,153	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM		1,257,641	974,553	203,529	202	2,263	77,095	0	0
19	392.20	TR EQ - TRAILER > \$1,000		95,778	74,219	15,500	16	173	5,871	0	0
20	392.21	TR EQ - TRAILER < \$1,000		24,462	18,956	3,959	4	44	1,499	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		24,241	18,785	3,923	4	43	1,486	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP		0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT		0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT		0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT		3,259,030	2,525,440	527,421	523	5,863	199,783	0	0
26	395.00	LABORATORY EQUIPMENT		9,258	7,174	1,498	1	16	568	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS		253,135	196,156	40,966	40	455	15,518	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING		0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT		<u>294,060</u>	<u>227,868</u>	<u>47,588</u>	<u>47</u>	<u>529</u>	<u>18,026</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>5,971,699</u>	<u>4,627,503</u>	<u>966,422</u>	<u>958</u>	<u>10,743</u>	<u>366,073</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		437,889,787	339,323,903	70,865,289	69,003	787,837	26,843,798	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 8 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS		6,025,045	4,334,538	1,663,635	783	0	26,088	0	0
2	382.00	METER INSTALLATIONS		4,714,156	3,391,458	1,301,673	613	0	20,412	0	0
3	383.00	HOUSE REGULATORS		1,568,587	1,128,473	433,118	204	0	6,792	0	0
4	384.00	HOUSE REG INSTALLATIONS		1,780,729	1,281,092	491,695	231	0	7,711	0	0
5	385.00	IND M&R EQUIPMENT		823,118	0	213,821	239	0	609,066	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		133,766	0	0	0	133,766	0	0	0
7	387.20	ODORIZATION		(59,912)	(46,426)	(9,696)	(10)	(108)	(3,673)	0	0
8	387.41	TELEPHONE		399,816	309,819	64,704	65	720	24,509	0	0
9	387.42	RADIO		567,414	439,692	91,827	91	1,021	34,784	0	0
10	387.44	OTHER COMMUNICATION		50,650	39,249	8,197	8	91	3,105	0	0
11	387.45	TELEMETERING		529,513	410,323	85,693	85	953	32,460	0	0
12	387.46	CIS		<u>114,357</u>	<u>88,615</u>	<u>18,507</u>	<u>19</u>	<u>206</u>	<u>7,010</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		145,887,056	115,687,706	22,725,789	19,010	154,801	7,299,762	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC		(33,247)	(25,763)	(5,380)	(6)	(60)	(2,038)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND		(11,355)	(8,799)	(1,838)	(2)	(21)	(696)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM		750,133	581,282	121,397	121	1,350	45,984	0	0
18	392.20	TR EQ - TRAILER > \$1,000		27,035	20,950	4,376	4	48	1,657	0	0
19	392.21	TR EQ - TRAILER < \$1,000		6,309	4,888	1,021	1	11	387	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		15,095	11,697	2,443	3	27	926	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP		37,937	29,398	6,140	6	68	2,326	0	0
22	393.00	STORES EQUIPMENT		0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT		185	143	30	0	0	12	0	0
24	394.30	TOOLS & OTHER EQUIPMENT		1,333,005	1,032,952	215,725	213	2,398	81,715	0	0
25	395.00	LABORATORY EQUIPMENT		7,764	6,017	1,257	1	14	476	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS		202,598	156,994	32,787	33	365	12,419	0	0
27		RETIREMENT WORK IN PROGRESS		0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT		12,094	<u>9,372</u>	<u>1,957</u>	<u>2</u>	<u>22</u>	<u>742</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>2,347,553</u>	<u>1,819,131</u>	<u>379,915</u>	<u>376</u>	<u>4,222</u>	<u>143,910</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		151,708,251	120,198,581	23,667,857	19,942	165,272	7,656,611	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 10 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS		1,172,264	843,350	323,686	152	0	5,076	0	0
2	382.00	METER INSTALLATIONS		230,831	166,064	63,737	30	0	999	0	0
3	383.00	HOUSE REGULATORS		157,520	113,323	43,494	20	0	682	0	0
4	384.00	HOUSE REG INSTALLATIONS		22,800	16,403	6,296	3	0	99	0	0
5	385.00	IND M&R EQUIPMENT		158,316	0	41,126	46	0	117,146	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		13,065	0	0	0	13,065	0	0	0
7	387.20	ODORIZATION		0	0	0	0	0	0	0	0
8	387.41	TELEPHONE		27,516	21,322	4,453	4	49	1,686	0	0
9	387.42	RADIO		29,736	23,043	4,812	4	53	1,823	0	0
10	387.44	OTHER COMMUNICATION		4,992	3,868	808	1	9	306	0	0
11	387.45	TELEMETERING		140,832	109,131	22,792	23	253	8,633	0	0
12	387.46	CIS		<u>4,248</u>	<u>3,292</u>	<u>687</u>	<u>0</u>	<u>7</u>	<u>260</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		14,206,216	11,280,355	2,214,473	1,710	14,725	694,954	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC		36,561	28,332	5,917	6	66	2,241	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND		1,260	976	204	0	2	77	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM		253,397	196,359	41,008	40	455	15,534	0	0
18	392.20	TR EQ - TRAILER > \$1,000		8,760	6,788	1,418	1	15	537	0	0
19	392.21	TR EQ - TRAILER < \$1,000		2,244	1,739	363	0	4	137	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		972	753	157	0	2	60	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP		0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT		0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT		0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT		129,657	100,472	20,983	20	233	7,948	0	0
25	395.00	LABORATORY EQUIPMENT		468	363	76	0	1	29	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS		6,552	5,078	1,060	1	11	401	0	0
27	398.00	MISCELLANEOUS EQUIPMENT		<u>19,604</u>	<u>15,191</u>	<u>3,172</u>	<u>3</u>	<u>35</u>	<u>1,202</u>	<u>0</u>	<u>0</u>
28		TOTAL GENERAL PLANT		459,475	356,051	74,358	71	824	28,166	0	0
29		TOTAL DEPRECIATION EXPENSE		15,939,787	12,623,709	2,495,022	1,985	17,840	801,224	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 11 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		49,696,061	49,696,061	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		18,520,317	0	18,520,317	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		<u>1,458,726</u>	<u>0</u>	<u>1,410,902</u>	<u>47,824</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL SALES REVENUE		69,675,105	49,696,061	19,931,219	47,824	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		476,000	305,532	137,766	249	2,494	29,959	0	0
7	488.00	MISC. SERVICE REVENUE		137,000	122,833	14,082	1	5	79	0	0
8	489.00	REVENUE FROM TRANSPORTATION		21,807,062	9,029,105	6,541,880	0	479,213	5,756,864	0	0
9	495.00	OTHER		<u>587,000</u>	<u>526,293</u>	<u>60,338</u>	<u>6</u>	<u>23</u>	<u>340</u>	<u>0</u>	<u>0</u>
10		TOTAL OTHER GAS DEPT REVENUE		<u>23,007,062</u>	<u>9,983,763</u>	<u>6,754,066</u>	<u>256</u>	<u>481,735</u>	<u>5,787,242</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATING REVENUE		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 PRODUCTION EXPENSE ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 12 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING EXPENSES									
2		PRODUCTION EXPENSES - OPERATION									
3	717	LIQUE PETRO GAS EXP - LABOR		0	0	0	0	0	0	0	0
4	717	LIQUE PETRO GAS EXP - M&E		2,139	1,304	797	2	0	37	0	0
5	723	LIQUIFIED PETROLEUM GAS PROCESS		0	0	0	0	0	0	0	0
6	728	LIQUIFIED PETROLEUM GAS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL OPERATION		2,139	1,304	797	2	0	37	0	0
8		PRODUCTION EXPENSES - MAINTENANCE									
9	741	STRUCTURES & IMPROV - LABOR		0	0	0	0	0	0	0	0
10	741	STRUCTURES & IMPROV - M&E		0	0	0	0	0	0	0	0
11	742	PRODUCTION EQUIPMENT - LABOR		0	0	0	0	0	0	0	0
12	742	PRODUCTION EQUIPMENT - M&E		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13		TOTAL MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14		TOTAL MANUFACTURED GAS		2,139	1,304	797	2	0	37	0	0
15		OTHER GAS SUPPLIES EXPENSE									
16	803 - 806										
17	& 808	COST OF GAS @ CITY GATE		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
18	807	OTHER PURCHASED GAS - LABOR		0	0	0	0	0	0	0	0
19	807	OTHER PURCHASED GAS - M & E		341,557	219,590	121,570	396	0	0	0	0
20	812	GAS USED IN OPERATIONS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL OTHER GAS SUPPLIES EXP		<u>21,817,507</u>	<u>14,026,685</u>	<u>7,765,417</u>	<u>25,405</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22		TOTAL PRODUCTION EXPENSE		21,819,646	14,027,989	7,766,214	25,407	0	37	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 13 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING		97,461	72,115	20,512	16	189	4,630	0	0
3	871	DISTRIBUTION LOAD DISPATCH		66,644	22,273	16,093	32	0	28,246	0	0
4	874	MAINS & SERVICES		1,726,536	1,365,100	255,439	266	59	105,671	0	0
5	875	M & R - GENERAL		82,347	60,763	13,785	20	4	7,775	0	0
6	876	M & R - INDUSTRIAL		38,736	0	8,042	9	7,779	22,907	0	0
7	878	METERS & HOUSE REGULATORS		1,279,637	920,596	353,333	166	0	5,541	0	0
8	879	CUSTOMER INSTALLATION		1,500,691	1,079,627	414,371	195	0	6,498	0	0
9	880	OTHER		547,972	405,468	115,329	86	1,059	26,031	0	0
10	881	RENTS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		5,340,024	3,925,942	1,196,904	790	9,090	207,299	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING		8,649	6,400	1,820	1	17	411	0	0
14	886	STRUCTURES & IMPROVEMENTS		2,509	1,852	420	0	0	237	0	0
15	887	MAINS		926,354	683,548	155,071	222	46	87,466	0	0
16	889	M & R - GENERAL		138,594	102,267	23,201	34	6	13,086	0	0
17	890	M & R - INDUSTRIAL		19,419	0	4,032	4	3,900	11,483	0	0
18	892	SERVICES		298,657	263,499	34,101	3	0	1,054	0	0
19	893	METERS & HOUSE REGULATORS		26,851	19,317	7,414	3	0	116	0	0
20	894	OTHER EQUIPMENT		<u>124,180</u>	<u>91,887</u>	<u>26,135</u>	<u>20</u>	<u>240</u>	<u>5,898</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,545,213	1,168,770	252,194	287	4,209	119,751	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 14 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION		0	0	0	0	0	0	0	0
3	902	METER READING		165,331	148,232	16,994	2	7	96	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS		692,556	620,932	71,188	7	28	402	0	0
5	904	UNCOLLECTIBLE ACCOUNTS		0	0	0	0	0	0	0	0
6	905	MISC.		0	0	0	0	0	0	0	0
7	920	SALARIES		0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE		0	0	0	0	0	0	0	0
9	931	RENTS		0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		857,887	769,164	88,182	9	35	498	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION		0	0	0	0	0	0	0	0
14	908	CUSTOMER ASSISTANCE		12,982	11,639	1,334	0	1	8	0	0
15	909	INFO. & INSTRUCTIONAL		0	0	0	0	0	0	0	0
16	910	MISCELLANEOUS		0	0	0	0	0	0	0	0
17	920	SALARIES		0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE		0	0	0	0	0	0	0	0
19	931	RENTS		0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		12,982	11,639	1,334	0	1	8	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 15 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION		0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING		0	0	0	0	0	0	0	0
4	913	ADVERTISING		0	0	0	0	0	0	0	0
5	916	MISC.		0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		7,756,106	5,875,515	1,538,614	1,086	13,335	327,556	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES		1,597,984	1,210,522	317,000	220	2,751	67,491	0	0
10	921	OFFICE SUPPLIES & EXPENSES		0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED		0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES		4,636	3,512	920	0	8	196	0	0
13	924	PROPERTY INSURANCE		0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES		0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL		0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV		0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL		0	0	0	0	0	0	0	0
19	931	RENTS		0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.		0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
		FURNITURE & EQUIPMENT		0	0	0	0	0	0	0	0
22	932	MAINT.-MISCELLANEOUS		0	0	0	0	0	0	0	0
23		TOTAL ADMIN & GENERAL - LABOR		1,602,620	1,214,034	317,920	220	2,759	67,687	0	0
24		TOTAL O & M EXPENSE - LABOR		9,358,726	7,089,549	1,856,534	1,306	16,094	395,243	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 16 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING		783,470	598,759	131,953	134	1,298	51,328	0	0
3	871	DISTRIBUTION LOAD DISPATCH		17,885	5,977	4,319	9	0	7,580	0	0
4	874	MAINS & SERVICES		5,567,660	4,402,117	823,729	860	192	340,762	0	0
5	875	M & R - GENERAL		118,379	87,351	19,817	28	6	11,178	0	0
6	876	M & R - INDUSTRIAL		29,602	0	6,146	7	5,944	17,505	0	0
7	878	METERS & HOUSE REGULATORS		485,057	348,960	133,934	63	0	2,100	0	0
8	879	CUSTOMER INSTALLATION		655,941	471,897	181,118	85	0	2,840	0	0
9	880	OTHER		1,211,487	925,867	204,040	206	2,007	79,368	0	0
10	881	RENTS		<u>82,157</u>	<u>62,788</u>	<u>13,837</u>	<u>14</u>	<u>136</u>	<u>5,383</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		8,951,638	6,903,716	1,518,893	1,406	9,583	518,044	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING		2,571	1,965	433	0	4	169	0	0
14	886	STRUCTURES & IMPROVEMENTS		251,838	185,828	42,158	60	12	23,778	0	0
15	887	MAINS		2,202,076	1,624,890	368,628	529	110	207,920	0	0
16	889	M & R - GENERAL		144,736	106,800	24,228	35	8	13,666	0	0
17	890	M & R - INDUSTRIAL		51,880	0	10,771	12	10,418	30,679	0	0
18	892	SERVICES		431,251	380,484	49,240	4	0	1,522	0	0
19	893	METERS & HOUSE REGULATORS		118,176	85,018	32,631	15	0	512	0	0
20	894	OTHER EQUIPMENT		<u>199,573</u>	<u>152,521</u>	<u>33,611</u>	<u>33</u>	<u>330</u>	<u>13,074</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		3,402,101	2,537,506	561,700	688	10,882	291,320	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 17 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT		ALLOC	TOTAL							
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION		0	0	0	0	0	0	0	0
3	902	METER READING		399,502	358,186	41,065	4	16	232	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS		3,252,912	2,916,496	334,367	33	130	1,887	0	0
5	904	UNCOLLECTIBLE ACCOUNTS		1,027,585	891,707	135,035	21	62	760	0	0
6	905	MISC.		1,073	962	110	0	0	1	0	0
7	920	SALARIES		0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE		253	227	26	0	0	0	0	0
9	931	RENTS		0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		4,681,325	4,167,578	510,603	58	208	2,880	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION		(2,789)	(2,501)	(287)	0	0	(2)	0	0
14	908	CUSTOMER ASSISTANCE		1,198,971	1,074,973	123,242	12	48	695	0	0
15	909	INFO. & INSTRUCTIONAL		65,932	59,113	6,777	1	3	38	0	0
16	910	MISCELLANEOUS		257,797	231,136	26,499	3	10	150	0	0
17	920	SALARIES		0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE		13,868	12,434	1,425	0	1	8	0	0
19	931	RENTS		0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		1,533,779	1,375,155	157,656	16	62	889	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 18 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION		0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING		37,477	33,601	3,852	0	1	22	0	0
4	913	ADVERTISING		138,706	124,361	14,258	1	6	80	0	0
5	916	MISC.		0	0	0	0	0	0	0	0
6		TOTAL SALES		<u>176,183</u>	<u>157,962</u>	<u>18,110</u>	<u>1</u>	<u>7</u>	<u>102</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		18,745,026	15,141,917	2,766,962	2,169	20,742	813,235	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES		2,963,302	2,380,626	441,737	370	3,397	137,172	0	0
10	921	OFFICE SUPPLIES & EXPENSES		894,098	718,291	133,283	111	1,025	41,388	0	0
11	922	ADMIN. EXPENSES TRANSFERED		0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES		7,099,789	5,703,754	1,058,360	887	8,138	328,651	0	0
13	924	PROPERTY INSURANCE		81,748	65,674	12,186	10	94	3,784	0	0
14	925	INJURIES AND DAMAGES		1,043,923	793,111	204,809	147	1,708	44,149	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS		3,351,467	2,546,244	657,531	471	5,483	141,737	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL		197,761	158,876	29,481	24	227	9,154	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901		176,189	141,545	26,265	22	201	8,156	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV		0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL		(62,123)	(49,908)	(9,261)	(8)	(72)	(2,876)	0	0
21	931	RENTS		642,175	515,904	95,728	80	736	29,726	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.		130	104	20	0	0	6	0	0
23	935.23	MAINT. - GEN'L OFFICE FURNITURE & EQUIPMENT		0	0	0	0	0	0	0	0
24	932	MAINT.-MISCELLANEOUS		<u>259,121</u>	<u>208,170</u>	<u>38,627</u>	<u>32</u>	<u>297</u>	<u>11,995</u>	<u>0</u>	<u>0</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>16,647,580</u>	<u>13,182,391</u>	<u>2,688,766</u>	<u>2,146</u>	<u>21,234</u>	<u>753,042</u>	<u>0</u>	<u>0</u>
26		TOTAL O & M EXPENSE - M & E		35,736,302	28,545,202	5,578,095	4,713	41,976	1,566,314	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 19 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	5,340,024	3,925,942	1,196,904	790	9,090	207,299	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	1,545,213	1,168,770	252,194	287	4,209	119,751	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	857,887	769,164	88,182	9	35	498	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	12,982	11,639	1,334	0	1	8	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>1,602,620</u>	<u>1,214,034</u>	<u>317,920</u>	<u>220</u>	<u>2,759</u>	<u>67,687</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			9,358,726	7,089,549	1,856,534	1,306	16,094	395,243	0	0
10	M & E										
11	PRODUCTION		PAGE 13	343,696	220,894	122,367	398	0	37	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	8,951,638	6,903,716	1,518,893	1,406	9,583	518,044	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	3,402,101	2,537,506	561,700	688	10,882	291,320	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	4,681,325	4,167,578	510,603	58	208	2,880	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	1,533,779	1,375,155	157,656	16	62	889	0	0
16	SALES		PAGE 19	176,183	157,962	18,110	1	7	102	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>16,647,580</u>	<u>13,182,391</u>	<u>2,688,766</u>	<u>2,146</u>	<u>21,234</u>	<u>753,042</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>35,736,302</u>	<u>28,545,202</u>	<u>5,578,095</u>	<u>4,713</u>	<u>41,976</u>	<u>1,566,314</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			45,095,029	35,634,751	7,434,629	6,019	58,070	1,961,557	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 20 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY		4,136,779	3,205,612	669,470	664	7,442	253,590	0	0
2	408	TAXES BASED ON PAYROLL		654,102	495,502	129,757	90	1,126	27,626	0	0
3	408	OTHER TAXES		0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		4,790,881	3,701,114	799,227	754	8,568	281,216	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 21 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,380,520	(6,086,844)	8,312,560	14,314	397,257	2,743,245	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		6,688,725	4,933,601	1,338,282	1,956	12,809	402,077	0	0
4		TAX ACCELERATED DEPRECIATION		14,595,754	11,310,327	2,362,085	2,342	26,259	894,741	0	0
5		BOOK DEPRECIATION		<u>14,665,691</u>	<u>11,636,406</u>	<u>2,288,831</u>	<u>1,781</u>	<u>15,549</u>	<u>723,120</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(326,079)	73,254	561	10,710	171,621	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE		<u>(4,960)</u>	(3,757)	(984)	(1)	(9)	(209)	0	0
8		TOTAL RECONCILING ITEMS		<u>6,613,828</u>	<u>4,603,765</u>	<u>1,410,552</u>	<u>2,516</u>	<u>23,510</u>	<u>573,489</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(1,233,308)	(10,690,609)	6,902,008	11,798	373,747	2,169,756	0	0
10		STATE INCOME TAX @ 6.00%		(73,998)	(641,433)	414,118	708	22,425	130,185	0	0
11		PLUS: FOREIGN TAX PAYMENTS		<u>0</u>	0	0	0	0	0	0	0
12		KENTUCKY STATE INCOME TAX - CURRENT		(73,998)	(641,433)	414,118	708	22,425	130,185	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 22 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE		(17,008)	(13,180)	(2,752)	(3)	(31)	(1,042)	0	0
4		TOTAL DEFERRED INCOME TAX		(17,008)	(13,180)	(2,752)	(3)	(31)	(1,042)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(91,006)	(654,613)	411,366	705	22,394	129,143	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 23 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>87,301,646</u>	<u>65,766,669</u>	<u>18,372,725</u>	<u>33,767</u>	<u>84,478</u>	<u>3,043,997</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		5,380,520	(6,086,844)	8,312,560	14,314	397,257	2,743,245	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		6,688,725	4,933,601	1,338,282	1,956	12,809	402,077	0	0
6		EXCESS OF BOOK OVER TAX S/L		14,595,754	11,310,327	2,362,085	2,342	26,259	894,741	0	0
7		BOOK DEPRECIATION		<u>14,665,691</u>	<u>11,636,406</u>	<u>2,288,831</u>	<u>1,781</u>	<u>15,549</u>	<u>723,120</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(326,079)	73,254	561	10,710	171,621	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE		(4,960)	(3,757)	(984)	(1)	(9)	(209)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(73,998)</u>	<u>(641,433)</u>	<u>414,118</u>	<u>708</u>	<u>22,425</u>	<u>130,185</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		6,539,830	3,962,332	1,824,670	3,224	45,935	703,674	0	0
12		TAXABLE INCOME		(1,159,310)	(10,049,177)	6,487,890	11,090	351,322	2,039,571	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(3,416,720)	2,205,883	3,771	119,450	693,454	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(3,416,720)	2,205,883	3,771	119,450	693,454	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 24 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC		35,760	27,711	5,787	6	65	2,193	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL		<u>(54,526)</u>	<u>(42,252)</u>	<u>(8,824)</u>	<u>(9)</u>	<u>(98)</u>	<u>(3,343)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		(54,526)	(42,252)	(8,824)	(9)	(98)	(3,343)	0	0
6		TOTAL DEFERRED INCOME TAX		<u>(90,286)</u>	<u>(69,963)</u>	<u>(14,611)</u>	<u>(15)</u>	<u>(163)</u>	<u>(5,536)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		(484,451)	(3,486,683)	2,191,272	3,756	119,287	687,918	0	0

TOTAL COMPANY
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE BASE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 25 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		437,889,787	339,323,903	70,865,289	69,003	787,837	26,843,798	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>151,708,251</u>	<u>120,198,581</u>	<u>23,667,857</u>	<u>19,942</u>	<u>165,272</u>	<u>7,656,611</u>	<u>0</u>	<u>0</u>
3		NET PLANT		286,181,536	219,125,322	47,197,432	49,061	622,564	19,187,187	0	0
4	190.00	ACCUMULATED DEF INCOME TAX		\$5,385,973	4,173,619	871,632	864	9,689	330,168	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES		0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT		0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX		86,167,687	66,771,800	13,944,835	13,826	155,022	5,282,204	0	0
8	283.00	ACCUMULATED DEF INCOME TAX		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		205,399,822	156,527,141	34,124,229	36,099	477,231	14,235,151	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		5,636,879	4,454,344	929,329	752	7,259	245,195	0	0
13	151.00	FUEL STOCK		0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES		82,011	63,550	13,272	13	148	5,028	0	0
15	165.00	PREPAYMENTS		469,518	377,197	69,991	59	538	21,735	0	0
16	164.00	GAS STORED UNDERGROUND - FSS		<u>41,772,551</u>	<u>25,456,610</u>	<u>15,555,680</u>	<u>37,178</u>	<u>0</u>	<u>723,083</u>	<u>0</u>	<u>0</u>
17		RATE BASE		253,360,781	186,878,842	50,692,501	74,101	485,176	15,230,192	0	0
REFERENCES:	[1]	PAGE 6,									
	[3]	TOTAL O & M EXPENSE		66,570,979	49,441,846	15,078,476	31,028	58,070	1,961,557	0	0
		LESS: COST OF GAS		<u>21,475,950</u>	<u>13,807,095</u>	<u>7,643,847</u>	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		O & M EXCL. GAS COST		45,095,029	35,634,751	7,434,629	6,019	58,070	1,961,557	0	0

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN - @ PROPOSED RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 26 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL			
	(A)	(B)	(C)	COMPANY (D)	CUSTOMER (E)	COMMODITY (F)	DEMAND (G)
				\$	\$	\$	\$
1		TOTAL REVENUES		92,682,167	55,666,296	21,864,212	15,151,659
2		PROPOSED INCREASE		<u>25,408,373</u>	<u>19,646,707</u>	<u>101,162</u>	<u>5,660,504</u>
3		TOTAL PROPOSED REVENUES		118,090,539	75,313,003	21,965,374	20,812,162
4		COST OF GAS		21,475,950	0	21,475,950	0
5		OPERATING & MAINTENANCE EXPENSE		45,377,933	38,265,480	475,493	6,636,958
6		DEPRECIATION & AMORTIZATION		15,939,787	13,553,430	0	2,386,356
7		FEDERAL INCOME TAX		7,781,828	5,312,037	2,878	2,466,914
8		KENTUCKY STATE INCOME TAX		1,416,522	962,923	364	453,235
9		TAXES OTHER THAN INCOME		<u>4,790,881</u>	<u>3,863,259</u>	<u>6,337</u>	<u>921,285</u>
10		TOTAL EXPENSES & TAXES		96,782,900	61,957,129	21,961,022	12,864,748
11		OPERATING INCOME		21,307,639	13,355,874	4,353	7,947,414
12		INTEREST EXPENSE		<u>6,688,725</u>	<u>4,290,788</u>	<u>1,580</u>	<u>2,396,356</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,914	9,065,086	2,773	5,551,058
14		RATE BASE		253,360,781	162,529,855	59,866	90,771,059
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.22%	7.27%	8.76%
16		UNITIZED RETURN		1.00	0.98	0.86	1.04

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 27 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL			
	(A)	(B)	(C)	COMPANY (D)	CUSTOMER (E)	COMMODITY (F)	DEMAND (G)
				\$	\$	\$	\$
1		TOTAL REVENUES		118,090,544	75,830,861	21,966,504	20,293,178
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE		45,377,933	38,271,246	475,505	6,631,179
4		DEPRECIATION & AMORTIZATION		15,939,787	13,553,430	0	2,386,356
5		FEDERAL INCOME TAX		7,781,830	5,480,515	3,246	2,298,070
6		KENTUCKY STATE INCOME TAX		1,416,522	993,649	431	422,442
7		TAXES OTHER THAN INCOME		<u>4,790,881</u>	<u>3,863,259</u>	<u>6,337</u>	<u>921,285</u>
8		TOTAL EXPENSES & TAXES		96,782,902	62,162,099	21,961,469	12,659,332
9		OPERATING INCOME		21,307,642	13,668,761	5,035	7,633,846
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>4,290,788</u>	<u>1,580</u>	<u>2,396,356</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,917	9,377,973	3,455	5,237,490
12		RATE BASE		253,360,781	162,529,855	59,866	90,771,059
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 28 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	CLASSIFICATION FACTOR (B)	Total Company (C)	CUSTOMER (D)	COMMODITY (E)	DEMAND (F)
1	OPERATING REVENUE		25,408,378	20,164,565	102,292	5,141,520
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	186,185	944	47,473
4	LESS: PSC FEES @ 0.00190100		<u>48,301</u>	<u>38,333</u>	<u>194</u>	<u>9,774</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,474	19,940,047	101,154	5,084,273
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>1,196,403</u>	<u>6,069</u>	<u>305,056</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,946	18,743,644	95,085	4,779,217
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,281</u>	<u>6,560,275</u>	<u>33,280</u>	<u>1,672,726</u>
9	OPERATING INCOME		15,351,665	12,183,369	61,805	3,106,491

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 29 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES [1]		92,682,167	55,666,296	21,864,212	15,151,659
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE [2]		45,095,029	38,046,728	474,367	6,573,932
4		DEPRECIATION & AMORTIZATION [3]		15,939,787	13,553,430	0	2,386,356
5		FEDERAL INCOME TAX [4]		(484,451)	(1,079,760)	(30,034)	625,344
6		KENTUCKY STATE INCOME TAX [5]		(91,006)	(202,754)	(5,638)	117,386
7		TAXES OTHER THAN INCOME [6]		<u>4,790,881</u>	<u>3,863,259</u>	<u>6,337</u>	<u>921,285</u>
8		TOTAL EXPENSES & TAXES		86,726,189	54,180,903	21,920,982	10,624,303
9		OPERATING INCOME		5,955,978	1,485,393	(56,769)	4,527,356
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>4,290,788</u>	<u>1,580</u>	<u>2,396,356</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(2,805,395)	(58,349)	2,131,000
12		RATE BASE [8]		253,360,781	162,529,855	59,866	90,771,059
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	0.91%	-94.83%	4.99%
14		UNITIZED RETURN		1.00	0.39	(40.35)	2.12

REFERENCES: [1] PAGE 36, [2] PAGE 44, [3] PAGE 35, [4] PAGE 49, [5] PAGE 47, [6] PAGE 45, [7] PAGE 48, [8] PAGE 50.

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PRODUCTION, & DIST. PLANT ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 30 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		INTANGIBLE PLANT					
2	301.00	ORGANIZATION	7CD	521	414	0	107
3	303.00	MISC. INTANGIBLE PLANT	7CD	74,348	59,140	0	15,208
4	303.10	DIS SOFTWARE	7CD	0	0	0	0
5	303.20	FARA SOFTWARE	7CD	0	0	0	0
6	303.30	OTHER SOFTWARE	7CD	<u>8,341,319</u>	<u>6,635,078</u>	<u>0</u>	<u>1,706,241</u>
7		TOTAL INTANGIBLE PLANT		8,416,188	6,694,632	0	1,721,556
8		PRODUCTION PLANT					
9	304.10	LAND	2	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0
13		DISTRIBUTION PLANT					
14	374.10	LAND - CITY GATE & M/L IND M&R	3	206	134	0	72
15	374.20	LAND - OTHER DISTRIBUTION	3	877,756	569,005	0	308,751
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	3	661,306	428,692	0	232,614
17	374.50	RIGHTS OF WAY	3	2,729,828	1,769,611	0	960,217
18	375.20	CITY GATE - MEAS & REG STRUCTURES	3	2,125	1,378	0	747
19	375.30	STRUC & IMPROV-GENERAL M&R	3	0	0	0	0
20	375.40	STRUC & IMPROV-REGULATING	3	2,176,686	1,411,037	0	765,649
21	375.40	DIRECT STRUC & IMPROV-REGULATING	3	46,211	29,956	0	16,255
22	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7CD	8,761,416	6,969,243	0	1,792,173
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CD	259,809	206,664	0	53,145
25	375.80	STRUC & IMPROV-COMMUNICATION	3	0	0	0	0
26	376.00	MAINS	3	221,300,854	143,458,279	0	77,842,575
27	376.00	DIRECT MAINS	3	11,682	7,573	0	4,109
28	378.10	M & R GENERAL	3	518,504	336,120	0	182,384
29	378.20	M & R GENERAL - REGULATING	3	9,175,090	5,947,752	0	3,227,338
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	3	45,443	29,458	0	15,985
31	379.10	STA EQUIP - CITY	3	254,901	165,240	0	89,661
32	380.00	SERVICES	15	127,467,343	127,467,343	0	0

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 31 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	380.00	DIRECT SERVICES	15	0	0	0	0
2	381.00	METERS	16	22,789,579	22,789,579	0	0
3	382.00	METER INSTALLATIONS	16	9,462,175	9,462,175	0	0
4	383.00	HOUSE REGULATORS	16	5,770,311	5,770,311	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	2,257,522	2,257,522	0	0
6	385.00	IND M&R EQUIPMENT	17	2,697,547	2,697,547	0	0
7	385.00	DIRECT IND M&R EQUIPMENT	17	677,829	677,829	0	0
8	387.20	ODORIZATION	7CD	0	0	0	0
9	387.41	TELEPHONE	7CD	735,771	585,267	0	150,504
10	387.42	RADIO	7CD	795,187	632,529	0	162,658
11	387.44	OTHER COMMUNICATION	7CD	133,590	106,264	0	27,326
12	387.45	TELEMETERING	7CD	3,779,585	3,006,460	0	773,125
13	387.46	CIS	7CD	<u>113,644</u>	<u>90,398</u>	<u>0</u>	<u>23,246</u>
14		TOTAL DISTRIBUTION PLANT		423,501,900	336,873,366	0	86,628,534
15		GENERAL PLANT					
16	391.10	OFF FURN & EQUIP - UNSPEC	7CD	735,278	584,875	0	150,403
17	391.11	OFF FURN & EQUIP - DATA HAND	7CD	18,816	14,967	0	3,849
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CD	1,257,641	1,000,387	0	257,254
19	392.20	TR EQ - TRAILER > \$1,000	7CD	95,778	76,186	0	19,592
20	392.21	TR EQ - TRAILER < \$1,000	7CD	24,462	19,458	0	5,004
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CD	24,241	19,282	0	4,959
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CD	0	0	0	0
23	393.00	STORES EQUIPMENT	7CD	0	0	0	0
24	394.20	SHOP EQUIPMENT	7CD	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7CD	3,259,030	2,592,386	0	666,644
26	395.00	LABORATORY EQUIPMENT	7CD	9,258	7,364	0	1,894
27	396.00	POWER OP EQUIP-GEN TOOLS	7CD	253,135	201,356	0	51,779
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7CD	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7CD	<u>294,060</u>	<u>233,909</u>	<u>0</u>	<u>60,151</u>
30		TOTAL GENERAL PLANT		<u>5,971,699</u>	<u>4,750,170</u>	<u>0</u>	<u>1,221,529</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		437,889,787	348,318,168	0	89,571,619

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION RESERVE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 32 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		INTANGIBLE PLANT					
2	301.00	ORGANIZATION	7CD	0	0	0	0
3	303.00	MISC. INTANGIBLE PLANT	7CD	49,104	39,060	0	10,044
4	303.10	DIS SOFTWARE	7CD	0	0	0	0
5	303.20	FARA SOFTWARE	7CD	0	0	0	0
6	303.30	OTHER SOFTWARE	7CD	<u>3,424,538</u>	<u>2,724,039</u>	<u>0</u>	<u>700,499</u>
7		TOTAL INTANGIBLE PLANT		3,473,642	2,763,099	0	710,543
8		PRODUCTION PLANT					
9	304.10	LAND	2	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0
13		DISTRIBUTION PLANT					
14	374.10	LAND - CITY GATE & M/L IND M&R	3	0	0	0	0
15	374.20	LAND - OTHER DISTRIBUTION	3	(523)	(339)	0	(184)
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	3	184,637	119,691	0	64,946
17	374.50	RIGHTS OF WAY	3	942,676	611,090	0	331,586
18	375.20	CITY GATE - MEAS & REG STRUCTURES	3	2,063	1,337	0	726
19	375.30	STRUC & IMPROV-GENERAL M&R	3	(78)	(51)	0	(27)
20	375.40	STRUC & IMPROV-REGULATING	3	497,862	322,739	0	175,123
21	375.40	DIRECT STRUC & IMPROV-REGULATING	3	3,028	1,963	0	1,065
22	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7CD	3,369,677	2,680,400	0	689,277
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CD	199,220	158,469	0	40,751
25	375.80	STRUC & IMPROV-COMMUNICATION	3	0	0	0	0
26	376.00	MAINS	3	58,817,583	38,128,498	0	20,689,085
27	376.00	DIRECT MAINS	3	8,703	5,642	0	3,061
28	378.10	M & R GENERAL	3	372,072	241,196	0	130,876
29	378.20	M & R GENERAL - REGULATING	3	3,453,479	2,238,718	0	1,214,761
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	3	36,634	23,748	0	12,886
31	379.10	STA EQUIP - CITY	3	267,731	173,557	0	94,174
32	380.00	SERVICES	15	61,085,053	61,085,053	0	0
33	380.00	DIRECT SERVICES	15	0	0	0	0

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 33 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	381.00	METERS	16	6,025,045	6,025,045	0	0
2	382.00	METER INSTALLATIONS	16	4,714,156	4,714,156	0	0
3	383.00	HOUSE REGULATORS	16	1,568,587	1,568,587	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	1,780,729	1,780,729	0	0
5	385.00	IND M&R EQUIPMENT	17	823,118	823,118	0	0
6	385.00	DIRECT IND M&R EQUIPMENT	17	133,766	133,766	0	0
7	387.20	ODORIZATION	7CD	(59,912)	(47,657)	0	(12,255)
8	387.41	TELEPHONE	7CD	399,816	318,032	0	81,784
9	387.42	RADIO	7CD	567,414	451,348	0	116,066
10	387.44	OTHER COMMUNICATION	7CD	50,650	40,289	0	10,361
11	387.45	TELEMETERING	7CD	529,513	421,200	0	108,313
12	387.46	CIS	7CD	<u>114,357</u>	<u>90,965</u>	<u>0</u>	<u>23,392</u>
13		TOTAL DISTRIBUTION PLANT		145,887,056	122,111,289	0	23,775,767
14		GENERAL PLANT					
15	391.10	OFF FURN & EQUIP - UNSPEC	7CD	(33,247)	(26,446)	0	(6,801)
16	391.11	OFF FURN & EQUIP - DATA HAND	7CD	(11,355)	(9,032)	0	(2,323)
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CD	750,133	596,691	0	153,442
18	392.20	TR EQ - TRAILER > \$1,000	7CD	27,035	21,505	0	5,530
19	392.21	TR EQ - TRAILER < \$1,000	7CD	6,309	5,018	0	1,291
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CD	15,095	12,007	0	3,088
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CD	37,937	30,177	0	7,760
22	393.00	STORES EQUIPMENT	7CD	0	0	0	0
23	394.20	SHOP EQUIPMENT	7CD	185	147	0	38
24	394.30	TOOLS & OTHER EQUIPMENT	7CD	1,333,005	1,060,335	0	272,670
25	395.00	LABORATORY EQUIPMENT	7CD	7,764	6,176	0	1,588
26	396.00	POWER OP EQUIP-GEN TOOLS	7CD	202,598	161,156	0	41,442
27		RETIREMENT WORK IN PROGRESS	7CD	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7CD	12,094	<u>9,620</u>	<u>0</u>	<u>2,474</u>
29		TOTAL GENERAL PLANT		<u>2,347,553</u>	<u>1,867,354</u>	<u>0</u>	<u>480,199</u>
30		TOTAL PLANT RESERVE		151,708,251	126,741,742	0	24,966,509

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION EXPENSE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 34 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
		INTANGIBLE PLANT					
1	301.00	ORGANIZATION	7CD	0	0	0	0
2	303.00	MISC. INTANGIBLE PLANT	7CD	2,478	1,971	0	507
3	303.10	DIS SOFTWARE	7CD	0	0	0	0
4	303.20	FARA SOFTWARE	7CD	0	0	0	0
5	303.30	OTHER SOFTWARE	7CD	<u>1,271,617</u>	<u>1,011,504</u>	<u>0</u>	<u>260,113</u>
6		TOTAL INTANGIBLE PLANT		1,274,096	1,013,475	0	260,620
7		PRODUCTION PLANT					
8	304.10	LAND	2	0	0	0	0
9	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0
10	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL PRODUCTION PLANT		0	0	0	0
12		DISTRIBUTION PLANT					
13	374.10	LAND - CITY GATE & M/L IND M&R	3	0	0	0	0
14	374.20	LAND - OTHER DISTRIBUTION	3	0	0	0	0
15	374.40	LAND RIGHTS - OTHER DISTRIBUTION	3	11,508	7,460	0	4,048
16	374.50	RIGHTS OF WAY	3	35,215	22,828	0	12,387
17	375.20	CITY GATE - MEAS & REG STRUCTURES	3	72	47	0	25
18	375.30	STRUC & IMPROV-GENERAL M&R	3	0	0	0	0
19	375.40	STRUC & IMPROV-REGULATING	3	69,888	45,305	0	24,583
20	375.40	DIRECT STRUC & IMPROV-REGULATING	3	744	482	0	262
21	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0
22	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7CD	185,730	147,738	0	37,992
23	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CD	33,049	26,289	0	6,760
24	375.80	STRUC & IMPROV-COMMUNICATION	3	0	0	0	0
25	376.00	MAINS	3	5,087,613	3,298,045	0	1,789,568
26	376.00	DIRECT MAINS	3	151	98	0	53
27	378.10	M & R GENERAL	3	17,220	11,163	0	6,057
28	378.20	M & R GENERAL - REGULATING	3	304,399	197,327	0	107,072
29	378.30	M & R EQUIP - LOCAL GAS PURCHASES	3	1,512	980	0	532
30	379.10	STA EQUIP - CITY	3	0	0	0	0
31	380.00	SERVICES	15	6,496,995	6,496,995	0	0
32	380.00	DIRECT SERVICES	15	0	0	0	0

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 35 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	381.00	METERS	16	1,172,264	1,172,264	0	0
2	382.00	METER INSTALLATIONS	16	230,831	230,831	0	0
3	383.00	HOUSE REGULATORS	16	157,520	157,520	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	22,800	22,800	0	0
5	385.00	IND M&R EQUIPMENT	17	158,316	158,316	0	0
6	385.00	DIRECT IND M&R EQUIPMENT	17	13,065	13,065	0	0
7	387.20	ODORIZATION	7CD	0	0	0	0
8	387.41	TELEPHONE	7CD	27,516	21,888	0	5,628
9	387.42	RADIO	7CD	29,736	23,653	0	6,083
10	387.44	OTHER COMMUNICATION	7CD	4,992	3,971	0	1,021
11	387.45	TELEMETERING	7CD	140,832	112,024	0	28,808
12	387.46	CIS	7CD	4,248	3,379	0	869
13		TOTAL DISTRIBUTION PLANT		14,206,216	12,174,468	0	2,031,748
14		GENERAL PLANT					
15	391.10	OFF FURN & EQUIP - UNSPEC	7CD	36,561	29,082	0	7,479
16	391.11	OFF FURN & EQUIP - DATA HAND	7CD	1,260	1,002	0	258
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CD	253,397	201,564	0	51,833
18	392.20	TR EQ - TRAILER > \$1,000	7CD	8,760	6,968	0	1,792
19	392.21	TR EQ - TRAILER < \$1,000	7CD	2,244	1,785	0	459
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CD	972	773	0	199
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CD	0	0	0	0
22	393.00	STORES EQUIPMENT	7CD	0	0	0	0
23	394.20	SHOP EQUIPMENT	7CD	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7CD	129,657	103,135	0	26,522
25	395.00	LABORATORY EQUIPMENT	7CD	468	372	0	96
26	396.00	POWER OP EQUIP-GEN TOOLS	7CD	6,552	5,212	0	1,340
27	398.00	MISCELLANEOUS EQUIPMENT	7CD	19,604	15,594	0	4,010
28		TOTAL GENERAL PLANT		459,475	365,487	0	93,988
29		TOTAL DEPRECIATION EXPENSE		15,939,787	13,553,430	0	2,386,356

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 36 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE					
2	480.00	RESIDENTIAL SALES	22	49,696,061	27,976,167	13,990,129	7,729,766
3	481.10	COMMERCIAL SALES	22	18,520,317	8,900,222	7,160,980	2,459,115
4	481.20	INDUSTRIAL SALES	22	1,458,726	695,815	570,658	192,253
5		TOTAL SALES REVENUE		69,675,105	37,572,204	21,721,766	10,381,134
6	487.00	FORFEITED DISCOUNTS	22	476,000	371,051	31,230	73,719
7	488.00	MISC. SERVICE REVENUE	6	137,000	137,000	0	0
8	489.00	REVENUE FROM TRANSPORTATION	22	21,807,062	16,999,041	111,216	4,696,805
9	495.00	OTHER	6	587,000	587,000	0	0
10		TOTAL OTHER GAS DEPT REVENUE		23,007,062	18,094,092	142,446	4,770,524
11		TOTAL OPERATING REVENUE		92,682,167	55,666,296	21,864,212	15,151,659

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 PRODUCTION EXPENSE ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 37 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING EXPENSES					
2		PRODUCTION EXPENSES - OPERATION					
3	717	LIQUE PETRO GAS EXP - LABOR	2	0	0	0	0
4	717	LIQUE PETRO GAS EXP - M&E	2	2,139	0	0	2,139
5	723	LIQUIFIED PETROLEUM GAS PROCESS	2	0	0	0	0
6	728	LIQUIFIED PETROLEUM GAS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL OPERATION		2,139	0	0	2,139
8		PRODUCTION EXPENSES - MAINTENANCE					
9	741	STRUCTURES & IMPROV - LABOR	2	0	0	0	0
10	741	STRUCTURES & IMPROV - M&E	2	0	0	0	0
11	742	PRODUCTION EQUIPMENT - LABOR	2	0	0	0	0
12	742	PRODUCTION EQUIPMENT - M&E	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13		TOTAL MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14		TOTAL MANUFACTURED GAS		2,139	0	0	2,139
15		OTHER GAS SUPPLIES EXPENSE					
16	803 - 806						
17	& 808	COST OF GAS @ CITY GATE	9	21,475,950	0	21,475,950	0
18	807	OTHER PURCHASED GAS - LABOR	9	0	0	0	0
19	807	OTHER PURCHASED GAS - M & E	9	341,557	0	341,557	0
20	812	GAS USED IN OPERATIONS	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL OTHER GAS SUPPLIES EXP		<u>21,817,507</u>	<u>0</u>	<u>21,817,507</u>	<u>0</u>
22		TOTAL PRODUCTION EXPENSE		21,819,646	0	21,817,507	2,139

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 38 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DISTRIBUTION EXPENSES					
2	870	SUPERVISION & ENGINEERING	10CD	97,461	83,793	1,064	12,604
3	871	DISTRIBUTION LOAD DISPATCH	4	66,644	0	66,644	0
4	874	MAINS & SERVICES	14CD	1,726,536	1,341,178	0	385,358
5	875	M & R - GENERAL	18CD	82,347	53,381	0	28,966
6	876	M & R - INDUSTRIAL	8	38,736	38,736	0	0
7	878	METERS & HOUSE REGULATORS	16	1,279,637	1,279,637	0	0
8	879	CUSTOMER INSTALLATION	16	1,500,691	1,500,691	0	0
9	880	OTHER	10CD	547,972	471,124	5,980	70,868
10	881	RENTS	10CD	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		5,340,024	4,768,540	73,688	497,796
12		MAINTENANCE					
13	885	SUPERVISION & ENGINEERING	10CD	8,649	7,436	94	1,119
14	886	STRUCTURES & IMPROVEMENTS	18CD	2,509	1,626	0	883
15	887	MAINS	18CD	926,354	600,509	0	325,845
16	889	M & R - GENERAL	18CD	138,594	89,844	0	48,750
17	890	M & R - INDUSTRIAL	8	19,419	19,419	0	0
18	892	SERVICES	15	298,657	298,657	0	0
19	893	METERS & HOUSE REGULATORS	16	26,851	26,851	0	0
20	894	OTHER EQUIPMENT	10CD	<u>124,180</u>	<u>106,765</u>	<u>1,355</u>	<u>16,060</u>
21		TOTAL MAINTENANCE		1,545,213	1,151,107	1,449	392,657

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 39 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		CUSTOMER ACCOUNTS					
2	901	SUPERVISION	6	0	0	0	0
3	902	METER READING	6	165,331	165,331	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	692,556	692,556	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	0	0	0	0
6	905	MISC.	6	0	0	0	0
7	920	SALARIES	6	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0
9	931	RENTS	6	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		857,887	857,887	0	0
12		CUSTOMER SERVICE & INFORMATIONAL					
13	907	SUPERVISION	6	0	0	0	0
14	908	CUSTOMER ASSISTANCE	6	12,982	12,982	0	0
15	909	INFO. & INSTRUCTIONAL	6	0	0	0	0
16	910	MISCELLANEOUS	6	0	0	0	0
17	920	SALARIES	6	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0
19	931	RENTS	6	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		12,982	12,982	0	0

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 40 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		SALES					
2	911	SUPERVISION	6	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0
5	916	MISC.	6	0	0	0	0
6		TOTAL SALES		0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		7,756,106	6,790,516	75,137	890,453
8		ADMINISTRATIVE & GENERAL					
9	920	SALARIES	12CD	1,597,984	1,399,044	15,480	183,459
10	921	OFFICE SUPPLIES & EXPENSES	12CD	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12CD	0	0	0	0
12	923	OUTSIDE SERVICES	12CD	4,636	4,059	45	532
13	924	PROPERTY INSURANCE	12CD	0	0	0	0
14	925	INJURIES AND DAMAGES	12CD	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12CD	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12CD	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12CD	0	0	0	0
18	930.20	MISC. - GENERAL	12CD	0	0	0	0
19	931	RENTS	12CD	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12CD	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE					
22		FURNITURE & EQUIPMENT	12CD	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12CD	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		1,602,620	1,403,103	15,525	183,991
25		TOTAL O & M EXPENSE - LABOR		9,358,726	8,193,619	90,662	1,074,444

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 41 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DISTRIBUTION EXPENSES					
2	870	SUPERVISION & ENGINEERING	11CD	783,470	611,114	1,391	170,965
3	871	DISTRIBUTION LOAD DISPATCH	4	17,885	0	17,885	0
4	874	MAINS & SERVICES	14CD	5,567,660	4,324,974	0	1,242,686
5	875	M & R - GENERAL	18CD	118,379	76,739	0	41,640
6	876	M & R - INDUSTRIAL	8	29,602	29,602	0	0
7	878	METERS & HOUSE REGULATORS	16	485,057	485,057	0	0
8	879	CUSTOMER INSTALLATION	16	655,941	655,941	0	0
9	880	OTHER	11CD	1,211,487	944,972	2,151	264,364
10	881	RENTS	11CD	<u>82,157</u>	<u>64,083</u>	<u>146</u>	<u>17,928</u>
11		TOTAL OPERATION		8,951,638	7,192,482	21,573	1,737,583
12		MAINTENANCE					
13	885	SUPERVISION & ENGINEERING	11CD	2,571	2,005	5	561
14	886	STRUCTURES & IMPROVEMENTS	18CD	251,838	163,254	0	88,584
15	887	MAINS	18CD	2,202,076	1,427,496	0	774,580
16	889	M & R - GENERAL	18CD	144,736	93,825	0	50,911
17	890	M & R - INDUSTRIAL	8	51,880	51,880	0	0
18	892	SERVICES	15	431,251	431,251	0	0
19	893	METERS & HOUSE REGULATORS	16	118,176	118,176	0	0
20	894	OTHER EQUIPMENT	11CD	<u>199,573</u>	<u>155,669</u>	<u>354</u>	<u>43,550</u>
21		TOTAL MAINTENANCE		3,402,101	2,443,556	359	958,186

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 42 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		CUSTOMER ACCOUNTS					
2	901	SUPERVISION	6	0	0	0	0
3	902	METER READING	6	399,502	399,502	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	3,252,912	3,252,912	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	1,027,585	1,027,585	0	0
6	905	MISC.	6	1,073	1,073	0	0
7	920	SALARIES	6	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	253	253	0	0
9	931	RENTS	6	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		4,681,325	4,681,325	0	0
12		CUSTOMER SERVICE & INFORMATIONAL					
13	907	SUPERVISION	6	(2,789)	(2,789)	0	0
14	908	CUSTOMER ASSISTANCE	6	1,198,971	1,198,971	0	0
15	909	INFO. & INSTRUCTIONAL	6	65,932	65,932	0	0
16	910	MISCELLANEOUS	6	257,797	257,797	0	0
17	920	SALARIES	6	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	13,868	13,868	0	0
19	931	RENTS	6	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		1,533,779	1,533,779	0	0

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 43 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		SALES					
2	911	SUPERVISION	6	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	37,477	37,477	0	0
4	913	ADVERTISING	6	138,706	138,706	0	0
5	916	MISC.	6	0	0	0	0
6		TOTAL SALES		<u>176,183</u>	<u>176,183</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		18,745,026	16,027,325	21,932	2,695,769
8		ADMINISTRATIVE & GENERAL					
9	920	SALARIES	13CD	2,963,302	2,461,017	3,598	498,687
10	921	OFFICE SUPPLIES & EXPENSES	13CD	894,098	742,547	1,086	150,466
11	922	ADMIN. EXPENSES TRANSFERED	13CD	0	0	0	0
12	923	OUTSIDE SERVICES	13CD	7,099,789	5,896,361	8,621	1,194,806
13	924	PROPERTY INSURANCE	13CD	81,748	67,892	99	13,757
14	925	INJURIES AND DAMAGES	13CD	1,043,923	866,976	1,268	175,679
15	926	EMPLOYEE PENSIONS & BENEFITS	13CD	3,351,467	2,783,387	4,070	564,010
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS	13CD	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13CD	197,761	164,240	240	33,281
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13CD	176,189	146,325	214	29,650
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13CD	0	0	0	0
20	930.20	MISC. - GENERAL	13CD	(62,123)	(51,593)	(75)	(10,455)
21	931	RENTS	13CD	642,175	533,325	780	108,070
22	935.13	MAINT. STRUCTURES & IMPROV.	13CD	130	108	0	22
23	935.23	MAINT. - GEN'L OFFICE FURNITURE & EQUIPMENT	13CD	0	0	0	0
24	932	MAINT.-MISCELLANEOUS	13CD	<u>259,121</u>	<u>215,199</u>	<u>315</u>	<u>43,607</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>16,647,580</u>	<u>13,825,784</u>	<u>20,216</u>	<u>2,801,580</u>
26		TOTAL O & M EXPENSE - M & E		35,736,302	29,853,109	383,705	5,499,488

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 44 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		LABOR					
2		PRODUCTION	PAGE 13	0	0	0	0
3		DISTRIBUTION - O&M OPERATION	PAGE 14	5,340,024	4,768,540	73,688	497,796
4		DISTRIBUTION - O&M MAINT.	PAGE 14	1,545,213	1,151,107	1,449	392,657
5		CUSTOMER ACCOUNTS	PAGE 15	857,887	857,887	0	0
6		CUSTOMER SERVICE & INFOR.	PAGE 15	12,982	12,982	0	0
7		SALES	PAGE 16	0	0	0	0
8		ADMINISTRATIVE & GENERAL	PAGE 16	<u>1,602,620</u>	<u>1,403,103</u>	<u>15,525</u>	<u>183,991</u>
9		TOTAL LABOR EXPENSE		9,358,726	8,193,619	90,662	1,074,444
10		M & E					
11		PRODUCTION	PAGE 13	343,696	0	341,557	2,139
12		DISTRIBUTION - O&M OPERATION	PAGE 17	8,951,638	7,192,482	21,573	1,737,583
13		DISTRIBUTION - O&M MAINT.	PAGE 17	3,402,101	2,443,556	359	958,186
14		CUSTOMER ACCOUNTS	PAGE 18	4,681,325	4,681,325	0	0
15		CUSTOMER SERVICE & INFOR.	PAGE 18	1,533,779	1,533,779	0	0
16		SALES	PAGE 19	176,183	176,183	0	0
17		ADMINISTRATIVE & GENERAL	PAGE 19	<u>16,647,580</u>	<u>13,825,784</u>	<u>20,216</u>	<u>2,801,580</u>
18		TOTAL M & E EXPENSE		<u>35,736,302</u>	<u>29,853,109</u>	<u>383,705</u>	<u>5,499,488</u>
19		TOTAL O & M EXPENSES		45,095,029	38,046,728	474,367	6,573,932

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 45 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO. (A)	ACCOUNT TITLE (B)	CLASSIFICATION FACTOR (C)	TOTAL COMPANY (D) \$	CUSTOMER (E) \$	COMMODITY (F) \$	DEMAND (G) \$
1	408	TAXES BASED ON PROPERTY	7CD	4,136,779	3,290,589	0	846,190
2	408	TAXES BASED ON PAYROLL	12CD	654,102	572,670	6,337	75,095
3	408	OTHER TAXES	12CD	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		4,790,881	3,863,259	6,337	921,285

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 46 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,380,520	202,879	(92,442)	5,270,086
2		LESS: RECONCILING ITEMS:					
3		IMPUTED INTEREST		6,688,725	4,290,788	1,580	2,396,356
4		TAX ACCELERATED DEPRECIATION	19CD	14,595,754	11,610,150	0	2,985,604
5		BOOK DEPRECIATION		<u>14,665,691</u>	<u>12,539,955</u>	<u>0</u>	<u>2,125,736</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(929,805)	0	859,868
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12CD	<u>(4,960)</u>	<u>(4,343)</u>	<u>(48)</u>	<u>(569)</u>
8		TOTAL RECONCILING ITEMS		<u>6,613,828</u>	<u>3,356,640</u>	<u>1,532</u>	<u>3,255,655</u>
9		TAXABLE INCOME		(1,233,308)	(3,153,761)	(93,974)	2,014,431
10		STATE INCOME TAX @ 6.00%		(73,998)	(189,225)	(5,638)	120,865
11		PLUS: FOREIGN TAX PAYMENTS	19CD	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(73,998)	(189,225)	(5,638)	120,865

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 47 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DEFERRED TAXES					
2		RECONCILIATION ITEMS:					
3		AMORTIZATION OF EXCESS ADIT-STATE	19CD	(17,008)	(13,529)	0	(3,479)
4		TOTAL DEFERRED INCOME TAX		(17,008)	(13,529)	0	(3,479)
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(91,006)	(202,754)	(5,638)	117,386

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 48 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE		92,682,167	55,666,296	21,864,212	15,151,659
2		LESS: EXPENSES OTHER THAN FIT		<u>87,301,646</u>	<u>55,463,417</u>	<u>21,956,654</u>	<u>9,881,573</u>
3		OPERATING INCOME BEFORE TAXES		5,380,520	202,879	(92,442)	5,270,086
4		LESS: RECONCILING ITEMS:					
5		IMPUTED INTEREST		6,688,725	4,290,788	1,580	2,396,356
6		EXCESS OF BOOK OVER TAX S/L	19CD	14,595,754	11,610,150	0	2,985,604
7		BOOK DEPRECIATION		<u>14,665,691</u>	<u>12,539,955</u>	<u>0</u>	<u>2,125,736</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(929,805)	0	859,868
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12CD	(4,960)	<u>(4,343)</u>	<u>(48)</u>	<u>(569)</u>
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(73,998)</u>	<u>(189,225)</u>	<u>(5,638)</u>	<u>120,865</u>
11		TOTAL RECONCILING ITEMS		6,539,830	3,167,415	(4,106)	3,376,520
12		TAXABLE INCOME		(1,159,310)	(2,964,536)	(88,335)	1,893,566
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(1,007,942)	(30,034)	643,812
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19CD	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(1,007,942)	(30,034)	643,812

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 49 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DEFERRED INCOME TAXES					
2		LESS: AMORT. OF PRIOR YEARS ITC	19CD	35,760	28,445	0	7,315
3		OTHER TAX DEFERRALS					
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19CD	<u>(54,526)</u>	<u>(43,373)</u>	<u>0</u>	<u>(11,153)</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(54,526)</u>	<u>(43,373)</u>	<u>0</u>	<u>(11,153)</u>
6		TOTAL DEFERRED INCOME TAX		<u>(90,286)</u>	<u>(71,818)</u>	<u>0</u>	<u>(18,468)</u>
7		TOTAL FEDERAL INCOME TAX		(484,451)	(1,079,760)	(30,034)	625,344

CLASSIFICATION
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE BASE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 50 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		437,889,787	348,318,168	0	89,571,619
		LESS:					
2	108-111	DEPRECIATION RESERVE [2]		<u>151,708,251</u>	<u>126,741,742</u>	<u>0</u>	<u>24,966,509</u>
3		NET PLANT		286,181,536	221,576,426	0	64,605,110
4	190.00	ACCUMULATED DEF INCOME TAX	19CD	\$5,385,973	4,284,256	0	1,101,716
		LESS:					
5	252.00	CUSTOMER ADVANCES	3	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19CD	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19CD	86,167,687	68,541,837	0	17,625,850
8	283.00	ACCUMULATED DEF INCOME TAX	19CD	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		205,399,822	157,318,845	0	48,080,976
10		PLUS WORKING CAPITAL:					
11		CASH WORKING CAPITAL @ 1/8 OF					
12		O & M EXCLUDING GAS COST [3]		5,636,879	4,755,841	59,296	821,742
13	151.00	FUEL STOCK	2	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7CD	82,011	65,235	0	16,776
15	165.00	PREPAYMENTS	13CD	469,518	389,934	570	79,014
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>41,772,551</u>	<u>0</u>	<u>0</u>	<u>41,772,551</u>
17		RATE BASE		253,360,781	162,529,855	59,866	90,771,059

REFERENCES: [1] PAGE 31, [2] PAGE 33,
 [3] TOTAL O & M EXPENSE
 LESS: COST OF GAS
 O & M EXCL. GAS COST

66,570,979	38,046,728	21,950,317	6,573,932
<u>21,475,950</u>	<u>0</u>	<u>21,475,950</u>	<u>0</u>
45,095,029	38,046,728	474,367	6,573,932

COLUMBIA GAS OF KENTUCKY, INC.

CLASSIFICATION FACTORS

FOR THE TWELVE MONTHS ENDED 12/31/2017

CLASSIFICATION
FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	DESCRIPTION (A)	CLASSIFICATION FACTOR (B)	TOTAL			
			COMPANY (C)	CUSTOMER (D)	COMMODITY (E)	DEMAND (F)
1	DEMAND DESIGN DAY	1	100.000%	0.000%	0.000%	100.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	0.000%	0.000%	100.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	64.825%	0.000%	35.175%
4	COMMODITY THROUGHPUT	4	100.000%	0.000%	100.000%	0.000%
5	COMPOSITE OF 1 & 4 - DEMAND/COMMODITY	5	100.000%	0.000%	50.000%	50.000%
6	CUSTOMER	6	100.000%	100.000%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - C/D	7CD	100.000%	79.545%	0.000%	20.455%
8	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - D/C	7DC	100.000%	41.847%	29.076%	29.076%
9	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - AVG	7AVG	100.000%	60.696%	14.538%	24.766%
10	TOTAL PLANT ACCOUNT 385	8	100.000%	100.000%	0.000%	0.000%
11	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	0.000%	100.000%	0.000%
12	OTHER DIST. EXP - LABOR - C/D	10CD	100.000%	85.976%	1.091%	12.933%
13	OTHER DIST. EXP - LABOR - D/C	10DC	100.000%	62.142%	19.475%	18.383%
14	OTHER DIST. EXP - LABOR - AVG	10AVG	100.000%	74.059%	10.283%	15.658%
15	OTHER DIST. EXP EXCL - M & E - C/D	11CD	100.000%	78.001%	0.178%	21.821%
16	OTHER DIST. EXP EXCL - M & E - D/C	11DC	100.000%	37.786%	31.196%	31.018%
17	OTHER DIST. EXP EXCL - M & E - AVG	11AVG	100.000%	57.893%	15.687%	26.420%
18	O & M EXCL A & G - LABOR - C/D	12CD	100.000%	87.551%	0.969%	11.481%
19	O & M EXCL A & G - LABOR - D/C	12DC	100.000%	66.393%	17.288%	16.319%
20	O & M EXCL A & G - LABOR - AVG	12AVG	100.000%	76.972%	9.128%	13.900%
21	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - C/D	13CD	100.000%	83.050%	0.121%	16.829%
22	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	13DC	100.000%	55.543%	21.338%	23.119%
23	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	13AVG	100.000%	69.296%	10.730%	19.974%
24	ACCT 376/380 - MAINS/SERVICES - C/D	14CD	100.000%	77.680%	0.000%	22.320%
25	ACCT 376/380 - MAINS/SERVICES - D/C	14DC	100.000%	36.547%	31.727%	31.727%
26	ACCT 376/380 - MAINS/SERVICES - AVG	14AVG	100.000%	57.113%	15.863%	27.023%
27	DIRECT PLANT ACCT 380	15	100.000%	100.000%	0.000%	0.000%
28	DIRECT PLANT ACCTS 381	16	100.000%	100.000%	0.000%	0.000%
29	DIRECT PLANT ACCT 385	17	100.000%	100.000%	0.000%	0.000%
30	ACCOUNT 376 MAINS - COMPOSITE/PLANT - C/D	18CD	100.000%	64.825%	0.000%	35.175%
31	ACCOUNT 376 MAINS - COMPOSITE/PLANT - D/C	18DC	100.000%	0.000%	50.000%	50.000%
32	ACCOUNT 376 MAINS - COMPOSITE/PLANT - AVG	18AVG	100.000%	32.413%	25.000%	42.588%
33	TOTAL PLANT - C/D	19CD	100.000%	79.545%	0.000%	20.455%
34	TOTAL PLANT - D/C	19DC	100.000%	41.847%	29.076%	29.076%
35	TOTAL PLANT - AVG	19AVG	100.000%	60.696%	14.538%	24.766%
36	AVERAGE C/D & D/C	20	100.000%	32.413%	25.000%	42.588%
37	UNCOLLECTIBLES	21	100.000%	100.000%	0.000%	0.000%
38	REVREQ	22	100.000%	77.952%	0.510%	21.538%

CUSTOMER RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED RATES
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 52 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		55,666,293	35,901,826	14,859,589	17,986	375,528	4,511,364	0	0	
2	PROPOSED INCREASE		<u>19,646,710</u>	<u>12,697,041</u>	<u>5,305,306</u>	<u>6,350</u>	<u>(4)</u>	<u>1,638,017</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		75,313,003	48,598,867	20,164,895	24,336	375,524	6,149,381	0	0	
4	COST OF GAS		0	0	0	0	0	0	0	0	
5	OPERATING & MAINTENANCE EXPENSE		38,265,477	30,657,468	6,237,213	4,044	57,742	1,309,010	0	0	
6	DEPRECIATION & AMORTIZATION		13,553,430	10,863,054	2,095,593	1,416	17,422	575,945	0	0	
7	FEDERAL INCOME TAX		5,312,040	610,225	3,409,418	5,589	85,878	1,200,930	0	0	
8	KENTUCKY STATE INCOME TAX		962,925	92,371	630,799	1,038	16,122	222,595	0	0	
9	TAXES OTHER THAN INCOME		<u>3,863,257</u>	<u>3,019,307</u>	<u>643,499</u>	<u>530</u>	<u>8,361</u>	<u>191,560</u>	<u>0</u>	<u>0</u>	
10	TOTAL EXPENSES & TAXES		61,957,129	45,242,425	13,016,522	12,617	185,525	3,500,040	0	0	
11	OPERATING INCOME		13,355,874	3,356,442	7,148,373	11,719	189,999	2,649,341	0	0	
12	INTEREST EXPENSE		<u>4,290,789</u>	<u>3,306,353</u>	<u>710,595</u>	<u>663</u>	<u>12,460</u>	<u>260,718</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		9,065,085	50,089	6,437,778	11,056	177,539	2,388,623	0	0	
14	RATE BASE		162,529,855	125,240,642	26,916,481	25,107	471,972	9,875,678	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		8.22%	2.68%	26.56%	46.68%	40.26%	26.83%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	0.32	3.16	5.55	4.79	3.19	0.00	0.00	

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 53 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		75,830,861	60,476,278	12,080,284	8,433	126,753	3,139,111	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		38,271,243	30,789,714	6,147,197	3,867	54,972	1,275,493	0	0
4		DEPRECIATION & AMORTIZATION		13,553,430	10,863,054	2,095,593	1,416	17,422	575,945	0	0
5		FEDERAL INCOME TAX		5,480,518	4,474,384	779,197	415	4,943	221,579	0	0
6		KENTUCKY STATE INCOME TAX		993,650	797,081	151,123	94	1,362	43,990	0	0
7		TAXES OTHER THAN INCOME		<u>3,863,257</u>	<u>3,019,307</u>	<u>643,499</u>	<u>530</u>	<u>8,361</u>	<u>191,560</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		62,162,098	49,943,540	9,816,609	6,322	87,060	2,308,567	0	0
9		OPERATING INCOME		13,668,763	10,532,738	2,263,676	2,111	39,693	830,544	0	0
10		INTEREST EXPENSE		<u>4,290,789</u>	<u>3,306,353</u>	<u>710,595</u>	<u>663</u>	<u>12,460</u>	<u>260,718</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		9,377,974	7,226,385	1,553,081	1,448	27,233	569,826	0	0
12		RATE BASE		162,529,855	125,240,642	26,916,481	25,107	471,972	9,875,678	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
15		AVERAGE ANNUAL CUSTOMERS		135,979	121,915	13,977	2	6	79	0	0
16		MONTHLY CUSTOMER BASED COST [1]		46.47	41.34	72.02	351.38	1,760.46	3,311.30	0.00	0.00

[1] LINE 1 / LINE 15 / 12 MONTHS.

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 54 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total CUSTOMER (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		20,164,565	24,574,452	(2,779,305)	(9,553)	(248,775)	(1,372,253)	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		186,186	226,903	(25,662)	(88)	(2,297)	(12,670)	0	0
4	LESS: PSC FEES @ 0.00190100		<u>38,333</u>	<u>46,716</u>	<u>(5,283)</u>	<u>(18)</u>	<u>(473)</u>	<u>(2,609)</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		19,940,046	24,300,833	(2,748,360)	(9,447)	(246,005)	(1,356,974)	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,196,403</u>	<u>1,458,050</u>	<u>(164,902)</u>	<u>(567)</u>	<u>(14,760)</u>	<u>(81,418)</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		18,743,643	22,842,783	(2,583,458)	(8,880)	(231,245)	(1,275,556)	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>6,560,276</u>	<u>7,994,974</u>	<u>(904,210)</u>	<u>(3,108)</u>	<u>(80,936)</u>	<u>(446,444)</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		12,183,367	14,847,809	(1,679,248)	(5,772)	(150,309)	(829,112)	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 55 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL							
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	(B)		\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES [1]		55,666,296	35,901,826	14,859,589	17,986	375,528	4,511,364	0	0
2	COST OF GAS		0	0	0	0	0	0	0	0
3	OPERATING & MAINTENANCE EXPENSE [2]		38,046,728	30,516,095	6,178,142	3,973	57,742	1,290,772	0	0
4	DEPRECIATION & AMORTIZATION [3]		13,553,430	10,863,054	2,095,593	1,416	17,422	575,945	0	0
5	FEDERAL INCOME TAX [4]		(1,079,760)	(3,520,590)	1,683,407	3,523	85,879	668,023	0	0
6	KENTUCKY STATE INCOME TAX [5]		(202,754)	(660,969)	316,025	661	16,122	125,408	0	0
7	TAXES OTHER THAN INCOME [6]		<u>3,863,259</u>	<u>3,019,307</u>	<u>643,499</u>	<u>530</u>	<u>8,361</u>	<u>191,560</u>	<u>0</u>	<u>0</u>
8	TOTAL EXPENSES & TAXES		54,180,903	40,216,897	10,916,666	10,103	185,526	2,851,708	0	0
9	OPERATING INCOME		1,485,393	(4,315,071)	3,942,923	7,883	190,002	1,659,656	0	0
10	INTEREST EXPENSE [7]		<u>4,290,788</u>	<u>3,306,353</u>	<u>710,595</u>	<u>663</u>	<u>12,460</u>	<u>260,718</u>	<u>0</u>	<u>0</u>
11	INCOME AVAILABLE FOR COMMON EQUITY		(2,805,395)	(7,621,424)	3,232,328	7,220	177,542	1,398,938	0	0
12	RATE BASE [8]		162,529,855	125,240,642	26,916,481	25,107	471,972	9,875,678	0	0
13	RATE OF RETURN EARNED ON RATE BASE		0.91%	-3.45%	14.65%	31.40%	40.26%	16.81%	0.00%	0.00%
14	UNITIZED RETURN		1.00	(3.79)	16.10	34.51	44.24	18.47	0.00	0.00

REFERENCES: [1] PAGE 62, [2] PAGE 70, [3] PAGE 61, [4] PAGE 75, [5] PAGE 73, [6] PAGE 71, [7] PAGE 74, [8] PAGE 76.

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PRODUCTION, & DIST. PLANT ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 56 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		INTANGIBLE PLANT									
2	301.00	ORGANIZATION	7CUST	414	325	66	0	1	22	0	0
3	303.00	MISC. INTANGIBLE PLANT	7CUST	59,140	46,393	9,487	8	130	3,122	0	0
4	303.10	DIS SOFTWARE	7CUST	0	0	0	0	0	0	0	0
5	303.20	FARA SOFTWARE	7CUST	0	0	0	0	0	0	0	0
6	303.30	OTHER SOFTWARE	7CUST	<u>6,635,078</u>	<u>5,204,953</u>	<u>1,064,333</u>	<u>929</u>	<u>14,597</u>	<u>350,266</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		6,694,632	5,251,671	1,073,886	937	14,728	353,410	0	0
8		PRODUCTION PLANT									
9	304.10	LAND	2	0	0	0	0	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
13		DISTRIBUTION PLANT									
14	374.10	LAND - CITY GATE & M/L IND M&R	3	134	99	22	0	0	13	0	0
15	374.20	LAND - OTHER DISTRIBUTION	3	569,005	419,886	95,257	137	0	53,725	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	3	428,692	316,345	71,767	103	0	40,477	0	0
17	374.50	RIGHTS OF WAY	3	1,769,611	1,305,849	296,251	425	0	167,087	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES	3	1,378	1,017	231	0	0	130	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R	3	0	0	0	0	0	0	0	0
20	375.40	STRUC & IMPROV-REGULATING	3	1,411,037	1,041,247	236,222	339	0	133,230	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		29,956	0	0	0	29,956	0	0	0
22	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7CUST	6,969,243	5,467,092	1,117,936	976	15,332	367,906	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CUST	206,664	162,120	33,151	29	455	10,910	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION	3	0	0	0	0	0	0	0	0
26	376.00	MAINS	3	143,458,279	105,862,168	24,016,350	34,430	0	13,545,331	0	0
27	376.00	DIRECT MAINS		7,573	0	0	0	7,573	0	0	0
28	378.10	M & R GENERAL	3	336,120	248,033	56,270	81	0	31,736	0	0
29	378.20	M & R GENERAL - REGULATING	3	5,947,752	4,389,025	995,713	1,427	0	561,587	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	3	29,458	21,738	4,932	7	0	2,781	0	0
31	379.10	STA EQUIP - CITY	3	165,240	121,936	27,663	40	0	15,602	0	0
32	380.00	SERVICES	15	127,467,343	112,461,887	14,554,221	1,275	0	449,960	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 57 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT		ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
				\$	\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0	0
2	381.00	METERS	16	22,789,579	16,395,279	6,292,659	2,963	0	98,679	0	0	0
3	382.00	METER INSTALLATIONS	16	9,462,175	6,807,278	2,612,696	1,230	0	40,971	0	0	0
4	383.00	HOUSE REGULATORS	16	5,770,311	4,151,277	1,593,298	750	0	24,985	0	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	2,257,522	1,624,106	623,347	293	0	9,775	0	0	0
6	385.00	IND M&R EQUIPMENT	17	2,697,547	0	700,742	782	0	1,996,050	0	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		677,829	0	0	0	677,829	0	0	0	0
8	387.20	ODORIZATION	7CUST	0	0	0	0	0	0	0	0	0
9	387.41	TELEPHONE	7CUST	585,267	459,119	93,883	82	1,288	30,896	0	0	0
10	387.42	RADIO	7CUST	632,529	496,194	101,464	89	1,392	33,391	0	0	0
11	387.44	OTHER COMMUNICATION	7CUST	106,264	83,360	17,046	15	234	5,610	0	0	0
12	387.45	TELEMETERING	7CUST	3,006,460	2,358,448	482,266	421	6,614	158,711	0	0	0
13	387.46	CIS	7CUST	<u>90,398</u>	<u>70,914</u>	<u>14,501</u>	<u>13</u>	<u>199</u>	<u>4,772</u>	<u>0</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		336,873,366	264,264,417	54,037,888	45,907	740,872	17,784,315	0	0	0
15		GENERAL PLANT										
16	391.10	OFF FURN & EQUIP - UNSPEC	7CUST	584,875	458,811	93,820	82	1,287	30,876	0	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	14,967	11,741	2,401	2	33	790	0	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CUST	1,000,387	784,764	160,472	140	2,201	52,810	0	0	0
19	392.20	TR EQ - TRAILER > \$1,000	7CUST	76,186	59,765	12,221	11	168	4,022	0	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7CUST	19,458	15,264	3,121	3	43	1,027	0	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	19,282	15,126	3,093	3	42	1,018	0	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CUST	0	0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT	7CUST	0	0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT	7CUST	0	0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7CUST	2,592,386	2,033,623	415,845	363	5,703	136,852	0	0	0
26	395.00	LABORATORY EQUIPMENT	7CUST	7,364	5,777	1,181	1	16	389	0	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	201,356	157,956	32,300	28	443	10,630	0	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7CUST	0	0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7CUST	<u>233,909</u>	<u>183,492</u>	<u>37,521</u>	<u>33</u>	<u>515</u>	<u>12,348</u>	<u>0</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>4,750,170</u>	<u>3,726,319</u>	<u>761,975</u>	<u>666</u>	<u>10,451</u>	<u>250,762</u>	<u>0</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		348,318,168	273,242,407	55,873,749	47,510	766,051	18,388,487	0	0	0

CUSTOMER RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 59 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	6,025,045	4,334,538	1,663,635	783	0	26,088	0	0
2	382.00	METER INSTALLATIONS	16	4,714,156	3,391,458	1,301,673	613	0	20,412	0	0
3	383.00	HOUSE REGULATORS	16	1,568,587	1,128,473	433,118	204	0	6,792	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	1,780,729	1,281,092	491,695	231	0	7,711	0	0
5	385.00	IND M&R EQUIPMENT	17	823,118	0	213,821	239	0	609,066	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		133,766	0	0	0	133,766	0	0	0
7	387.20	ODORIZATION	7CUST	(47,657)	(37,385)	(7,645)	(7)	(105)	(2,516)	0	0
8	387.41	TELEPHONE	7CUST	318,032	249,483	51,016	45	700	16,789	0	0
9	387.42	RADIO	7CUST	451,348	354,064	72,401	63	993	23,827	0	0
10	387.44	OTHER COMMUNICATION	7CUST	40,289	31,605	6,463	6	89	2,127	0	0
11	387.45	TELEMETERING	7CUST	421,200	330,415	67,565	59	927	22,235	0	0
12	387.46	CIS	7CUST	<u>90,965</u>	<u>71,358</u>	<u>14,592</u>	<u>13</u>	<u>200</u>	<u>4,802</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		122,111,289	98,146,089	18,746,222	13,304	150,421	5,055,265	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7CUST	(26,446)	(20,746)	(4,242)	(4)	(58)	(1,396)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	(9,032)	(7,085)	(1,449)	(1)	(20)	(477)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CUST	596,691	468,080	95,715	84	1,313	31,499	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7CUST	21,505	16,870	3,450	3	47	1,135	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7CUST	5,018	3,936	805	1	11	265	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	12,007	9,419	1,926	2	26	634	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CUST	30,177	23,673	4,841	4	66	1,593	0	0
22	393.00	STORES EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7CUST	147	115	24	0	0	8	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7CUST	1,060,335	831,790	170,088	148	2,333	55,975	0	0
25	395.00	LABORATORY EQUIPMENT	7CUST	6,176	4,845	991	1	14	326	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	161,156	126,420	25,851	23	355	8,507	0	0
27		RETIREMENT WORK IN PROGRESS	7CUST	0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7CUST	<u>9,620</u>	<u>7,547</u>	<u>1,543</u>	<u>1</u>	<u>21</u>	<u>508</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>1,867,354</u>	<u>1,464,864</u>	<u>299,543</u>	<u>262</u>	<u>4,108</u>	<u>98,577</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		126,741,742	101,778,494	19,488,994	13,952	160,608	5,299,706	0	0

CUSTOMER RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 61 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	1,172,264	843,350	323,686	152	0	5,076	0	0
2	382.00	METER INSTALLATIONS	16	230,831	166,064	63,737	30	0	999	0	0
3	383.00	HOUSE REGULATORS	16	157,520	113,323	43,494	20	0	682	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	22,800	16,403	6,296	3	0	99	0	0
5	385.00	IND M&R EQUIPMENT	17	158,316	0	41,126	46	0	117,146	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		13,065	0	0	0	13,065	0	0	0
7	387.20	ODORIZATION	7CUST	0	0	0	0	0	0	0	0
8	387.41	TELEPHONE	7CUST	21,888	17,170	3,511	3	48	1,155	0	0
9	387.42	RADIO	7CUST	23,653	18,555	3,794	3	52	1,249	0	0
10	387.44	OTHER COMMUNICATION	7CUST	3,971	3,115	637	1	9	210	0	0
11	387.45	TELEMETERING	7CUST	112,024	87,878	17,970	16	246	5,914	0	0
12	387.46	CIS	7CUST	<u>3,379</u>	<u>2,651</u>	<u>542</u>	<u>0</u>	<u>7</u>	<u>178</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		12,174,468	9,781,314	1,874,394	1,224	14,390	503,150	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7CUST	29,082	22,814	4,665	4	64	1,535	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	1,002	786	161	0	2	53	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CUST	201,564	158,119	32,333	28	443	10,641	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7CUST	6,968	5,466	1,118	1	15	368	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7CUST	1,785	1,400	286	0	4	94	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	773	606	124	0	2	41	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CUST	0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7CUST	103,135	80,905	16,544	14	227	5,444	0	0
25	395.00	LABORATORY EQUIPMENT	7CUST	372	292	60	0	1	20	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	5,212	4,089	836	1	11	275	0	0
27	398.00	MISCELLANEOUS EQUIPMENT	7CUST	<u>15,594</u>	<u>12,233</u>	<u>2,501</u>	<u>2</u>	<u>34</u>	<u>823</u>	<u>0</u>	<u>0</u>
28		TOTAL GENERAL PLANT		365,487	286,710	58,628	50	803	19,294	0	0
29		TOTAL DEPRECIATION EXPENSE		13,553,430	10,863,054	2,095,593	1,416	17,422	575,945	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 62 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		27,976,167	27,976,167	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		8,900,222	0	8,900,222	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		695,815	0	678,030	17,785	0	0	0	0
5		TOTAL SALES REVENUE		37,572,204	27,976,167	9,578,252	17,785	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		371,051	238,168	107,391	194	1,944	23,354	0	0
7	488.00	MISC. SERVICE REVENUE	6	137,000	122,831	14,082	1	5	79	0	0
8	489.00	REVENUE FROM TRANSPORTATION		16,999,041	7,038,368	5,099,526	0	373,556	4,487,591	0	0
9	495.00	OTHER	6	587,000	526,292	60,338	6	23	340	0	0
10		TOTAL OTHER GAS DEPT REVENUE		18,094,092	7,925,659	5,281,337	201	375,528	4,511,364	0	0
11		TOTAL OPERATING REVENUE		55,666,296	35,901,826	14,859,589	17,986	375,528	4,511,364	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 64 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT		ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)	
				\$	\$	\$	\$	\$	\$	\$	\$	
1		DISTRIBUTION EXPENSES										
2	870	SUPERVISION & ENGINEERING	10CUST	83,793	62,459	18,145	12	188	2,989	0	0	
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0	
4	874	MAINS & SERVICES	14CUST	1,341,178	1,080,748	190,930	174	40	69,285	0	0	
5	875	M & R - GENERAL	18CUST	53,381	39,389	8,936	13	3	5,040	0	0	
6	876	M & R - INDUSTRIAL	8	38,736	0	8,042	9	7,779	22,907	0	0	
7	878	METERS & HOUSE REGULATORS	16	1,279,637	920,596	353,333	166	0	5,541	0	0	
8	879	CUSTOMER INSTALLATION	16	1,500,691	1,079,627	414,371	195	0	6,498	0	0	
9	880	OTHER	10CUST	471,124	351,176	102,022	66	1,055	16,805	0	0	
10	881	RENTS	10CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
11		TOTAL OPERATION		4,768,540	3,533,995	1,095,779	635	9,065	129,065	0	0	
12		MAINTENANCE										
13	885	SUPERVISION & ENGINEERING	10CUST	7,436	5,543	1,610	1	17	265	0	0	
14	886	STRUCTURES & IMPROVEMENTS	18CUST	1,626	1,200	272	0	0	154	0	0	
15	887	MAINS	18CUST	600,509	443,110	100,525	144	30	56,700	0	0	
16	889	M & R - GENERAL	18CUST	89,844	66,295	15,040	22	4	8,483	0	0	
17	890	M & R - INDUSTRIAL	8	19,419	0	4,032	4	3,900	11,483	0	0	
18	892	SERVICES	15	298,657	263,499	34,101	3	0	1,054	0	0	
19	893	METERS & HOUSE REGULATORS	16	26,851	19,317	7,414	3	0	116	0	0	
20	894	OTHER EQUIPMENT	10CUST	<u>106,765</u>	<u>79,583</u>	<u>23,120</u>	<u>15</u>	<u>239</u>	<u>3,808</u>	<u>0</u>	<u>0</u>	
21		TOTAL MAINTENANCE		1,151,107	878,547	186,114	192	4,190	82,063	0	0	

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 65 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION	6	0	0	0	0	0	0	0	0
3	902	METER READING	6	165,331	148,232	16,994	2	7	96	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	692,556	620,932	71,188	7	28	402	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	0	0	0	0	0	0	0	0
6	905	MISC.	6	0	0	0	0	0	0	0	0
7	920	SALARIES	6	0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
9	931	RENTS	6	0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		857,887	769,164	88,182	9	35	498	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION	6	0	0	0	0	0	0	0	0
14	908	CUSTOMER ASSISTANCE	6	12,982	11,639	1,334	0	1	8	0	0
15	909	INFO. & INSTRUCTIONAL	6	0	0	0	0	0	0	0	0
16	910	MISCELLANEOUS	6	0	0	0	0	0	0	0	0
17	920	SALARIES	6	0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
19	931	RENTS	6	0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		12,982	11,639	1,334	0	1	8	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 66 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	
1	SALES										
2	911	SUPERVISION	6	0	0	0	0	0	0	0	
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	
4	913	ADVERTISING	6	0	0	0	0	0	0	0	
5	916	MISC.	6	0	0	0	0	0	0	0	
6		TOTAL SALES		0	0	0	0	0	0	0	
7		TOTAL DISTRIBUTION EXPENSES		6,790,516	5,193,345	1,371,409	836	13,291	211,634	0	0
8	ADMINISTRATIVE & GENERAL										
9	920	SALARIES	12CUST	1,399,044	1,069,975	282,551	168	2,742	43,608	0	0
10	921	OFFICE SUPPLIES & EXPENSES	12CUST	0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12CUST	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	12CUST	4,059	3,104	820	0	8	127	0	0
13	924	PROPERTY INSURANCE	12CUST	0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES	12CUST	0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12CUST	0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12CUST	0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12CUST	0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL	12CUST	0	0	0	0	0	0	0	0
19	931	RENTS	12CUST	0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12CUST	0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
22		FURNITURE & EQUIPMENT	12CUST	0	0	0	0	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12CUST	0	0	0	0	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		1,403,103	1,073,079	283,371	168	2,750	43,735	0	0
25		TOTAL O & M EXPENSE - LABOR		8,193,619	6,266,424	1,654,780	1,004	16,041	255,369	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 67 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	11CUST	611,114	472,141	102,997	92	1,289	34,595	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14CUST	4,324,974	3,485,151	615,703	562	130	223,428	0	0
5	875	M & R - GENERAL	18CUST	76,739	56,625	12,846	18	4	7,246	0	0
6	876	M & R - INDUSTRIAL	8	29,602	0	6,146	7	5,944	17,505	0	0
7	878	METERS & HOUSE REGULATORS	16	485,057	348,960	133,934	63	0	2,100	0	0
8	879	CUSTOMER INSTALLATION	16	655,941	471,897	181,118	85	0	2,840	0	0
9	880	OTHER	11CUST	944,972	730,076	159,266	142	1,994	53,495	0	0
10	881	RENTS	11CUST	<u>64,083</u>	<u>49,510</u>	<u>10,801</u>	<u>10</u>	<u>135</u>	<u>3,628</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		7,192,482	5,614,360	1,222,811	979	9,496	344,837	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11CUST	2,005	1,549	338	0	4	114	0	0
14	886	STRUCTURES & IMPROVEMENTS	18CUST	163,254	120,463	27,329	39	8	15,414	0	0
15	887	MAINS	18CUST	1,427,496	1,053,335	238,963	343	71	134,784	0	0
16	889	M & R - GENERAL	18CUST	93,825	69,233	15,706	23	5	8,859	0	0
17	890	M & R - INDUSTRIAL	8	51,880	0	10,771	12	10,418	30,679	0	0
18	892	SERVICES	15	431,251	380,484	49,240	4	0	1,522	0	0
19	893	METERS & HOUSE REGULATORS	16	118,176	85,018	32,631	15	0	512	0	0
20	894	OTHER EQUIPMENT	11CUST	<u>155,669</u>	<u>120,268</u>	<u>26,236</u>	<u>23</u>	<u>328</u>	<u>8,812</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		2,443,556	1,830,350	401,214	459	10,834	200,696	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 68 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT		ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
				\$	\$	\$	\$	\$	\$	\$	\$	
1		CUSTOMER ACCOUNTS										
2	901	SUPERVISION	6	0	0	0	0	0	0	0	0	
3	902	METER READING	6	399,502	358,186	41,065	4	16	232	0	0	
4	903	CUSTOMER RECORDS & COLLECTIONS	6	3,252,912	2,916,496	334,367	33	130	1,887	0	0	
5	904	UNCOLLECTIBLE ACCOUNTS	21	1,027,585	891,707	135,035	21	62	760	0	0	
6	905	MISC.	6	1,073	962	110	0	0	1	0	0	
7	920	SALARIES	6	0	0	0	0	0	0	0	0	
8	921	OFFICE SUPPLIES AND EXPENSE	6	253	227	26	0	0	0	0	0	
9	931	RENTS	6	0	0	0	0	0	0	0	0	
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
11		TOTAL CUSTOMER ACCT.		4,681,325	4,167,578	510,603	58	208	2,880	0	0	
12		CUSTOMER SERVICE & INFORMATIONAL										
13	907	SUPERVISION	6	(2,789)	(2,501)	(287)	0	0	(2)	0	0	
14	908	CUSTOMER ASSISTANCE	6	1,198,971	1,074,973	123,242	12	48	695	0	0	
15	909	INFO. & INSTRUCTIONAL	6	65,932	59,113	6,777	1	3	38	0	0	
16	910	MISCELLANEOUS	6	257,797	231,136	26,499	3	10	150	0	0	
17	920	SALARIES	6	0	0	0	0	0	0	0	0	
18	921	OFFICE SUPPLIES AND EXPENSE	6	13,868	12,434	1,425	0	1	8	0	0	
19	931	RENTS	6	0	0	0	0	0	0	0	0	
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
21		TOTAL CUSTOMER SERVICE & INFO.		1,533,779	1,375,155	157,656	16	62	889	0	0	

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 69 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	37,477	33,601	3,852	0	1	22	0	0
4	913	ADVERTISING	6	138,706	124,361	14,258	1	6	80	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		<u>176,183</u>	<u>157,962</u>	<u>18,110</u>	<u>1</u>	<u>7</u>	<u>102</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		16,027,325	13,145,405	2,310,394	1,513	20,607	549,404	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13CUST	2,461,017	2,010,454	356,921	246	3,372	90,024	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13CUST	742,547	606,601	107,692	74	1,017	27,162	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13CUST	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13CUST	5,896,361	4,816,855	855,149	590	8,078	215,689	0	0
13	924	PROPERTY INSURANCE	13CUST	67,892	55,462	9,846	7	93	2,483	0	0
14	925	INJURIES AND DAMAGES	12CUST	866,976	663,055	175,094	104	1,699	27,024	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12CUST	2,783,387	2,128,707	562,133	334	5,455	86,758	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13CUST	164,240	134,171	23,820	16	225	6,008	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13CUST	146,325	119,536	21,222	15	200	5,353	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13CUST	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13CUST	(51,593)	(42,147)	(7,483)	(5)	(71)	(1,887)	0	0
21	931	RENTS	13CUST	533,325	435,684	77,348	53	731	19,509	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13CUST	108	88	16	0	0	4	0	0
23	935.23	MAINT. - GEN'L OFFICE									
24		FURNITURE & EQUIPMENT	13CUST	0	0	0	0	0	0	0	0
25	932	MAINT.-MISCELLANEOUS	13CUST	<u>215,199</u>	<u>175,800</u>	<u>31,210</u>	<u>22</u>	<u>295</u>	<u>7,872</u>	<u>0</u>	<u>0</u>
26		TOTAL ADMIN & GENERAL - M & E		<u>13,825,784</u>	<u>11,104,266</u>	<u>2,212,968</u>	<u>1,456</u>	<u>21,094</u>	<u>485,999</u>	<u>0</u>	<u>0</u>
27		TOTAL O & M EXPENSE - M & E		29,853,109	24,249,671	4,523,362	2,969	41,701	1,035,403	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 70 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	4,768,540	3,533,995	1,095,779	635	9,065	129,065	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	1,151,107	878,547	186,114	192	4,190	82,063	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	857,887	769,164	88,182	9	35	498	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	12,982	11,639	1,334	0	1	8	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>1,403,103</u>	<u>1,073,079</u>	<u>283,371</u>	<u>168</u>	<u>2,750</u>	<u>43,735</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			8,193,619	6,266,424	1,654,780	1,004	16,041	255,369	0	0
10	M & E										
11	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	7,192,482	5,614,360	1,222,811	979	9,496	344,837	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	2,443,556	1,830,350	401,214	459	10,834	200,696	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	4,681,325	4,167,578	510,603	58	208	2,880	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	1,533,779	1,375,155	157,656	16	62	889	0	0
16	SALES		PAGE 19	176,183	157,962	18,110	1	7	102	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>13,825,784</u>	<u>11,104,266</u>	<u>2,212,968</u>	<u>1,456</u>	<u>21,094</u>	<u>485,999</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>29,853,109</u>	<u>24,249,671</u>	<u>4,523,362</u>	<u>2,969</u>	<u>41,701</u>	<u>1,035,403</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			38,046,728	30,516,095	6,178,142	3,973	57,742	1,290,772	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 71 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7CUST	3,290,589	2,581,335	527,843	461	7,239	173,710	0	0
2	408	TAXES BASED ON PAYROLL	12CUST	572,670	437,972	115,656	69	1,122	17,850	0	0
3	408	OTHER TAXES	12CUST	0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		3,863,259	3,019,307	643,499	530	8,361	191,560	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 72 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		202,879	(8,496,630)	5,942,355	12,067	292,003	2,453,087	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		4,290,788	3,306,353	710,595	663	12,460	260,718	0	0
4		TAX ACCELERATED DEPRECIATION	19CUST	11,610,150	9,107,698	1,862,384	1,625	25,542	612,900	0	0
5		BOOK DEPRECIATION		<u>12,539,955</u>	<u>10,068,024</u>	<u>1,933,022</u>	<u>1,274</u>	<u>15,193</u>	<u>522,444</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		(929,805)	(960,326)	(70,638)	351	10,349	90,456	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12CUST	<u>(4,343)</u>	<u>(3,321)</u>	<u>(877)</u>	<u>(1)</u>	<u>(9)</u>	<u>(135)</u>	<u>0</u>	<u>0</u>
8		TOTAL RECONCILING ITEMS		<u>3,356,640</u>	<u>2,342,706</u>	<u>639,080</u>	<u>1,013</u>	<u>22,800</u>	<u>351,039</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(3,153,761)	(10,839,336)	5,303,275	11,054	269,203	2,102,048	0	0
10		STATE INCOME TAX @ 6.00%		(189,225)	(650,356)	318,195	663	16,152	126,122	0	0
11		PLUS: FOREIGN TAX PAYMENTS	19CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(189,225)	(650,356)	318,195	663	16,152	126,122	0	0

CUSTOMER RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
KENTUCKY STATE INCOME TAX

ATTACHMENT CEN-1
PAGE 73 OF 129

FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE	19CUST	(13,529)	(10,613)	(2,170)	(2)	(30)	(714)	0	0
4		TOTAL DEFERRED INCOME TAX		(13,529)	(10,613)	(2,170)	(2)	(30)	(714)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(202,754)	(660,969)	316,025	661	16,122	125,408	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 74 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		55,666,296	35,901,826	14,859,589	17,986	375,528	4,511,364	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>55,463,417</u>	<u>44,398,456</u>	<u>8,917,234</u>	<u>5,919</u>	<u>83,525</u>	<u>2,058,277</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		202,879	(8,496,630)	5,942,355	12,067	292,003	2,453,087	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		4,290,788	3,306,353	710,595	663	12,460	260,718	0	0
6		EXCESS OF BOOK OVER TAX S/L	19CUST	11,610,150	9,107,698	1,862,384	1,625	25,542	612,900	0	0
7		BOOK DEPRECIATION		<u>12,539,955</u>	<u>10,068,024</u>	<u>1,933,022</u>	<u>1,274</u>	<u>15,193</u>	<u>522,444</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		(929,805)	(960,326)	(70,638)	351	10,349	90,456	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12CUST	(4,343)	(3,321)	(877)	(1)	(9)	(135)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(189,225)</u>	<u>(650,356)</u>	<u>318,195</u>	<u>663</u>	<u>16,152</u>	<u>126,122</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		3,167,415	1,692,350	957,275	1,676	38,952	477,161	0	0
12		TAXABLE INCOME		(2,964,536)	(10,188,980)	4,985,080	10,391	253,051	1,975,926	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(1,007,942)	(3,464,252)	1,694,927	3,533	86,037	671,815	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(1,007,942)	(3,464,252)	1,694,927	3,533	86,037	671,815	0	0

CUSTOMER RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 75 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC	19CUST	28,445	22,314	4,563	4	63	1,502	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19CUST	<u>(43,373)</u>	<u>(34,024)</u>	<u>(6,957)</u>	<u>(6)</u>	<u>(95)</u>	<u>(2,290)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(43,373)</u>	<u>(34,024)</u>	<u>(6,957)</u>	<u>(6)</u>	<u>(95)</u>	<u>(2,290)</u>	<u>0</u>	<u>0</u>
6		TOTAL DEFERRED INCOME TAX		<u>(71,818)</u>	<u>(56,338)</u>	<u>(11,520)</u>	<u>(10)</u>	<u>(158)</u>	<u>(3,792)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		(1,079,760)	(3,520,590)	1,683,407	3,523	85,879	668,023	0	0

CUSTOMER RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
RATE BASE SUMMARY

ATTACHMENT CEN-1
PAGE 76 OF 129

FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	
1	101 & 106 GROSS PLANT [1]		348,318,168	273,242,407	55,873,749	47,510	766,051	18,388,487	0	0	
	LESS:										
2	108-111 DEPRECIATION RESERVE [2]		<u>126,741,742</u>	<u>101,778,494</u>	<u>19,488,994</u>	<u>13,952</u>	<u>160,608</u>	<u>5,299,706</u>	<u>0</u>	<u>0</u>	
3	NET PLANT		221,576,426	171,463,913	36,384,755	33,558	605,443	13,088,781	0	0	
4	190.00 ACCUMULATED DEF INCOME TAX	19CUST	4,284,256	3,360,827	687,238	600	9,425	226,166	0	0	
	LESS:										
5	252.00 CUSTOMER ADVANCES	3	0	0	0	0	0	0	0	0	
6	255.00 (1962 - 69) INVESTMENT TAX CREDIT	19CUST	0	0	0	0	0	0	0	0	
7	282.00 ACCUMULATED DEF INCOME TAX	19CUST	68,541,837	53,768,329	10,994,796	9,596	150,792	3,618,324	0	0	
8	283.00 ACCUMULATED DEF INCOME TAX	19CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
9	NET RATE BASE		157,318,845	121,056,411	26,077,197	24,562	464,076	9,696,623	0	0	
10	PLUS WORKING CAPITAL:										
11	CASH WORKING CAPITAL @ 1/8 OF										
12	O & M EXCLUDING GAS COST [3]		4,755,841	3,814,512	772,268	497	7,218	161,347	0	0	
13	151.00 FUEL STOCK	2	0	0	0	0	0	0	0	0	
14	154.00 MATERIALS & SUPPLIES	7CUST	65,235	51,174	10,464	9	144	3,444	0	0	
15	165.00 PREPAYMENTS	13CUST	389,934	318,545	56,552	39	534	14,264	0	0	
16	164.00 GAS STORED UNDERGROUND - FSS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
17	RATE BASE		162,529,855	125,240,642	26,916,481	25,107	471,972	9,875,678	0	0	
REFERENCES: [1] PAGE 57, [2] PAGE 59,											
	[3] TOTAL O & M EXPENSE		38,046,728	30,516,095	6,178,142	3,973	57,742	1,290,772	0	0	
	LESS: COST OF GAS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
	O & M EXCL. GAS COST		38,046,728	30,516,095	6,178,142	3,973	57,742	1,290,772	0	0	

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT CEN-1

ALLOCATION FACTORS

PAGE 77 OF 129

CUSTOMER RELATED
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	TOTAL CUSTOMER (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (K)
1	DESIGN DAY EXCL. DS-ML	1	100.000%	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
4	THROUGHPUT EXCL MLS	4	100.000%	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
5	COMPOSIT OF ALLOC #1 & #4	5	100.000%	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
6	AVERAGE NO. OF CUSTOMERS	6	100.000%	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387	7CUST	100.000%	78.446%	16.041%	0.014%	0.220%	5.279%	0.000%	0.000%
8	TOTAL PLANT ACCOUNT 385	8	100.000%	0.000%	20.761%	0.023%	20.081%	59.135%	0.000%	0.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
10	OTHER DIST. EXP - LABOR	10CUST	100.000%	74.540%	21.655%	0.014%	0.224%	3.567%	0.000%	0.000%
11	OTHER DIST. EXP EXCL - M & E	11CUST	100.000%	77.259%	16.854%	0.015%	0.211%	5.661%	0.000%	0.000%
12	O & M EXCL A & G - LABOR	12CUST	100.000%	76.479%	20.196%	0.012%	0.196%	3.117%	0.000%	0.000%
13	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	13CUST	100.000%	81.692%	14.503%	0.010%	0.137%	3.658%	0.000%	0.000%
14	ACCT 376/380 - MAINS/SERVICES	14CUST	100.000%	80.582%	14.236%	0.013%	0.003%	5.166%	0.000%	0.000%
15	DIRECT PLANT ACCT 380	15	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
16	DIRECT PLANT ACCTS 381	16	100.000%	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
17	DIRECT PLANT ACCT 385	17	100.000%	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
18	ACCOUNT 376 MAINS - COMPOSITE/PLANT	18CUST	100.000%	73.789%	16.740%	0.024%	0.005%	9.442%	0.000%	0.000%
19	TOTAL PLANT	19CUST	100.000%	78.446%	16.041%	0.014%	0.220%	5.279%	0.000%	0.000%
20	AVG DEM/COM #5 & CUS/DEM #3	20	100.000%	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
21	UNCOLLECTIBLES	21	100.000%	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 78 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		21,864,212	14,037,735	7,769,549	25,125	2,444	29,360	0	0
2		PROPOSED INCREASE		<u>101,162</u>	<u>84,007</u>	<u>6,227</u>	<u>43</u>	<u>13</u>	<u>10,872</u>	<u>0</u>	<u>0</u>
3		TOTAL PROPOSED REVENUES		21,965,374	14,121,742	7,775,776	25,168	2,457	40,232	0	0
4		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
5		OPERATING & MAINTENANCE EXPENSE		475,495	269,229	155,310	471	0	50,485	0	0
6		DEPRECIATION & AMORTIZATION		0	0	0	0	0	0	0	0
7		FEDERAL INCOME TAX		2,877	14,339	(8,065)	(101)	785	(4,081)	0	0
8		KENTUCKY STATE INCOME TAX		363	2,545	(1,525)	(19)	148	(785)	0	0
9		TAXES OTHER THAN INCOME		<u>6,337</u>	<u>2,118</u>	<u>1,530</u>	<u>3</u>	<u>0</u>	<u>2,686</u>	<u>0</u>	<u>0</u>
10		TOTAL EXPENSES & TAXES		21,961,022	14,095,326	7,791,096	25,363	933	48,305	0	0
11		OPERATING INCOME		4,352	26,416	(15,320)	(195)	1,524	(8,073)	0	0
12		INTEREST EXPENSE		<u>1,582</u>	<u>895</u>	<u>518</u>	<u>2</u>	<u>0</u>	<u>167</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		2,770	25,521	(15,838)	(197)	1,524	(8,240)	0	0
14		RATE BASE		59,866	33,893	19,604	60	0	6,311	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		7.27%	77.94%	-78.15%	-325.67%	0.00%	-127.92%	0.00%	0.00%
16		UNITIZED RETURN		1.00	9.28	(9.30)	(38.77)	0.00	(15.23)	0.00	0.00

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 79 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		21,966,504	14,082,738	7,803,863	25,499	(66)	54,472	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		475,510	268,796	155,623	475	(28)	50,644	0	0
4		DEPRECIATION & AMORTIZATION		0	0	0	0	0	0	0	0
5		FEDERAL INCOME TAX		3,246	1,649	1,073	7	(35)	552	0	0
6		KENTUCKY STATE INCOME TAX		430	231	142	0	(2)	60	0	0
7		TAXES OTHER THAN INCOME		<u>6,337</u>	<u>2,118</u>	<u>1,530</u>	<u>3</u>	<u>0</u>	<u>2,686</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		21,961,473	14,079,889	7,802,214	25,494	(65)	53,942	0	0
9		OPERATING INCOME		5,031	2,850	1,649	5	(0)	531	0	0
10		INTEREST EXPENSE		<u>1,582</u>	<u>895</u>	<u>518</u>	<u>2</u>	<u>0</u>	<u>167</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		3,449	1,955	1,131	3	(0)	364	0	0
12		RATE BASE		59,866	33,893	19,604	60	0	6,311	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.40%	8.41%	8.41%	8.85%	0.00%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.05	0.00	1.00	0.00	0.00

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 80 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total COMMODITY (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		102,292	45,003	34,314	375	(2,510)	25,112	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		945	416	317	3	(23)	232	0	0
4	LESS: PSC FEES @ 0.00190100		<u>195</u>	<u>86</u>	<u>65</u>	<u>1</u>	<u>(5)</u>	<u>48</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		101,152	44,501	33,932	371	(2,482)	24,832	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>6,069</u>	<u>2,670</u>	<u>2,036</u>	<u>22</u>	<u>(149)</u>	<u>1,490</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		95,083	41,831	31,896	349	(2,333)	23,342	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>33,281</u>	<u>14,641</u>	<u>11,164</u>	<u>122</u>	<u>(816)</u>	<u>8,170</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		61,802	27,190	20,732	227	(1,517)	15,172	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 81 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		21,864,212	14,037,735	7,769,549	25,125	2,444	29,360	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		474,367	268,294	155,241	471	0	50,364	0	0
4		DEPRECIATION & AMORTIZATION [3]		0	0	0	0	0	0	0	0
5		FEDERAL INCOME TAX [4]		(30,034)	(12,992)	(10,091)	(115)	781	(7,618)	0	0
6		KENTUCKY STATE INCOME TAX [5]		(5,638)	(2,439)	(1,894)	(22)	147	(1,430)	0	0
7		TAXES OTHER THAN INCOME [6]		<u>6,337</u>	<u>2,118</u>	<u>1,530</u>	<u>3</u>	<u>0</u>	<u>2,686</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		21,920,982	14,062,076	7,788,632	25,346	928	44,002	0	0
9		OPERATING INCOME		(56,770)	(24,341)	(19,083)	(221)	1,516	(14,642)	0	0
10		INTEREST EXPENSE [7]		<u>1,580</u>	<u>895</u>	<u>518</u>	<u>2</u>	<u>0</u>	<u>167</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(58,350)	(25,236)	(19,601)	(223)	1,516	(14,809)	0	0
12		RATE BASE [8]		59,866	33,893	19,604	60	0	6,311	0	0
13		RATE OF RETURN EARNED ON RATE BASE		-94.83%	-71.82%	-97.34%	-369.00%	0.00%	-232.00%	0.00%	0.00%
14		UNITIZED RETURN		1.00	0.76	1.03	3.89	0.00	2.45	0.00	0.00

REFERENCES: [1] PAGE 88, [2] PAGE 96, [3] PAGE 87, [4] PAGE 101, [5] PAGE 99, [6] PAGE 97, [7] PAGE 100, [8] PAGE 102.

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 88 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		13,990,129	13,990,129	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		7,160,980	0	7,160,980	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		570,658	0	545,533	25,125	0	0	0	0
5		TOTAL SALES REVENUE		21,721,766	13,990,129	7,706,513	25,125	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		31,230	1,558	29,672	0	0	0	0	0
7	488.00	MISC. SERVICE REVENUE	6	0	0	0	0	0	0	0	0
8	489.00	REVENUE FROM TRANSPORTATION - GS - Residential		111,216	46,048	33,364	0	2,444	29,360	0	0
9	495.00	OTHER	6	0	0	0	0	0	0	0	0
10		TOTAL OTHER GAS DEPT REVENUE		142,446	47,606	63,036	0	2,444	29,360	0	0
11		TOTAL OPERATING REVENUE		21,864,212	14,037,735	7,769,549	25,125	2,444	29,360	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 PRODUCTION EXPENSE ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 89 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1	OPERATING EXPENSES										
2	PRODUCTION EXPENSES - OPERATION										
3	717		LIQUE PETRO GAS EXP - LABOR	2	0	0	0	0	0	0	0
4	717		LIQUE PETRO GAS EXP - M&E	2	0	0	0	0	0	0	0
5	723		LIQUIFIED PETROLEUM GAS PROCESS	2	0	0	0	0	0	0	0
6	728		LIQUIFIED PETROLEUM GAS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7			TOTAL OPERATION		0	0	0	0	0	0	0
8	PRODUCTION EXPENSES - MAINTENANCE										
9	741		STRUCTURES & IMPROV - LABOR	2	0	0	0	0	0	0	0
10	741		STRUCTURES & IMPROV - M&E	2	0	0	0	0	0	0	0
11	742		PRODUCTION EQUIPMENT - LABOR	2	0	0	0	0	0	0	0
12	742		PRODUCTION EQUIPMENT - M&E	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13			TOTAL MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14			TOTAL MANUFACTURED GAS		0	0	0	0	0	0	0
15	OTHER GAS SUPPLIES EXPENSE										
16	803 - 806										
17	& 808		COST OF GAS @ CITY GATE		21,475,950	13,807,095	7,643,847	25,009	0	0	0
18	807		OTHER PURCHASED GAS - LABOR	9	0	0	0	0	0	0	0
19	807		OTHER PURCHASED GAS - M & E	9	341,557	219,590	121,570	396	0	0	0
20	812		GAS USED IN OPERATIONS	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21			TOTAL OTHER GAS SUPPLIES EXP		<u>21,817,507</u>	<u>14,026,685</u>	<u>7,765,417</u>	<u>25,405</u>	<u>0</u>	<u>0</u>	<u>0</u>
22			TOTAL PRODUCTION EXPENSE		21,817,507	14,026,685	7,765,417	25,405	0	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 90 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	10COMM	1,064	356	257	1	0	451	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	66,644	22,273	16,093	32	0	28,246	0	0
4	874	MAINS & SERVICES	14COMM	0	0	0	0	0	0	0	0
5	875	M & R - GENERAL	18COMM	0	0	0	0	0	0	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	0	0	0	0	0	0	0	0
9	880	OTHER	10COMM	5,980	1,999	1,444	3	0	2,535	0	0
10	881	RENTS	10COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		73,688	24,628	17,794	36	0	31,232	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	10COMM	94	31	23	0	0	40	0	0
14	886	STRUCTURES & IMPROVEMENTS	18COMM	0	0	0	0	0	0	0	0
15	887	MAINS	18COMM	0	0	0	0	0	0	0	0
16	889	M & R - GENERAL	18COMM	0	0	0	0	0	0	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	10COMM	<u>1,355</u>	<u>453</u>	<u>327</u>	<u>1</u>	<u>0</u>	<u>574</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,449	484	350	1	0	614	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 92 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6		TOTAL SALES		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		75,137	25,112	18,144	37	0	31,846	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	12COMM	15,480	5,174	3,738	8	0	6,561	0	0
10	921	OFFICE SUPPLIES & EXPENSES	12COMM	0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12COMM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	12COMM	45	15	11	0	0	19	0	0
13	924	PROPERTY INSURANCE	12COMM	0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES	12COMM	0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12COMM	0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12COMM	0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12COMM	0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL	12COMM	0	0	0	0	0	0	0	0
19	931	RENTS	12COMM	0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12COMM	0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
22		FURNITURE & EQUIPMENT	12COMM	0	0	0	0	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
24		TOTAL ADMIN & GENERAL - LABOR		<u>15,525</u>	<u>5,189</u>	<u>3,749</u>	<u>8</u>	<u>0</u>	<u>6,580</u>	<u>0</u>	<u>0</u>
25		TOTAL O & M EXPENSE - LABOR		90,662	30,301	21,893	45	0	38,426	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 93 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	11COMM	1,391	465	336	1	0	590	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	17,885	5,977	4,319	9	0	7,580	0	0
4	874	MAINS & SERVICES	14COMM	0	0	0	0	0	0	0	0
5	875	M & R - GENERAL	18COMM	0	0	0	0	0	0	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	0	0	0	0	0	0	0	0
9	880	OTHER	11COMM	2,151	719	519	1	0	912	0	0
10	881	RENTS	11COMM	<u>146</u>	<u>49</u>	<u>35</u>	<u>0</u>	<u>0</u>	<u>62</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		21,573	7,210	5,209	11	0	9,144	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11COMM	5	2	1	0	0	2	0	0
14	886	STRUCTURES & IMPROVEMENTS	18COMM	0	0	0	0	0	0	0	0
15	887	MAINS	18COMM	0	0	0	0	0	0	0	0
16	889	M & R - GENERAL	18COMM	0	0	0	0	0	0	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	11COMM	<u>354</u>	<u>118</u>	<u>85</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		359	120	86	0	0	152	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 95 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		21,932	7,330	5,295	11	0	9,296	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13COMM	3,598	2,246	1,256	4	0	92	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13COMM	1,086	678	379	1	0	28	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13COMM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13COMM	8,621	5,382	3,009	10	0	220	0	0
13	924	PROPERTY INSURANCE	13COMM	99	62	35	0	0	3	0	0
14	925	INJURIES AND DAMAGES	12COMM	1,268	424	306	1	0	537	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12COMM	4,070	1,360	983	2	0	1,725	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13COMM	240	150	84	0	0	6	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13COMM	214	134	75	0	0	5	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13COMM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13COMM	(75)	(47)	(26)	0	0	(2)	0	0
21	931	RENTS	13COMM	780	487	272	1	0	20	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13COMM	0	0	0	0	0	0	0	0
23	935.23	MAINT. - GEN'L OFFICE									
24		FURNITURE & EQUIPMENT	13COMM	0	0	0	0	0	0	0	0
25	932	MAINT.-MISCELLANEOUS	13COMM	315	197	110	0	0	8	0	0
26		TOTAL ADMIN & GENERAL - M & E		20,216	11,073	6,483	19	0	2,642	0	0
27		TOTAL O & M EXPENSE - M & E		383,705	237,993	133,348	426	0	11,938	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 96 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	73,688	24,628	17,794	36	0	31,232	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	1,449	484	350	1	0	614	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	0	0	0	0	0	0	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	0	0	0	0	0	0	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>15,525</u>	<u>5,189</u>	<u>3,749</u>	<u>8</u>	<u>0</u>	<u>6,580</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			90,662	30,301	21,893	45	0	38,426	0	0
10	M & E										
11	PRODUCTION		PAGE 13	341,557	219,590	121,570	396	0	0	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	21,573	7,210	5,209	11	0	9,144	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	359	120	86	0	0	152	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	0	0	0	0	0	0	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	0	0	0	0	0	0	0	0
16	SALES		PAGE 19	0	0	0	0	0	0	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>20,216</u>	<u>11,073</u>	<u>6,483</u>	<u>19</u>	<u>0</u>	<u>2,642</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>383,705</u>	<u>237,993</u>	<u>133,348</u>	<u>426</u>	<u>0</u>	<u>11,938</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			474,367	268,294	155,241	471	0	50,364	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 97 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7COMM	0	0	0	0	0	0	0	0
2	408	TAXES BASED ON PAYROLL	12COMM	6,337	2,118	1,530	3	0	2,686	0	0
3	408	OTHER TAXES	12COMM	0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		6,337	2,118	1,530	3	0	2,686	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 98 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		(92,442)	(39,772)	(31,069)	(358)	2,444	(23,690)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		1,580	895	518	2	0	167	0	0
4		TAX ACCELERATED DEPRECIATION	19COMM	0	0	0	0	0	0	0	0
5		BOOK DEPRECIATION		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		0	0	0	0	0	0	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12COMM	<u>(48)</u>	<u>(16)</u>	<u>(12)</u>	<u>0</u>	<u>0</u>	<u>(20)</u>	<u>0</u>	<u>0</u>
8		TOTAL RECONCILING ITEMS		<u>1,532</u>	<u>879</u>	<u>506</u>	<u>2</u>	<u>0</u>	<u>147</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(93,974)	(40,651)	(31,575)	(360)	2,444	(23,837)	0	0
10		STATE INCOME TAX @ 6.00%		(5,638)	(2,439)	(1,894)	(22)	147	(1,430)	0	0
11		PLUS: FOREIGN TAX PAYMENTS	19COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(5,638)	(2,439)	(1,894)	(22)	147	(1,430)	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 99 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE	19COMM	0	0	0	0	0	0	0	0
4		TOTAL DEFERRED INCOME TAX		0	0	0	0	0	0	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(5,638)	(2,439)	(1,894)	(22)	147	(1,430)	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 100 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		21,864,212	14,037,735	7,769,549	25,125	2,444	29,360	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>21,956,654</u>	<u>14,077,507</u>	<u>7,800,618</u>	<u>25,483</u>	<u>0</u>	<u>53,050</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		(92,442)	(39,772)	(31,069)	(358)	2,444	(23,690)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		1,580	895	518	2	0	167	0	0
6		EXCESS OF BOOK OVER TAX S/L	19COMM	0	0	0	0	0	0	0	0
7		BOOK DEPRECIATION		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		0	0	0	0	0	0	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12COMM	(48)	(16)	(12)	0	0	(20)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(5,638)</u>	<u>(2,439)</u>	<u>(1,894)</u>	<u>(22)</u>	<u>147</u>	<u>(1,430)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		(4,106)	(1,560)	(1,388)	(20)	147	(1,283)	0	0
12		TAXABLE INCOME		(88,336)	(38,212)	(29,680)	(338)	2,297	(22,407)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(30,034)	(12,992)	(10,091)	(115)	781	(7,618)	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(30,034)	(12,992)	(10,091)	(115)	781	(7,618)	0	0

COMMODITY RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 101 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC	19COMM	0	0	0	0	0	0	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		0	0	0	0	0	0	0	0
6		TOTAL DEFERRED INCOME TAX		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		(30,034)	(12,992)	(10,091)	(115)	781	(7,618)	0	0

COMMODITY RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
RATE BASE SUMMARY

ATTACHMENT CEN-1
PAGE 102 OF 129

FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		0	0	0	0	0	0	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		0	0	0	0	0	0	0	0
3		NET PLANT		0	0	0	0	0	0	0	0
4	190.00	ACCUMULATED DEF INCOME TAX	19COMM	0	0	0	0	0	0	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES	3	0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19COMM	0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19COMM	0	0	0	0	0	0	0	0
8	283.00	ACCUMULATED DEF INCOME TAX	19COMM	0	0	0	0	0	0	0	0
9		NET RATE BASE		0	0	0	0	0	0	0	0

10 PLUS WORKING CAPITAL:

11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		59,296	33,537	19,405	59	0	6,296	0	0
13	151.00	FUEL STOCK	2	0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7COMM	0	0	0	0	0	0	0	0
15	165.00	PREPAYMENTS	13COMM	570	356	199	1	0	15	0	0
16	164.00	GAS STORED UNDERGROUND - FSS	2	0	0	0	0	0	0	0	0
17		RATE BASE		59,866	33,893	19,604	60	0	6,311	0	0

REFERENCES: [1] PAGE 83, [2] PAGE 85,

[3] TOTAL O & M EXPENSE	21,950,317	14,075,389	7,799,088	25,480	0	50,364	0	0
LESS: COST OF GAS	<u>21,475,950</u>	<u>13,807,095</u>	<u>7,643,847</u>	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
O & M EXCL. GAS COST	474,367	268,294	155,241	471	0	50,364	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT CEN-1

ALLOCATION FACTORS

PAGE 103 OF 129

COMMODITY RELATED
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	TOTAL COMMODITY (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (K)
1	DESIGN DAY EXCL. DS-ML	1	100.000%	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
4	THROUGHPUT EXCL MLS	4	100.000%	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
5	COMPOSIT OF ALLOC #1 & #4	5	100.000%	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
6	AVERAGE NO. OF CUSTOMERS	6	100.000%	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387	7COMM	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
8	TOTAL PLANT ACCOUNT 385	8	100.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	64.291%	35.593%	0.116%	0.000%	0.000%	0.000%	0.000%
10	OTHER DIST. EXP - LABOR	10COMM	100.000%	33.421%	24.148%	0.048%	0.000%	42.383%	0.000%	0.000%
11	OTHER DIST. EXP EXCL - M & E	11COMM	100.000%	33.419%	24.149%	0.050%	0.000%	42.382%	0.000%	0.000%
12	O & M EXCL A & G - LABOR	12COMM	100.000%	33.421%	24.147%	0.049%	0.000%	42.383%	0.000%	0.000%
13	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	13COMM	100.000%	62.429%	34.902%	0.112%	0.000%	2.557%	0.000%	0.000%
14	ACCT 376/380 - MAINS/SERVICES	14COMM	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
15	DIRECT PLANT ACCT 380	15	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
16	DIRECT PLANT ACCTS 381	16	100.000%	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
17	DIRECT PLANT ACCT 385	17	100.000%	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
18	ACCOUNT 376 MAINS - COMPOSITE/PLANT	18COMM	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
19	TOTAL PLANT	19COMM	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
20	AVG DEM/COM #5 & CUS/DEM #3	20	100.000%	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
21	UNCOLLECTIBLES	21	100.000%	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

DEMAND RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED RATES
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 104 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		15,151,659	9,740,261	4,056,147	4,970	103,763	1,246,518	0	0	
2	PROPOSED INCREASE		<u>5,660,504</u>	<u>3,690,831</u>	<u>1,515,378</u>	<u>1,754</u>	<u>(7)</u>	<u>452,547</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		20,812,162	13,431,092	5,571,525	6,724	103,756	1,699,065	0	0	
4	COST OF GAS		0	0	0	0	0	0	0	0	
5	OPERATING & MAINTENANCE EXPENSE		6,636,959	4,891,457	1,118,119	1,595	328	625,460	0	0	
6	DEPRECIATION & AMORTIZATION		2,386,350	1,760,655	399,429	569	418	225,279	0	0	
7	FEDERAL INCOME TAX		2,466,910	1,247,662	1,010,963	918	32,624	174,743	0	0	
8	KENTUCKY STATE INCOME TAX		453,234	227,779	187,146	169	6,125	32,015	0	0	
9	TAXES OTHER THAN INCOME		<u>921,285</u>	<u>679,689</u>	<u>154,198</u>	<u>221</u>	<u>207</u>	<u>86,970</u>	<u>0</u>	<u>0</u>	
10	TOTAL EXPENSES & TAXES		12,864,738	8,807,242	2,869,855	3,472	39,702	1,144,467	0	0	
11	OPERATING INCOME		7,947,424	4,623,849	2,701,670	3,252	64,055	554,598	0	0	
12	INTEREST EXPENSE		<u>2,396,357</u>	<u>1,626,354</u>	<u>627,169</u>	<u>1,292</u>	<u>349</u>	<u>141,193</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		5,551,067	2,997,495	2,074,501	1,960	63,706	413,405	0	0	
14	RATE BASE		90,771,060	61,604,307	23,756,416	48,935	13,204	5,348,204	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		8.76%	7.51%	11.37%	6.65%	485.10%	10.37%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	0.89	1.35	0.79	57.68	1.23	0.00	0.00	

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 105 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		20,293,180	14,353,097	4,406,748	8,152	(423)	1,525,589	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		6,631,179	4,901,723	1,105,149	1,610	(832)	623,529	0	0
4		DEPRECIATION & AMORTIZATION		2,386,357	1,760,655	399,429	569	418	225,279	0	0
5		FEDERAL INCOME TAX		2,298,060	1,547,624	632,019	1,382	(1,270)	118,305	0	0
6		KENTUCKY STATE INCOME TAX		422,442	282,484	118,038	254	(57)	21,723	0	0
7		TAXES OTHER THAN INCOME		<u>921,285</u>	<u>679,689</u>	<u>154,198</u>	<u>221</u>	<u>207</u>	<u>86,970</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		12,659,323	9,172,175	2,408,833	4,036	(1,534)	1,075,806	0	0
9		OPERATING INCOME		7,633,857	5,180,922	1,997,915	4,115	1,111	449,783	0	0
10		INTEREST EXPENSE		<u>2,396,357</u>	<u>1,626,354</u>	<u>627,169</u>	<u>1,292</u>	<u>349</u>	<u>141,193</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		5,237,500	3,554,568	1,370,746	2,823	762	308,590	0	0
12		RATE BASE		90,771,060	61,604,307	23,756,416	48,935	13,204	5,348,204	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 106 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total DEMAND (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		5,141,521	4,612,836	350,601	3,182	(104,186)	279,071	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		47,473	42,592	3,237	29	(962)	2,577	0	0
4	LESS: PSC FEES @ 0.00190100		<u>9,774</u>	<u>8,769</u>	<u>666</u>	<u>6</u>	<u>(198)</u>	<u>531</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		5,084,274	4,561,475	346,698	3,147	(103,026)	275,963	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>305,056</u>	<u>273,689</u>	<u>20,802</u>	<u>189</u>	<u>(6,182)</u>	<u>16,558</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		4,779,218	4,287,786	325,896	2,958	(96,844)	259,405	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>1,672,720</u>	<u>1,500,725</u>	<u>114,064</u>	<u>1,035</u>	<u>(33,896)</u>	<u>90,792</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		3,106,498	2,787,061	211,832	1,923	(62,948)	168,613	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 107 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		15,151,659	9,740,261	4,056,147	4,970	103,763	1,246,518	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		6,573,934	4,850,362	1,101,246	1,575	328	620,421	0	0
4		DEPRECIATION & AMORTIZATION [3]		2,386,357	1,760,655	399,429	569	418	225,279	0	0
5		FEDERAL INCOME TAX [4]		625,343	46,899	517,955	347	32,626	27,513	0	0
6		KENTUCKY STATE INCOME TAX [5]		117,386	8,795	97,236	65	6,125	5,165	0	0
7		TAXES OTHER THAN INCOME [6]		<u>921,285</u>	<u>679,689</u>	<u>154,198</u>	<u>221</u>	<u>207</u>	<u>86,970</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		10,624,304	7,346,400	2,270,064	2,777	39,704	965,348	0	0
9		OPERATING INCOME		4,527,354	2,393,860	1,786,083	2,193	64,059	281,170	0	0
10		INTEREST EXPENSE [7]		<u>2,396,356</u>	<u>1,626,354</u>	<u>627,169</u>	<u>1,292</u>	<u>349</u>	<u>141,193</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		2,130,998	767,506	1,158,914	901	63,710	139,977	0	0
12		RATE BASE [8]		90,771,060	61,604,307	23,756,416	48,935	13,204	5,348,204	0	0
13		RATE OF RETURN EARNED ON RATE BASE		4.99%	3.89%	7.52%	4.48%	485.13%	5.26%	0.00%	0.00%
14		UNITIZED RETURN		1.00	0.78	1.51	0.90	97.22	1.05	0.00	0.00

REFERENCES: [1] PAGE 114, [2] PAGE 122, [3] PAGE 113, [4] PAGE 127, [5] PAGE 125, [6] PAGE 123, [7] PAGE 126, [8] PAGE 128.

DEMAND RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 109 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS	16	0	0	0	0	0	0	0	0
3	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
4	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
6	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
8	387.20	ODORIZATION	7DEM	0	0	0	0	0	0	0	0
9	387.41	TELEPHONE	7DEM	150,504	111,034	25,190	36	36	14,208	0	0
10	387.42	RADIO	7DEM	162,658	120,001	27,224	39	39	15,355	0	0
11	387.44	OTHER COMMUNICATION	7DEM	27,326	20,160	4,574	7	7	2,580	0	0
12	387.45	TELEMETERING	7DEM	773,125	570,373	129,398	186	186	72,983	0	0
13	387.46	CIS	7DEM	<u>23,246</u>	<u>17,150</u>	<u>3,891</u>	<u>6</u>	<u>6</u>	<u>2,194</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		86,628,534	63,910,234	14,498,956	20,788	21,081	8,177,485	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC	7DEM	150,403	110,960	25,173	36	36	14,198	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND	7DEM	3,849	2,840	644	1	1	363	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DEM	257,254	189,789	43,057	62	62	24,285	0	0
19	392.20	TR EQ - TRAILER > \$1,000	7DEM	19,592	14,454	3,279	5	5	1,849	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7DEM	5,004	3,692	838	1	1	472	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DEM	4,959	3,659	830	1	1	468	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DEM	0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7DEM	666,644	491,817	111,576	160	160	62,931	0	0
26	395.00	LABORATORY EQUIPMENT	7DEM	1,894	1,397	317	0	0	179	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7DEM	51,779	38,200	8,666	12	12	4,888	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7DEM	0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7DEM	<u>60,151</u>	<u>44,376</u>	<u>10,067</u>	<u>14</u>	<u>14</u>	<u>5,678</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>1,221,529</u>	<u>901,184</u>	<u>204,447</u>	<u>292</u>	<u>292</u>	<u>115,311</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		89,571,619	66,081,496	14,991,540	21,493	21,786	8,455,311	0	0

DEMAND RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 111 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	(0)	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7DEM	(12,255)	(9,041)	(2,051)	(3)	(3)	(1,157)	0	0
8	387.41	TELEPHONE	7DEM	81,784	60,336	13,688	20	20	7,720	0	0
9	387.42	RADIO	7DEM	116,066	85,628	19,426	28	28	10,957	0	0
10	387.44	OTHER COMMUNICATION	7DEM	10,361	7,644	1,734	2	2	978	0	0
11	387.45	TELEMETERING	7DEM	108,313	79,908	18,128	26	26	10,225	0	0
12	387.46	CIS	7DEM	<u>23,392</u>	<u>17,257</u>	<u>3,915</u>	<u>6</u>	<u>6</u>	<u>2,208</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		23,775,767	17,541,617	3,979,567	5,706	4,380	2,244,497	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7DEM	(6,801)	(5,017)	(1,138)	(2)	(2)	(642)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7DEM	(2,323)	(1,714)	(389)	(1)	(1)	(219)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DEM	153,442	113,202	25,682	37	37	14,485	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7DEM	5,530	4,080	926	1	1	522	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7DEM	1,291	952	216	0	0	122	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DEM	3,088	2,278	517	1	1	292	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DEM	7,760	5,725	1,299	2	2	733	0	0
22	393.00	STORES EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7DEM	38	28	6	0	0	4	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7DEM	272,670	201,162	45,637	65	65	25,740	0	0
25	395.00	LABORATORY EQUIPMENT	7DEM	1,588	1,172	266	0	0	150	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7DEM	41,442	30,574	6,936	10	10	3,912	0	0
27		RETIREMENT WORK IN PROGRESS	7DEM	0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7DEM	<u>2,474</u>	<u>1,825</u>	<u>414</u>	<u>1</u>	<u>1</u>	<u>234</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>480,199</u>	<u>354,267</u>	<u>80,372</u>	<u>114</u>	<u>114</u>	<u>45,333</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		24,966,509	18,420,087	4,178,863	5,990	4,664	2,356,905	0	0

DEMAND RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 113 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	(0)	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7DEM	0	0	0	0	0	0	0	0
8	387.41	TELEPHONE	7DEM	5,628	4,152	942	1	1	531	0	0
9	387.42	RADIO	7DEM	6,083	4,488	1,018	1	1	574	0	0
10	387.44	OTHER COMMUNICATION	7DEM	1,021	753	171	0	0	96	0	0
11	387.45	TELEMETERING	7DEM	28,808	21,253	4,822	7	7	2,719	0	0
12	387.46	CIS	7DEM	869	641	145	0	0	82	0	0
13		TOTAL DISTRIBUTION PLANT		2,031,748	1,499,041	340,079	486	335	191,804	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7DEM	7,479	5,518	1,252	2	2	706	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7DEM	258	190	43	0	0	24	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DEM	51,833	38,240	8,675	12	12	4,893	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7DEM	1,792	1,322	300	0	0	169	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7DEM	459	339	77	0	0	43	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DEM	199	147	33	0	0	19	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DEM	0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7DEM	26,522	19,567	4,439	6	6	2,504	0	0
25	395.00	LABORATORY EQUIPMENT	7DEM	96	71	16	0	0	9	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7DEM	1,340	989	224	0	0	126	0	0
27	398.00	MISCELLANEOUS EQUIPMENT	7DEM	4,010	2,958	671	1	1	379	0	0
28		TOTAL GENERAL PLANT		93,988	69,341	15,730	21	21	8,872	0	0
29		TOTAL DEPRECIATION EXPENSE		2,386,357	1,760,655	399,429	569	418	225,279	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 114 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		7,729,766	7,729,766	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		2,459,115	0	2,459,115	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		192,253	0	187,339	4,915	0	0	0	0
5		TOTAL SALES REVENUE		10,381,134	7,729,766	2,646,454	4,915	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		73,719	65,806	703	55	550	6,605	0	0
7	488.00	MISC. SERVICE REVENUE	6	0	0	0	0	0	0	0	0
8	489.00	REVENUE FROM TRANSPORTATION		4,696,805	1,944,689	1,408,990	0	103,213	1,239,913	0	0
9	495.00	OTHER	6	0	0	0	0	0	0	0	0
10		TOTAL OTHER GAS DEPT REVENUE		4,770,524	2,010,495	1,409,693	55	103,763	1,246,518	0	0
11		TOTAL OPERATING REVENUE		15,151,659	9,740,261	4,056,147	4,970	103,763	1,246,518	0	0

DEMAND RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
PRODUCTION EXPENSE ALLOCATION
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 115 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE	ACCT	ALLOC	TOTAL		IUS	DS-ML	DS/IS	NOT USED	NOT USED	
NO.	NO.	FACTOR	DEMAND	GS-RESIDENTIAL	GS-OTHER					
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
			\$	\$	\$	\$	\$	\$	\$	\$
1	OPERATING EXPENSES									
2	PRODUCTION EXPENSES - OPERATION									
3	717		0	0	0	0	0	0	0	0
4	717	2	2,139	1,304	797	2	0	37	0	0
5	723		0	0	0	0	0	0	0	0
6	728	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7			2,139	1,304	797	2	0	37	0	0
8	PRODUCTION EXPENSES - MAINTENANCE									
9	741	2	0	0	0	0	0	0	0	0
10	741	2	0	0	0	0	0	0	0	0
11	742	2	0	0	0	0	0	0	0	0
12	742	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14			2,139	1,304	797	2	0	37	0	0
15	OTHER GAS SUPPLIES EXPENSE									
16	803 - 806									
17	& 808		0	0	0	0	0	0	0	0
18	807	9	0	0	0	0	0	0	0	0
19	807	9	0	0	0	0	0	0	0	0
20	812	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22			2,139	1,304	797	2	0	37	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 116 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	10DEM	12,604	9,300	2,110	3	1	1,190	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14DEM	385,358	284,352	64,509	92	19	36,386	0	0
5	875	M & R - GENERAL	18DEM	28,966	21,374	4,849	7	1	2,735	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	0	0	0	0	0	0	0	0
9	880	OTHER	10DEM	70,868	52,293	11,863	17	4	6,691	0	0
10	881	RENTS	10DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		497,796	367,319	83,331	119	25	47,002	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	10DEM	1,119	826	187	0	0	106	0	0
14	886	STRUCTURES & IMPROVEMENTS	18DEM	883	652	148	0	0	83	0	0
15	887	MAINS	18DEM	325,845	240,438	54,546	78	16	30,766	0	0
16	889	M & R - GENERAL	18DEM	48,750	35,972	8,161	12	2	4,603	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	10DEM	<u>16,060</u>	<u>11,851</u>	<u>2,688</u>	<u>4</u>	<u>1</u>	<u>1,516</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		392,657	289,739	65,730	94	19	37,074	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVEMONTHSENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 118 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6		TOTAL SALES		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		890,453	657,058	149,061	213	44	84,076	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	12DEM	183,460	135,373	30,711	44	9	17,322	0	0
10	921	OFFICE SUPPLIES & EXPENSES	12DEM	0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12DEM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	12DEM	532	393	89	0	0	50	0	0
13	924	PROPERTY INSURANCE	12DEM	0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES	12DEM	0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12DEM	0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12DEM	0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12DEM	0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL	12DEM	0	0	0	0	0	0	0	0
19	931	RENTS	12DEM	0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12DEM	0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
22		FURNITURE & EQUIPMENT	12DEM	0	0	0	0	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
24		TOTAL ADMIN & GENERAL - LABOR		<u>183,992</u>	<u>135,766</u>	<u>30,800</u>	<u>44</u>	<u>9</u>	<u>17,372</u>	<u>0</u>	<u>0</u>
25		TOTAL O & M EXPENSE - LABOR		1,074,445	792,824	179,861	257	53	101,448	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 119 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	11DEM	170,965	126,153	28,620	41	9	16,143	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14DEM	1,242,686	916,966	208,026	298	62	117,334	0	0
5	875	M & R - GENERAL	18DEM	41,640	30,726	6,971	10	2	3,932	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	(0)	0	0	0	0	0	0	0
9	880	OTHER	11DEM	264,364	195,072	44,255	63	13	24,961	0	0
10	881	RENTS	11DEM	<u>17,928</u>	<u>13,229</u>	<u>3,001</u>	<u>4</u>	<u>1</u>	<u>1,693</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		1,737,583	1,282,146	290,873	416	87	164,063	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11DEM	561	414	94	0	0	53	0	0
14	886	STRUCTURES & IMPROVEMENTS	18DEM	88,584	65,365	14,829	21	4	8,364	0	0
15	887	MAINS	18DEM	774,580	571,555	129,665	186	39	73,136	0	0
16	889	M & R - GENERAL	18DEM	50,911	37,567	8,522	12	3	4,807	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	11DEM	<u>43,550</u>	<u>32,135</u>	<u>7,290</u>	<u>10</u>	<u>2</u>	<u>4,112</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		958,186	707,036	160,400	229	48	90,472	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 120 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION	6	0	0	0	0	0	0	0	0
3	902	METER READING	6	0	0	0	0	0	0	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	0	0	0	0	0	0	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	0	0	0	0	0	0	0	0
6	905	MISC.	6	0	0	0	0	0	0	0	0
7	920	SALARIES	6	0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
9	931	RENTS	6	0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		0	0	0	0	0	0	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION	6	0	0	0	0	0	0	0	0
14	908	CUSTOMER ASSISTANCE	6	(0)	0	0	0	0	0	0	0
15	909	INFO. & INSTRUCTIONAL	6	0	0	0	0	0	0	0	0
16	910	MISCELLANEOUS	6	0	0	0	0	0	0	0	0
17	920	SALARIES	6	0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
19	931	RENTS	6	0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		(0)	0	0	0	0	0	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 121 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		2,695,769	1,989,182	451,273	645	135	254,535	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13DEM	498,687	367,926	83,560	120	25	47,056	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13DEM	150,465	111,012	25,212	36	8	14,198	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13DEM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13DEM	1,194,807	881,517	200,202	287	60	112,742	0	0
13	924	PROPERTY INSURANCE	13DEM	13,757	10,150	2,305	3	1	1,298	0	0
14	925	INJURIES AND DAMAGES	12DEM	175,679	129,632	29,409	42	9	16,588	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12DEM	564,010	416,177	94,415	135	28	53,254	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13DEM	33,281	24,555	5,577	8	2	3,140	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13DEM	29,650	21,875	4,968	7	1	2,798	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13DEM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13DEM	(10,455)	(7,714)	(1,752)	(3)	(1)	(987)	0	0
21	931	RENTS	13DEM	108,070	79,733	18,108	26	5	10,197	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13DEM	22	16	4	0	0	2	0	0
23	935.23	MAINT. - GEN'L OFFICE									
24		FURNITURE & EQUIPMENT	13DEM	0	0	0	0	0	0	0	0
25	932	MAINT.-MISCELLANEOUS	13DEM	43,607	32,173	7,307	10	2	4,115	0	0
26		TOTAL ADMIN & GENERAL - M & E		2,801,580	2,067,052	469,315	671	140	264,401	0	0
27		TOTAL O & M EXPENSE - M & E		5,499,488	4,057,538	921,385	1,318	275	518,973	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 122 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	497,796	367,319	83,331	119	25	47,002	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	392,657	289,739	65,730	94	19	37,074	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	0	0	0	0	0	0	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	0	0	0	0	0	0	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>183,992</u>	<u>135,766</u>	<u>30,800</u>	<u>44</u>	<u>9</u>	<u>17,372</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			1,074,445	792,824	179,861	257	53	101,448	0	0
10	M & E										
11	PRODUCTION		PAGE 13	2,139	1,304	797	2	0	37	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	1,737,583	1,282,146	290,873	416	87	164,063	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	958,186	707,036	160,400	229	48	90,472	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	0	0	0	0	0	0	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	(0)	0	0	0	0	0	0	0
16	SALES		PAGE 19	0	0	0	0	0	0	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>2,801,580</u>	<u>2,067,052</u>	<u>469,315</u>	<u>671</u>	<u>140</u>	<u>264,401</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>5,499,488</u>	<u>4,057,538</u>	<u>921,385</u>	<u>1,318</u>	<u>275</u>	<u>518,973</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			6,573,934	4,850,362	1,101,246	1,575	328	620,421	0	0

DEMAND RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
TAXES OTHER THAN INCOME
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 123 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7DEM	846,190	624,277	141,627	203	203	79,880	0	0
2	408	TAXES BASED ON PAYROLL	12DEM	75,095	55,412	12,571	18	4	7,090	0	0
3	408	OTHER TAXES	12DEM	0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		921,285	679,689	154,198	221	207	86,970	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 124 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,270,083	2,449,555	2,401,274	2,605	102,810	313,848	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		2,396,356	1,626,354	627,169	1,292	349	141,193	0	0
4		TAX ACCELERATED DEPRECIATION	19DEM	2,985,604	2,202,629	499,701	717	717	281,841	0	0
5		BOOK DEPRECIATION		<u>2,125,736</u>	<u>1,568,382</u>	<u>355,809</u>	<u>507</u>	<u>356</u>	<u>200,676</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		859,868	634,247	143,892	210	361	81,165	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12DEM	(569)	(420)	(95)	0	0	(54)	0	0
8		TOTAL RECONCILING ITEMS		<u>3,255,655</u>	<u>2,260,181</u>	<u>770,966</u>	<u>1,502</u>	<u>710</u>	<u>222,304</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		2,014,428	189,374	1,630,308	1,103	102,100	91,544	0	0
10		STATE INCOME TAX @ 6.00%		120,865	11,362	97,818	66	6,126	5,493	0	0
11		PLUS: FOREIGN TAX PAYMENTS	19DEM	0	0	0	0	0	0	0	0
12		KENTUCKY STATE INCOME TAX - CURRENT		120,865	11,362	97,818	66	6,126	5,493	0	0

DEMAND RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
KENTUCKY STATE INCOME TAX
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 125 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE	19DEM	(3,479)	(2,567)	(582)	(1)	(1)	(328)	0	0
4		TOTAL DEFERRED INCOME TAX		(3,479)	(2,567)	(582)	(1)	(1)	(328)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		117,386	8,795	97,236	65	6,125	5,165	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 126 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		15,151,659	9,740,261	4,056,147	4,970	103,763	1,246,518	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>9,881,575</u>	<u>7,290,706</u>	<u>1,654,873</u>	<u>2,365</u>	<u>953</u>	<u>932,670</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		5,270,083	2,449,555	2,401,274	2,605	102,810	313,848	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		2,396,356	1,626,354	627,169	1,292	349	141,193	0	0
6		EXCESS OF BOOK OVER TAX S/L	19DEM	2,985,604	2,202,629	499,701	717	717	281,841	0	0
7		BOOK DEPRECIATION		<u>2,125,736</u>	<u>1,568,382</u>	<u>355,809</u>	<u>507</u>	<u>356</u>	<u>200,676</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		859,868	634,247	143,892	210	361	81,165	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12DEM	(569)	(420)	(95)	0	0	(54)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>120,865</u>	<u>11,362</u>	<u>97,818</u>	<u>66</u>	<u>6,126</u>	<u>5,493</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		3,376,520	2,271,543	868,784	1,568	6,836	227,797	0	0
12		TAXABLE INCOME		1,893,563	178,011	1,532,490	1,037	95,974	86,051	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		643,811	60,524	521,046	352	32,631	29,257	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		643,811	60,524	521,046	352	32,631	29,257	0	0

DEMAND RELATED
 CUSTOMER-DEMAND
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
 PAGE 127 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC	19DEM	7,315	5,397	1,224	2	2	691	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19DEM	<u>(11,153)</u>	<u>(8,228)</u>	<u>(1,867)</u>	<u>(3)</u>	<u>(3)</u>	<u>(1,053)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(11,153)</u>	<u>(8,228)</u>	<u>(1,867)</u>	<u>(3)</u>	<u>(3)</u>	<u>(1,053)</u>	<u>0</u>	<u>0</u>
6		TOTAL DEFERRED INCOME TAX		<u>(18,468)</u>	<u>(13,625)</u>	<u>(3,091)</u>	<u>(5)</u>	<u>(5)</u>	<u>(1,744)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		625,343	46,899	517,955	347	32,626	27,513	0	0

DEMAND RELATED
CUSTOMER-DEMAND

COLUMBIA GAS OF KENTUCKY, INC.
RATE BASE SUMMARY
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-1
PAGE 128 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		89,571,619	66,081,496	14,991,540	21,493	21,786	8,455,311	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>24,966,509</u>	<u>18,420,087</u>	<u>4,178,863</u>	<u>5,990</u>	<u>4,664</u>	<u>2,356,905</u>	<u>0</u>	<u>0</u>
3		NET PLANT		64,605,110	47,661,409	10,812,677	15,503	17,121	6,098,406	0	0
4	190.00	ACCUMULATED DEF INCOME TAX	19DEM	1,101,717	812,792	184,394	264	264	104,002	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES	3	0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19DEM	0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19DEM	17,625,850	13,003,471	2,950,039	4,230	4,230	1,663,880	0	0
8	283.00	ACCUMULATED DEF INCOME TAX	19DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		48,080,977	35,470,730	8,047,032	11,537	13,155	4,538,528	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		821,742	606,295	137,656	197	41	77,553	0	0
13	151.00	FUEL STOCK	2	0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7DEM	16,776	12,376	2,808	4	4	1,584	0	0
15	165.00	PREPAYMENTS	13DEM	79,014	58,296	13,240	19	4	7,456	0	0
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>41,772,551</u>	<u>25,456,610</u>	<u>15,555,680</u>	<u>37,178</u>	<u>0</u>	<u>723,083</u>	<u>0</u>	<u>0</u>
17		RATE BASE		90,771,060	61,604,307	23,756,416	48,935	13,204	5,348,204	0	0
		REFERENCES: [1] PAGE 109, [2] PAGE 111,									
		[3] TOTAL O & M EXPENSE		6,573,934	4,850,362	1,101,246	1,575	328	620,421	0	0
		LESS: COST OF GAS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		O & M EXCL. GAS COST		6,573,934	4,850,362	1,101,246	1,575	328	620,421	0	0

COLUMBIA GAS OF KENTUCKY, INC.
ALLOCATION FACTORS

ATTACHMENT CEN-1

PAGE 129 OF 129

DEMAND RELATED
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	TOTAL DEMAND (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (K)
1	DESIGN DAY EXCL. DS-ML	1	100.000%	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
4	THROUGHPUT EXCL MLS	4	100.000%	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
5	COMPOSIT OF ALLOC #1 & #4	5	100.000%	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
6	AVERAGE NO. OF CUSTOMERS	6	100.000%	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387	7DEM	100.000%	73.775%	16.737%	0.024%	0.024%	9.440%	0.000%	0.000%
8	TOTAL PLANT ACCOUNT 385	8	100.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
10	OTHER DIST. EXP - LABOR	10DEM	100.000%	73.789%	16.740%	0.024%	0.005%	9.442%	0.000%	0.000%
11	OTHER DIST. EXP EXCL - M & E	11DEM	100.000%	73.789%	16.740%	0.024%	0.005%	9.442%	0.000%	0.000%
12	O & M EXCL A & G - LABOR	12DEM	100.000%	73.789%	16.740%	0.024%	0.005%	9.442%	0.000%	0.000%
13	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	13DEM	100.000%	73.779%	16.756%	0.024%	0.005%	9.436%	0.000%	0.000%
14	ACCT 376/380 - MAINS/SERVICES	14DEM	100.000%	73.789%	16.740%	0.024%	0.005%	9.442%	0.000%	0.000%
15	DIRECT PLANT ACCT 380	15	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
16	DIRECT PLANT ACCTS 381	16	100.000%	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
17	DIRECT PLANT ACCT 385	17	100.000%	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
18	ACCOUNT 376 MAINS - COMPOSITE/PLANT	18DEM	100.000%	73.789%	16.740%	0.024%	0.005%	9.442%	0.000%	0.000%
19	TOTAL PLANT	19DEM	100.000%	73.775%	16.737%	0.024%	0.024%	9.440%	0.000%	0.000%
20	AVG DEM/COM #5 & CUS/DEM #3	20	100.000%	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
21	UNCOLLECTIBLES	21	100.000%	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

COLUMBIA GAS OF KENTUCKY, INC.

TABLE OF CONTENTS

STUDY: ATTACHMENT CEN-2
CASE NO.: 2016 - 00162
WITNESS: C. NOTESTONE
STUDY TYPE: FORECASTED TEST YEAR - ORIGINAL FILING
ALLOCATION BASIS: DEMAND-COMMODITY
TEST YEAR: 12/31/2017
RATE BASE: 12/31/17

TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND	
<u>SUMMARY</u>	<u>CLASSIFICATION</u>	<u>ALLOCATION</u>	<u>ALLOCATION</u>	<u>ALLOCATION</u>
PAGE	PAGE	PAGE	PAGE	PAGE
1	26	52	78	104
2	27	53	79	105
3	28	54	80	106
4	29	55	81	107
5	30	56	82	108
6	31	57	83	109
7	32	58	84	110
8	33	59	85	111
9	34	60	86	112
10	35	61	87	113
11	36	62	88	114
12	37	63	89	115
13	38	64	90	116
14	39	65	91	117
15	40	66	92	118
16	41	67	93	119
17	42	68	94	120
18	43	69	95	121
19	44	70	96	122
20	45	71	97	123
21	46	72	98	124
22	47	73	99	125
23	48	74	100	126
24	49	75	101	127
25	50	76	102	128
N/A	51	77	103	129

RATE OF RETURN - PROFORMA @ PROPOSED RATES
RATE OF RETURN - PROFORMA @ AUTHORIZED RETURN
DEVELOPMENT OF PROFORMA ADJUSTMENTS
RATE OF RETURN BY CLASS @ CURRENT RATES
GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. (ACCTS 101,106)
GROSS DIST. & GENERAL PLANT ALLOCATION (ACCTS 101,106)
GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. RESERVE
GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. RESERVE
GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. EXPENSE
GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. EXPENSE
OPERATING REVENUE @ CURRENT RATES
PRODUCTION EXPENSE ALLOCATION
DISTRIBUTION O & M EXPENSE ALLOCATION - LABOR
CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - LABOR
SALES AND A & G EXPENSE ALLOCATION - LABOR
DISTRIBUTION O & M EXPENSE ALLOCATION - M & E
CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - M & E
SALES AND A & G EXPENSE ALLOCATION - M & E
OPERATION & MAINTENANCE EXPENSE SUMMARY
TAXES OTHER THAN INCOME
KENTUCKY STATE INCOME TAX - CURRENT
KENTUCKY STATE INCOME TAX - DEFERRED
FEDERAL INCOME TAX - CURRENT
FEDERAL INCOME TAX - DEFERRED
WORKING CAPITAL/RATE BASE SUMMARY
ALLOCATION FACTORS

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED REVENUE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 1 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0
2		PROPOSED INCREASE		<u>25,408,373</u>	<u>16,471,876</u>	<u>6,826,911</u>	<u>8,147</u>	<u>2</u>	<u>2,101,436</u>	<u>0</u>	<u>0</u>
3		TOTAL PROPOSED REVENUES		118,090,539	76,151,700	33,512,196	56,228	481,737	7,888,678	0	0
4		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
5		OPERATING & MAINTENANCE EXPENSE		45,377,925	29,554,336	9,260,537	12,278	57,170	6,493,604	0	0
6		DEPRECIATION & AMORTIZATION		15,939,784	10,262,609	3,150,131	4,212	17,840	2,504,992	0	0
7		FEDERAL INCOME TAX		7,781,833	5,618,672	3,368,980	2,804	119,592	(1,328,215)	0	0
8		KENTUCKY STATE INCOME TAX		1,416,521	1,026,041	620,547	512	22,451	(253,030)	0	0
9		TAXES OTHER THAN INCOME		<u>4,790,882</u>	<u>2,789,635</u>	<u>1,052,137</u>	<u>1,604</u>	<u>8,556</u>	<u>938,950</u>	<u>0</u>	<u>0</u>
10		TOTAL EXPENSES & TAXES		96,782,895	63,058,387	25,096,179	46,418	225,609	8,356,301	0	0
11		OPERATING INCOME		21,307,644	13,093,313	8,416,017	9,809	256,128	(467,624)	0	0
12		INTEREST EXPENSE		<u>6,688,724</u>	<u>3,654,839</u>	<u>1,693,151</u>	<u>3,176</u>	<u>12,809</u>	<u>1,324,749</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,920	9,438,474	6,722,866	6,633	243,319	(1,792,373)	0	0
14		RATE BASE		253,360,781	138,440,886	64,134,504	120,313	485,206	50,179,901	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	9.46%	13.12%	8.15%	52.79%	-0.93%	0.00%	0.00%
16		UNITIZED RETURN		1.00	1.12	1.56	0.97	6.28	(0.11)	0.00	0.00

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 2 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		118,090,544	73,751,102	28,510,010	56,738	125,360	15,647,330	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		45,377,923	29,527,606	9,204,841	12,283	53,202	6,579,991	0	0
4		DEPRECIATION & AMORTIZATION		15,939,787	10,262,609	3,150,131	4,212	17,840	2,504,992	0	0
5		FEDERAL INCOME TAX		7,781,833	4,837,669	1,741,584	2,970	3,649	1,195,961	0	0
6		KENTUCKY STATE INCOME TAX		1,416,522	883,609	323,757	543	1,307	207,306	0	0
7		TAXES OTHER THAN INCOME		<u>4,790,882</u>	<u>2,789,635</u>	<u>1,052,137</u>	<u>1,604</u>	<u>8,556</u>	<u>938,950</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		96,782,897	62,108,222	23,116,297	46,620	84,554	11,427,200	0	0
9		OPERATING INCOME		21,307,647	11,642,879	5,393,713	10,118	40,806	4,220,130	0	0
10		INTEREST EXPENSE		<u>6,688,724</u>	<u>3,654,839</u>	<u>1,693,151</u>	<u>3,176</u>	<u>12,809</u>	<u>1,324,749</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,923	7,988,040	3,700,562	6,942	27,997	2,895,381	0	0
12		RATE BASE		253,360,781	138,440,886	64,134,504	120,313	485,206	50,179,901	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 3 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total Company (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		25,408,378	14,071,277	1,824,725	8,658	(356,375)	9,860,088	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,602	129,924	16,848	80	(3,291)	91,041	0	0
4	LESS: PSC FEES @ 0.00190100		<u>48,301</u>	<u>26,749</u>	<u>3,469</u>	<u>16</u>	<u>(677)</u>	<u>18,744</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,475	13,914,604	1,804,408	8,562	(352,407)	9,750,303	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>834,876</u>	<u>108,264</u>	<u>514</u>	<u>(21,144)</u>	<u>585,018</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,947	13,079,728	1,696,144	8,048	(331,263)	9,165,285	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,280</u>	<u>4,577,905</u>	<u>593,650</u>	<u>2,817</u>	<u>(115,942)</u>	<u>3,207,850</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		15,351,667	8,501,823	1,102,494	5,231	(215,321)	5,957,435	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 4 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		45,095,029	29,370,933	9,184,524	12,187	57,170	6,470,206	0	0
4		DEPRECIATION & AMORTIZATION [3]		15,939,787	10,262,609	3,150,131	4,212	17,840	2,504,992	0	0
5		FEDERAL INCOME TAX [4]		(484,451)	259,764	1,147,934	153	119,591	(2,011,889)	0	0
6		KENTUCKY STATE INCOME TAX [5]		(91,006)	48,733	215,493	29	22,451	(377,712)	0	0
7		TAXES OTHER THAN INCOME [6]		<u>4,790,881</u>	<u>2,789,635</u>	<u>1,052,137</u>	<u>1,604</u>	<u>8,556</u>	<u>938,950</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		86,726,189	56,538,768	22,394,066	43,193	225,608	7,524,547	0	0
9		OPERATING INCOME		5,955,978	3,141,056	4,291,219	4,887	256,127	(1,737,305)	0	0
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>3,654,839</u>	<u>1,693,151</u>	<u>3,176</u>	<u>12,809</u>	<u>1,324,749</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(513,783)	2,598,068	1,711	243,318	(3,062,054)	0	0
12		RATE BASE [8]		253,360,781	138,440,886	64,134,504	120,313	485,206	50,179,901	0	0
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	2.27%	6.69%	4.06%	52.79%	-3.46%	0.00%	0.00%
14		UNITIZED RETURN		1.00	0.97	2.85	1.73	22.46	(1.47)	0.00	0.00

REFERENCES: [1] PAGE 11, [2] PAGE 19, [3] PAGE 10, [4] PAGE 24, [5] PAGE 22, [6] PAGE 20, [7] PAGE 23, [8] PAGE 25.

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PRODUCTION, & DIST. PLANT ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 5 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		INTANGIBLE PLANT									
2	301.00	ORGANIZATION		521	298	114	0	1	108	0	0
3	303.00	MISC. INTANGIBLE PLANT		74,348	42,566	16,208	25	133	15,414	0	0
4	303.10	DIS SOFTWARE		0	0	0	0	0	0	0	0
5	303.20	FARA SOFTWARE		0	0	0	0	0	0	0	0
6	303.30	OTHER SOFTWARE		<u>8,341,319</u>	<u>4,775,674</u>	<u>1,818,292</u>	<u>2,904</u>	<u>14,987</u>	<u>1,729,462</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		8,416,188	4,818,538	1,834,614	2,929	15,121	1,744,984	0	0
8		PRODUCTION PLANT									
9	304.10	LAND		0	0	0	0	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS		0	0	0	0	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
13		DISTRIBUTION PLANT									
14	374.10	LAND - CITY GATE & M/L IND M&R		206	80	54	0	0	72	0	0
15	374.20	LAND - OTHER DISTRIBUTION		877,756	342,184	231,718	500	0	303,352	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION		661,306	257,804	174,578	376	0	228,548	0	0
17	374.50	RIGHTS OF WAY		2,729,828	1,064,196	720,648	1,556	0	943,428	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES		2,125	828	561	2	0	734	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R		0	0	0	0	0	0	0	0
20	375.40	STRUC & IMPROV-REGULATING		2,176,686	848,560	574,624	1,240	0	752,262	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		46,211	0	0	0	46,211	0	0	0
22	375.60	STRUC & IMPROV-DIST. IND. M & R		0	0	0	0	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM		8,761,416	5,016,193	1,909,866	3,051	15,741	1,816,564	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV		259,809	148,749	56,634	90	467	53,869	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION		0	0	0	0	0	0	0	0
26	376.00	MAINS		221,300,854	86,271,925	58,421,212	126,142	0	76,481,576	0	0
27	376.00	DIRECT MAINS		11,682	0	0	0	11,682	0	0	0
28	378.10	M & R GENERAL		518,504	202,134	136,880	296	0	179,194	0	0
29	378.20	M & R GENERAL - REGULATING		9,175,090	3,576,818	2,422,132	5,230	0	3,170,912	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES		45,443	17,716	11,996	26	0	15,705	0	0
31	379.10	STA EQUIP - CITY		254,901	99,370	67,292	146	0	88,094	0	0
32	380.00	SERVICES		127,467,343	112,461,887	14,554,221	1,275	0	449,960	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 6 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS		22,789,579	16,395,279	6,292,659	2,963	0	98,679	0	0
3	382.00	METER INSTALLATIONS		9,462,175	6,807,278	2,612,696	1,230	0	40,971	0	0
4	383.00	HOUSE REGULATORS		5,770,311	4,151,277	1,593,298	750	0	24,985	0	0
5	384.00	HOUSE REG INSTALLATIONS		2,257,522	1,624,106	623,347	293	0	9,775	0	0
6	385.00	IND M&R EQUIPMENT		2,697,547	0	700,742	782	0	1,996,050	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		677,829	0	0	0	677,829	0	0	0
8	387.20	ODORIZATION		0	0	0	0	0	0	0	0
9	387.41	TELEPHONE		735,771	421,252	160,388	256	1,321	152,552	0	0
10	387.42	RADIO		795,187	455,271	173,340	277	1,428	164,871	0	0
11	387.44	OTHER COMMUNICATION		133,590	76,485	29,121	46	239	27,698	0	0
12	387.45	TELEMETERING		3,779,585	2,163,935	823,897	1,315	6,791	783,647	0	0
13	387.46	CIS		<u>113,644</u>	<u>65,065</u>	<u>24,772</u>	<u>40</u>	<u>204</u>	<u>23,562</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		423,501,900	242,468,392	92,316,676	147,882	761,913	87,807,060	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC		735,278	420,971	160,280	256	1,320	152,451	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND		18,816	10,772	4,102	6	33	3,901	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM		1,257,641	720,040	274,148	437	2,260	260,755	0	0
19	392.20	TR EQ - TRAILER > \$1,000		95,778	54,836	20,878	34	173	19,858	0	0
20	392.21	TR EQ - TRAILER < \$1,000		24,462	14,005	5,332	8	45	5,072	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		24,241	13,879	5,284	8	44	5,026	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP		0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT		0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT		0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT		3,259,030	1,865,900	710,424	1,135	5,855	675,717	0	0
26	395.00	LABORATORY EQUIPMENT		9,258	5,300	2,017	4	17	1,919	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS		253,135	144,928	55,180	88	455	52,484	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING		0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT		<u>294,060</u>	<u>168,360</u>	<u>64,102</u>	<u>103</u>	<u>529</u>	<u>60,970</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>5,971,699</u>	<u>3,418,991</u>	<u>1,301,747</u>	<u>2,079</u>	<u>10,731</u>	<u>1,238,153</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		437,889,787	250,705,921	95,453,037	152,890	787,765	90,790,197	0	0

TOTAL COMPANY
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 8 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS		6,025,045	4,334,538	1,663,635	783	0	26,088	0	0
2	382.00	METER INSTALLATIONS		4,714,156	3,391,458	1,301,673	613	0	20,412	0	0
3	383.00	HOUSE REGULATORS		1,568,587	1,128,473	433,118	204	0	6,792	0	0
4	384.00	HOUSE REG INSTALLATIONS		1,780,729	1,281,092	491,695	231	0	7,711	0	0
5	385.00	IND M&R EQUIPMENT		823,118	0	213,821	239	0	609,066	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		133,766	0	0	0	133,766	0	0	0
7	387.20	ODORIZION		(59,912)	(34,301)	(13,060)	(21)	(107)	(12,422)	0	0
8	387.41	TELEPHONE		399,816	228,907	87,154	139	719	82,897	0	0
9	387.42	RADIO		567,414	324,863	123,688	197	1,020	117,645	0	0
10	387.44	OTHER COMMUNICATION		50,650	29,000	11,041	17	92	10,501	0	0
11	387.45	TELEMETERING		529,513	303,164	115,426	185	951	109,787	0	0
12	387.46	CIS		<u>114,357</u>	<u>65,473</u>	<u>24,928</u>	<u>40</u>	<u>206</u>	<u>23,711</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		145,887,056	92,163,676	29,252,707	41,287	154,790	24,274,603	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC		(33,247)	(19,036)	(7,247)	(13)	(59)	(6,893)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND		(11,355)	(6,502)	(2,474)	(4)	(21)	(2,355)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM		750,133	429,475	163,518	261	1,347	155,530	0	0
18	392.20	TR EQ - TRAILER > \$1,000		27,035	15,479	5,894	8	49	5,605	0	0
19	392.21	TR EQ - TRAILER < \$1,000		6,309	3,612	1,375	2	10	1,308	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		15,095	8,643	3,290	6	27	3,129	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP		37,937	21,720	8,269	13	69	7,865	0	0
22	393.00	STORES EQUIPMENT		0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT		185	106	40	0	0	39	0	0
24	394.30	TOOLS & OTHER EQUIPMENT		1,333,005	763,188	290,577	464	2,395	276,380	0	0
25	395.00	LABORATORY EQUIPMENT		7,764	4,445	1,693	2	15	1,610	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS		202,598	115,994	44,164	71	364	42,006	0	0
27		RETIREMENT WORK IN PROGRESS		0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT		12,094	<u>6,924</u>	<u>2,636</u>	<u>4</u>	<u>22</u>	<u>2,507</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>2,347,553</u>	<u>1,344,048</u>	<u>511,735</u>	<u>814</u>	<u>4,218</u>	<u>486,731</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		151,708,251	95,496,496	30,521,646	43,311	165,248	25,481,547	0	0

TOTAL COMPANY
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 10 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS		1,172,264	843,350	323,686	152	0	5,076	0	0
2	382.00	METER INSTALLATIONS		230,831	166,064	63,737	30	0	999	0	0
3	383.00	HOUSE REGULATORS		157,520	113,323	43,494	20	0	682	0	0
4	384.00	HOUSE REG INSTALLATIONS		22,800	16,403	6,296	3	0	99	0	0
5	385.00	IND M&R EQUIPMENT		158,316	0	41,126	46	0	117,146	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		13,065	0	0	0	13,065	0	0	0
7	387.20	ODORIZATION		0	0	0	0	0	0	0	0
8	387.41	TELEPHONE		27,516	15,754	5,998	10	50	5,705	0	0
9	387.42	RADIO		29,736	17,026	6,482	10	53	6,165	0	0
10	387.44	OTHER COMMUNICATION		4,992	2,859	1,088	2	8	1,035	0	0
11	387.45	TELEMETERING		140,832	80,630	30,700	48	253	29,200	0	0
12	387.46	CIS		<u>4,248</u>	<u>2,432</u>	<u>926</u>	<u>2</u>	<u>7</u>	<u>881</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		14,206,216	9,270,082	2,772,237	3,614	14,724	2,145,561	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC		36,561	20,932	7,970	13	67	7,580	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND		1,260	722	275	0	2	261	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM		253,397	145,079	55,237	88	456	52,539	0	0
18	392.20	TR EQ - TRAILER > \$1,000		8,760	5,016	1,909	2	17	1,816	0	0
19	392.21	TR EQ - TRAILER < \$1,000		2,244	1,285	489	0	4	465	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		972	556	212	0	2	201	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP		0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT		0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT		0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT		129,657	74,233	28,263	44	233	26,883	0	0
25	395.00	LABORATORY EQUIPMENT		468	268	102	0	1	97	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS		6,552	3,750	1,429	2	11	1,358	0	0
27	398.00	MISCELLANEOUS EQUIPMENT		<u>19,604</u>	<u>11,225</u>	<u>4,273</u>	<u>6</u>	<u>34</u>	<u>4,064</u>	<u>0</u>	<u>0</u>
28		TOTAL GENERAL PLANT		459,475	263,066	100,159	155	827	95,264	0	0
29		TOTAL DEPRECIATION EXPENSE		15,939,787	10,262,609	3,150,131	4,212	17,840	2,504,992	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 11 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		49,696,061	49,696,061	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		18,520,317	0	18,520,317	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		<u>1,458,726</u>	<u>0</u>	<u>1,410,902</u>	<u>47,824</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL SALES REVENUE		69,675,105	49,696,061	19,931,219	47,824	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		476,000	305,532	137,766	249	2,494	29,959	0	0
7	488.00	MISC. SERVICE REVENUE		137,000	122,833	14,082	1	5	79	0	0
8	489.00	REVENUE FROM TRANSPORTATION		21,807,062	9,029,105	6,541,880	0	479,213	5,756,864	0	0
9	495.00	OTHER		<u>587,000</u>	<u>526,293</u>	<u>60,338</u>	<u>6</u>	<u>23</u>	<u>340</u>	<u>0</u>	<u>0</u>
10		TOTAL OTHER GAS DEPT REVENUE		<u>23,007,062</u>	<u>9,983,763</u>	<u>6,754,066</u>	<u>256</u>	<u>481,735</u>	<u>5,787,242</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATING REVENUE		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0

TOTAL COMPANY
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
PRODUCTION EXPENSE ALLOCATION
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 12 OF 129
WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING EXPENSES									
2		PRODUCTION EXPENSES - OPERATION									
3	717	LIQUE PETRO GAS EXP - LABOR		0	0	0	0	0	0	0	0
4	717	LIQUE PETRO GAS EXP - M&E		2,139	1,304	797	2	0	37	0	0
5	723	LIQUIFIED PETROLEUM GAS PROCESS		0	0	0	0	0	0	0	0
6	728	LIQUIFIED PETROLEUM GAS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL OPERATION		2,139	1,304	797	2	0	37	0	0
8		PRODUCTION EXPENSES - MAINTENANCE									
9	741	STRUCTURES & IMPROV - LABOR		0	0	0	0	0	0	0	0
10	741	STRUCTURES & IMPROV - M&E		0	0	0	0	0	0	0	0
11	742	PRODUCTION EQUIPMENT - LABOR		0	0	0	0	0	0	0	0
12	742	PRODUCTION EQUIPMENT - M&E		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13		TOTAL MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14		TOTAL MANUFACTURED GAS		2,139	1,304	797	2	0	37	0	0
15		OTHER GAS SUPPLIES EXPENSE									
16	803 - 806										
17	& 808	COST OF GAS @ CITY GATE		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
18	807	OTHER PURCHASED GAS - LABOR		0	0	0	0	0	0	0	0
19	807	OTHER PURCHASED GAS - M & E		341,557	219,590	121,570	396	0	0	0	0
20	812	GAS USED IN OPERATIONS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL OTHER GAS SUPPLIES EXP		<u>21,817,507</u>	<u>14,026,685</u>	<u>7,765,417</u>	<u>25,405</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22		TOTAL PRODUCTION EXPENSE		21,819,646	14,027,989	7,766,214	25,407	0	37	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 13 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING		97,461	59,643	23,973	27	189	13,629	0	0
3	871	DISTRIBUTION LOAD DISPATCH		66,644	22,273	16,093	32	0	28,246	0	0
4	874	MAINS & SERVICES		1,726,536	983,776	361,249	630	54	380,825	0	0
5	875	M & R - GENERAL		82,347	32,100	21,738	46	4	28,458	0	0
6	876	M & R - INDUSTRIAL		38,736	0	8,042	9	7,779	22,907	0	0
7	878	METERS & HOUSE REGULATORS		1,279,637	920,596	353,333	166	0	5,541	0	0
8	879	CUSTOMER INSTALLATION		1,500,691	1,079,627	414,371	195	0	6,498	0	0
9	880	OTHER		547,972	335,343	134,787	151	1,059	76,631	0	0
10	881	RENTS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		5,340,024	3,433,358	1,333,586	1,256	9,085	562,735	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING		8,649	5,293	2,127	3	17	1,209	0	0
14	886	STRUCTURES & IMPROVEMENTS		2,509	978	662	2	0	867	0	0
15	887	MAINS		926,354	361,112	244,538	528	46	320,130	0	0
16	889	M & R - GENERAL		138,594	54,026	36,586	78	6	47,896	0	0
17	890	M & R - INDUSTRIAL		19,419	0	4,032	4	3,900	11,483	0	0
18	892	SERVICES		298,657	263,499	34,101	3	0	1,054	0	0
19	893	METERS & HOUSE REGULATORS		26,851	19,317	7,414	3	0	116	0	0
20	894	OTHER EQUIPMENT		<u>124,180</u>	<u>75,995</u>	<u>30,545</u>	<u>35</u>	<u>240</u>	<u>17,366</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,545,213	780,220	360,005	656	4,209	400,121	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 14 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION		0	0	0	0	0	0	0	0
3	902	METER READING		165,331	148,232	16,994	2	7	96	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS		692,556	620,932	71,188	7	28	402	0	0
5	904	UNCOLLECTIBLE ACCOUNTS		0	0	0	0	0	0	0	0
6	905	MISC.		0	0	0	0	0	0	0	0
7	920	SALARIES		0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE		0	0	0	0	0	0	0	0
9	931	RENTS		0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		857,887	769,164	88,182	9	35	498	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION		0	0	0	0	0	0	0	0
14	908	CUSTOMER ASSISTANCE		12,982	11,639	1,334	0	1	8	0	0
15	909	INFO. & INSTRUCTIONAL		0	0	0	0	0	0	0	0
16	910	MISCELLANEOUS		0	0	0	0	0	0	0	0
17	920	SALARIES		0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE		0	0	0	0	0	0	0	0
19	931	RENTS		0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		12,982	11,639	1,334	0	1	8	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVEMONTHSENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 15 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION		0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING		0	0	0	0	0	0	0	0
4	913	ADVERTISING		0	0	0	0	0	0	0	0
5	916	MISC.		0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		7,756,106	4,994,381	1,783,107	1,921	13,330	963,362	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES		1,597,984	1,028,989	367,369	399	2,743	198,485	0	0
10	921	OFFICE SUPPLIES & EXPENSES		0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED		0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES		4,636	2,985	1,067	0	8	576	0	0
13	924	PROPERTY INSURANCE		0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES		0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL		0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV		0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL		0	0	0	0	0	0	0	0
19	931	RENTS		0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.		0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
		FURNITURE & EQUIPMENT		0	0	0	0	0	0	0	0
22	932	MAINT.-MISCELLANEOUS		0	0	0	0	0	0	0	0
23		TOTAL ADMIN & GENERAL - LABOR		1,602,620	1,031,974	368,436	399	2,751	199,061	0	0
24		TOTAL O & M EXPENSE - LABOR		9,358,726	6,026,355	2,151,543	2,320	16,081	1,162,423	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 16 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING		783,470	429,581	178,893	293	1,297	173,406	0	0
3	871	DISTRIBUTION LOAD DISPATCH		17,885	5,977	4,319	9	0	7,580	0	0
4	874	MAINS & SERVICES		5,567,660	3,172,439	1,164,939	2,034	176	1,228,071	0	0
5	875	M & R - GENERAL		118,379	46,146	31,250	68	6	40,910	0	0
6	876	M & R - INDUSTRIAL		29,602	0	6,146	7	5,944	17,505	0	0
7	878	METERS & HOUSE REGULATORS		485,057	348,960	133,934	63	0	2,100	0	0
8	879	CUSTOMER INSTALLATION		655,941	471,897	181,118	85	0	2,840	0	0
9	880	OTHER		1,211,487	664,267	276,624	452	2,006	268,139	0	0
10	881	RENTS		<u>82,157</u>	<u>45,047</u>	<u>18,759</u>	<u>32</u>	<u>135</u>	<u>18,184</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		8,951,638	5,184,314	1,995,982	3,043	9,564	1,758,735	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING		2,571	1,409	588	0	4	570	0	0
14	886	STRUCTURES & IMPROVEMENTS		251,838	98,172	66,480	144	12	87,030	0	0
15	887	MAINS		2,202,076	858,414	581,304	1,256	110	760,994	0	0
16	889	M & R - GENERAL		144,736	56,420	38,208	82	8	50,018	0	0
17	890	M & R - INDUSTRIAL		51,880	0	10,771	12	10,418	30,679	0	0
18	892	SERVICES		431,251	380,484	49,240	4	0	1,522	0	0
19	893	METERS & HOUSE REGULATORS		118,176	85,018	32,631	15	0	512	0	0
20	894	OTHER EQUIPMENT		<u>199,573</u>	<u>109,427</u>	<u>45,569</u>	<u>74</u>	<u>330</u>	<u>44,171</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		3,402,101	1,589,344	824,791	1,587	10,882	975,496	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 17 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION		0	0	0	0	0	0	0	0
3	902	METER READING		399,502	358,186	41,065	4	16	232	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS		3,252,912	2,916,496	334,367	33	130	1,887	0	0
5	904	UNCOLLECTIBLE ACCOUNTS		1,027,585	891,707	135,035	21	62	760	0	0
6	905	MISC.		1,073	962	110	0	0	1	0	0
7	920	SALARIES		0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE		253	227	26	0	0	0	0	0
9	931	RENTS		0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		4,681,325	4,167,578	510,603	58	208	2,880	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION		(2,789)	(2,501)	(287)	0	0	(2)	0	0
14	908	CUSTOMER ASSISTANCE		1,198,971	1,074,973	123,242	12	48	695	0	0
15	909	INFO. & INSTRUCTIONAL		65,932	59,113	6,777	1	3	38	0	0
16	910	MISCELLANEOUS		257,797	231,136	26,499	3	10	150	0	0
17	920	SALARIES		0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE		13,868	12,434	1,425	0	1	8	0	0
19	931	RENTS		0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		1,533,779	1,375,155	157,656	16	62	889	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 18 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION		0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING		37,477	33,601	3,852	0	1	22	0	0
4	913	ADVERTISING		138,706	124,361	14,258	1	6	80	0	0
5	916	MISC.		0	0	0	0	0	0	0	0
6		TOTAL SALES		<u>176,183</u>	<u>157,962</u>	<u>18,110</u>	<u>1</u>	<u>7</u>	<u>102</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		18,745,026	12,474,353	3,507,142	4,705	20,723	2,738,102	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES		2,963,302	1,935,471	572,938	832	3,391	450,671	0	0
10	921	OFFICE SUPPLIES & EXPENSES		894,098	583,977	172,869	251	1,023	135,978	0	0
11	922	ADMIN. EXPENSES TRANSFERED		0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES		7,099,789	4,637,205	1,372,705	1,993	8,124	1,079,763	0	0
13	924	PROPERTY INSURANCE		81,748	53,394	15,805	23	94	12,432	0	0
14	925	INJURIES AND DAMAGES		1,043,923	628,639	245,717	315	1,507	167,745	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS		3,351,467	2,018,213	788,864	1,010	4,840	538,540	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL		197,762	129,167	38,236	55	226	30,076	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901		176,188	115,077	34,064	49	202	26,796	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV		0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL		(62,123)	(40,576)	(12,011)	(17)	(72)	(9,449)	0	0
21	931	RENTS		642,175	419,435	124,160	181	734	97,664	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.		130	85	26	0	0	20	0	0
23	935.23	MAINT. - GEN'L OFFICE FURNITURE & EQUIPMENT		0	0	0	0	0	0	0	0
24	932	MAINT.-MISCELLANEOUS		<u>259,121</u>	<u>169,244</u>	<u>50,099</u>	<u>72</u>	<u>297</u>	<u>39,408</u>	<u>0</u>	<u>0</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>16,647,580</u>	<u>10,649,331</u>	<u>3,403,472</u>	<u>4,764</u>	<u>20,366</u>	<u>2,569,644</u>	<u>0</u>	<u>0</u>
26		TOTAL O & M EXPENSE - M & E		35,736,302	23,344,578	7,032,981	9,867	41,089	5,307,783	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 19 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	5,340,024	3,433,358	1,333,586	1,256	9,085	562,735	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	1,545,213	780,220	360,005	656	4,209	400,121	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	857,887	769,164	88,182	9	35	498	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	12,982	11,639	1,334	0	1	8	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>1,602,620</u>	<u>1,031,974</u>	<u>368,436</u>	<u>399</u>	<u>2,751</u>	<u>199,061</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			9,358,726	6,026,355	2,151,543	2,320	16,081	1,162,423	0	0
10	M & E										
11	PRODUCTION		PAGE 13	343,696	220,894	122,367	398	0	37	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	8,951,638	5,184,314	1,995,982	3,043	9,564	1,758,735	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	3,402,101	1,589,344	824,791	1,587	10,882	975,496	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	4,681,325	4,167,578	510,603	58	208	2,880	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	1,533,779	1,375,155	157,656	16	62	889	0	0
16	SALES		PAGE 19	176,183	157,962	18,110	1	7	102	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>16,647,580</u>	<u>10,649,331</u>	<u>3,403,472</u>	<u>4,764</u>	<u>20,366</u>	<u>2,569,644</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>35,736,302</u>	<u>23,344,578</u>	<u>7,032,981</u>	<u>9,867</u>	<u>41,089</u>	<u>5,307,783</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			45,095,029	29,370,933	9,184,524	12,187	57,170	6,470,206	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 20 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY		4,136,779	2,368,440	901,761	1,441	7,433	857,705	0	0
2	408	TAXES BASED ON PAYROLL		654,102	421,195	150,376	163	1,123	81,245	0	0
3	408	OTHER TAXES		0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		4,790,881	2,789,635	1,052,137	1,604	8,556	938,950	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 21 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,380,520	3,449,553	5,654,646	5,069	398,169	(4,126,906)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		6,688,725	3,654,839	1,693,151	3,176	12,809	1,324,749	0	0
4		TAX ACCELERATED DEPRECIATION		14,595,754	8,356,539	3,181,671	5,082	26,225	3,026,236	0	0
5		BOOK DEPRECIATION		<u>14,665,691</u>	<u>9,533,148</u>	<u>2,872,396</u>	<u>3,769</u>	<u>15,551</u>	<u>2,240,825</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(1,176,609)	309,275	1,313	10,674	785,411	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE		<u>(4,960)</u>	(3,194)	(1,140)	0	(8)	(616)	0	0
8		TOTAL RECONCILING ITEMS		<u>6,613,828</u>	<u>2,475,036</u>	<u>2,001,286</u>	<u>4,489</u>	<u>23,475</u>	<u>2,109,544</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(1,233,308)	974,517	3,653,360	580	374,694	(6,236,450)	0	0
10		STATE INCOME TAX @ 6.00%		(73,998)	58,471	219,200	35	22,481	(374,185)	0	0
11		PLUS: FOREIGN TAX PAYMENTS		<u>0</u>	0	0	0	0	0	0	0
12		KENTUCKY STATE INCOME TAX - CURRENT		(73,998)	58,471	219,200	35	22,481	(374,185)	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 22 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE		(17,008)	(9,738)	(3,707)	(6)	(30)	(3,527)	0	0
4		TOTAL DEFERRED INCOME TAX		(17,008)	(9,738)	(3,707)	(6)	(30)	(3,527)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(91,006)	48,733	215,493	29	22,451	(377,712)	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 23 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>87,301,646</u>	<u>56,230,272</u>	<u>21,030,639</u>	<u>43,012</u>	<u>83,566</u>	<u>9,914,148</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		5,380,520	3,449,553	5,654,646	5,069	398,169	(4,126,906)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		6,688,725	3,654,839	1,693,151	3,176	12,809	1,324,749	0	0
6		EXCESS OF BOOK OVER TAX S/L		14,595,754	8,356,539	3,181,671	5,082	26,225	3,026,236	0	0
7		BOOK DEPRECIATION		<u>14,665,691</u>	<u>9,533,148</u>	<u>2,872,396</u>	<u>3,769</u>	<u>15,551</u>	<u>2,240,825</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(1,176,609)	309,275	1,313	10,674	785,411	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE		(4,960)	(3,194)	(1,140)	0	(8)	(616)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(73,998)</u>	<u>58,471</u>	<u>219,200</u>	<u>35</u>	<u>22,481</u>	<u>(374,185)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		6,539,830	2,533,507	2,220,486	4,524	45,957	1,735,359	0	0
12		TAXABLE INCOME		(1,159,310)	916,046	3,434,160	545	352,212	(5,862,265)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	311,456	1,167,614	185	119,752	(1,993,170)	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	311,456	1,167,614	185	119,752	(1,993,170)	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 24 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC		35,760	20,474	7,795	13	63	7,414	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL		<u>(54,526)</u>	<u>(31,218)</u>	<u>(11,885)</u>	<u>(19)</u>	<u>(98)</u>	<u>(11,305)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		(54,526)	(31,218)	(11,885)	(19)	(98)	(11,305)	0	0
6		TOTAL DEFERRED INCOME TAX		<u>(90,286)</u>	<u>(51,692)</u>	<u>(19,680)</u>	<u>(32)</u>	<u>(161)</u>	<u>(18,719)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		(484,451)	259,764	1,147,934	153	119,591	(2,011,889)	0	0

TOTAL COMPANY
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE BASE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 25 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		437,889,787	250,705,921	95,453,037	152,890	787,765	90,790,197	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>151,708,251</u>	<u>95,496,496</u>	<u>30,521,646</u>	<u>43,311</u>	<u>165,248</u>	<u>25,481,547</u>	<u>0</u>	<u>0</u>
3		NET PLANT		286,181,536	155,209,425	64,931,391	109,579	622,516	65,308,650	0	0
4	190.00	ACCUMULATED DEF INCOME TAX		\$5,385,973	3,083,643	1,174,068	1,876	9,677	1,116,711	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES		0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT		0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX		86,167,687	49,333,778	18,783,358	30,004	154,818	17,865,728	0	0
8	283.00	ACCUMULATED DEF INCOME TAX		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		205,399,822	108,959,290	47,322,101	81,451	477,375	48,559,633	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		5,636,879	3,671,367	1,148,066	1,523	7,146	808,776	0	0
13	151.00	FUEL STOCK		0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES		82,011	46,954	17,878	29	148	17,003	0	0
15	165.00	PREPAYMENTS		469,518	306,665	90,779	132	537	71,406	0	0
16	164.00	GAS STORED UNDERGROUND - FSS		<u>41,772,551</u>	<u>25,456,610</u>	<u>15,555,680</u>	<u>37,178</u>	<u>0</u>	<u>723,083</u>	<u>0</u>	<u>0</u>
17		RATE BASE		253,360,781	138,440,886	64,134,504	120,313	485,206	50,179,901	0	0
REFERENCES:	[1]	PAGE 6,									
	[2]	PAGE 8,									
	[3]	TOTAL O & M EXPENSE		66,570,979	43,178,028	16,828,371	37,196	57,170	6,470,206	0	0
		LESS: COST OF GAS		<u>21,475,950</u>	<u>13,807,095</u>	<u>7,643,847</u>	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		O & M EXCL. GAS COST		45,095,029	29,370,933	9,184,524	12,187	57,170	6,470,206	0	0

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
RATE OF RETURN - @ PROPOSED RATES
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 26 OF 129
WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES		92,682,167	34,844,442	37,894,754	19,942,971
2		PROPOSED INCREASE		<u>25,408,373</u>	<u>11,926,681</u>	<u>5,937,314</u>	<u>7,544,378</u>
3		TOTAL PROPOSED REVENUES		118,090,539	46,771,123	43,832,068	27,487,348
4		COST OF GAS		21,475,950	0	21,475,950	0
5		OPERATING & MAINTENANCE EXPENSE		45,377,934	26,652,015	9,431,727	9,294,194
6		DEPRECIATION & AMORTIZATION		15,939,787	9,155,554	3,392,118	3,392,118
7		FEDERAL INCOME TAX		7,781,828	3,079,465	1,676,938	3,025,423
8		KENTUCKY STATE INCOME TAX		1,416,521	557,285	304,441	554,796
9		TAXES OTHER THAN INCOME		<u>4,790,881</u>	<u>2,165,396</u>	<u>1,315,911</u>	<u>1,309,574</u>
10		TOTAL EXPENSES & TAXES		96,782,900	41,609,715	37,597,085	17,576,105
11		OPERATING INCOME		21,307,639	5,161,408	6,234,983	9,911,243
12		INTEREST EXPENSE		<u>6,688,725</u>	<u>1,909,223</u>	<u>1,838,499</u>	<u>2,941,002</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,914	3,252,185	4,396,484	6,970,241
14		RATE BASE		253,360,781	72,319,064	69,640,114	111,401,602
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	7.14%	8.95%	8.90%
16		UNITIZED RETURN		1.00	0.85	1.06	1.06

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 27 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL			
	(A)	(B)	(C)	COMPANY (D)	CUSTOMER (E)	COMMODITY (F)	DEMAND (G)
				\$	\$	\$	\$
1		TOTAL REVENUES		118,090,544	48,294,840	43,206,032	26,589,680
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE		45,377,934	26,668,980	9,424,757	9,284,199
4		DEPRECIATION & AMORTIZATION		15,939,787	9,155,554	3,392,118	3,392,118
5		FEDERAL INCOME TAX		7,781,830	3,575,187	1,473,265	2,733,378
6		KENTUCKY STATE INCOME TAX		1,416,521	647,690	267,297	501,535
7		TAXES OTHER THAN INCOME		<u>4,790,881</u>	<u>2,165,396</u>	<u>1,315,911</u>	<u>1,309,574</u>
8		TOTAL EXPENSES & TAXES		96,782,902	42,212,807	37,349,298	17,220,804
9		OPERATING INCOME		21,307,642	6,082,034	5,856,734	9,368,876
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>1,909,223</u>	<u>1,838,499</u>	<u>2,941,002</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,917	4,172,811	4,018,235	6,427,874
12		RATE BASE		253,360,781	72,319,064	69,640,114	111,401,602
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
DEVELOPMENT OF PROFORMA ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 28 OF 129
WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	CLASSIFICATION FACTOR (B)	Total Company (C)	CUSTOMER (D)	COMMODITY (E)	DEMAND (F)
1	OPERATING REVENUE		25,408,378	13,450,398	5,311,278	6,646,709
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	124,191	49,041	61,371
4	LESS: PSC FEES @ 0.00190100		<u>48,301</u>	<u>25,569</u>	<u>10,097</u>	<u>12,635</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,474	13,300,638	5,252,140	6,572,703
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>798,038</u>	<u>315,128</u>	<u>394,362</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,946	12,502,600	4,937,012	6,178,341
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,281</u>	<u>4,375,910</u>	<u>1,727,954</u>	<u>2,162,419</u>
9	OPERATING INCOME		15,351,665	8,126,690	3,209,058	4,015,922

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 29 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES [1]		92,682,167	34,844,442	37,894,754	19,942,971
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE [2]		45,095,030	26,519,220	9,365,619	9,210,193
4		DEPRECIATION & AMORTIZATION [3]		15,939,787	9,155,554	3,392,118	3,392,118
5		FEDERAL INCOME TAX [4]		(484,451)	(800,723)	(254,689)	570,959
6		KENTUCKY STATE INCOME TAX [5]		(91,007)	(150,348)	(47,831)	107,173
7		TAXES OTHER THAN INCOME [6]		<u>4,790,881</u>	<u>2,165,396</u>	<u>1,315,911</u>	<u>1,309,574</u>
8		TOTAL EXPENSES & TAXES		86,726,189	36,889,099	35,247,078	14,590,017
9		OPERATING INCOME		5,955,978	(2,044,657)	2,647,676	5,352,954
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>1,909,223</u>	<u>1,838,499</u>	<u>2,941,002</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(3,953,880)	809,177	2,411,952
12		RATE BASE [8]		253,360,781	72,319,064	69,640,114	111,401,602
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	-2.83%	3.80%	4.81%
14		UNITIZED RETURN		1.00	(1.20)	1.62	2.05

REFERENCES: [1] PAGE 36, [2] PAGE 44, [3] PAGE 35, [4] PAGE 49, [5] PAGE 47, [6] PAGE 45, [7] PAGE 48, [8] PAGE 50.

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
GROSS INTANGIBLE, PRODUCTION, & DIST. PLANT ALLOC.
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 30 OF 129
WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		INTANGIBLE PLANT					
2	301.00	ORGANIZATION	7DC	521	218	151	151
3	303.00	MISC. INTANGIBLE PLANT	7DC	74,348	31,112	21,618	21,618
4	303.10	DIS SOFTWARE	7DC	0	0	0	0
5	303.20	FARA SOFTWARE	7DC	0	0	0	0
6	303.30	OTHER SOFTWARE	7DC	<u>8,341,319</u>	<u>3,490,598</u>	<u>2,425,360</u>	<u>2,425,360</u>
7		TOTAL INTANGIBLE PLANT		8,416,188	3,521,928	2,447,129	2,447,129
8		PRODUCTION PLANT					
9	304.10	LAND	2	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0
13		DISTRIBUTION PLANT					
14	374.10	LAND - CITY GATE & M/L IND M&R	5	206	0	103	103
15	374.20	LAND - OTHER DISTRIBUTION	5	877,756	0	438,878	438,878
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	5	661,306	0	330,653	330,653
17	374.50	RIGHTS OF WAY	5	2,729,828	0	1,364,914	1,364,914
18	375.20	CITY GATE - MEAS & REG STRUCTURES	5	2,125	0	1,063	1,063
19	375.30	STRUC & IMPROV-GENERAL M&R	5	0	0	0	0
20	375.40	STRUC & IMPROV-REGULATING	5	2,176,686	0	1,088,343	1,088,343
21	375.40	DIRECT STRUC & IMPROV-REGULATING	5	46,211	0	23,105	23,105
22	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7DC	8,761,416	3,666,397	2,547,510	2,547,510
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7DC	259,809	108,722	75,543	75,543
25	375.80	STRUC & IMPROV-COMMUNICATION	5	0	0	0	0
26	376.00	MAINS	5	221,300,854	0	110,650,427	110,650,427
27	376.00	DIRECT MAINS	5	11,682	0	5,841	5,841
28	378.10	M & R GENERAL	5	518,504	0	259,252	259,252
29	378.20	M & R GENERAL - REGULATING	5	9,175,090	0	4,587,545	4,587,545
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	5	45,443	0	22,722	22,722
31	379.10	STA EQUIP - CITY	5	254,901	0	127,451	127,451
32	380.00	SERVICES	15	127,467,343	127,467,343	0	0

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 31 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	380.00	DIRECT SERVICES	15	0	0	0	0
2	381.00	METERS	16	22,789,579	22,789,579	0	0
3	382.00	METER INSTALLATIONS	16	9,462,175	9,462,175	0	0
4	383.00	HOUSE REGULATORS	16	5,770,311	5,770,311	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	2,257,522	2,257,522	0	0
6	385.00	IND M&R EQUIPMENT	17	2,697,547	2,697,547	0	0
7	385.00	DIRECT IND M&R EQUIPMENT	17	677,829	677,829	0	0
8	387.20	ODORIZATION	7DC	0	0	0	0
9	387.41	TELEPHONE	7DC	735,771	307,899	213,936	213,936
10	387.42	RADIO	7DC	795,187	332,763	231,212	231,212
11	387.44	OTHER COMMUNICATION	7DC	133,590	55,904	38,843	38,843
12	387.45	TELEMETERING	7DC	3,779,585	1,581,646	1,098,970	1,098,970
13	387.46	CIS	7DC	<u>113,644</u>	<u>47,557</u>	<u>33,044</u>	<u>33,044</u>
14		TOTAL DISTRIBUTION PLANT		423,501,900	177,223,194	123,139,355	123,139,355
15		GENERAL PLANT					
16	391.10	OFF FURN & EQUIP - UNSPEC	7DC	735,278	307,692	213,793	213,793
17	391.11	OFF FURN & EQUIP - DATA HAND	7DC	18,816	7,874	5,471	5,471
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DC	1,257,641	526,286	365,677	365,677
19	392.20	TR EQ - TRAILER > \$1,000	7DC	95,778	40,080	27,849	27,849
20	392.21	TR EQ - TRAILER < \$1,000	7DC	24,462	10,237	7,113	7,113
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DC	24,241	10,144	7,048	7,048
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DC	0	0	0	0
23	393.00	STORES EQUIPMENT	7DC	0	0	0	0
24	394.20	SHOP EQUIPMENT	7DC	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7DC	3,259,030	1,363,809	947,611	947,611
26	395.00	LABORATORY EQUIPMENT	7DC	9,258	3,874	2,692	2,692
27	396.00	POWER OP EQUIP-GEN TOOLS	7DC	253,135	105,930	73,603	73,603
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7DC	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7DC	<u>294,060</u>	<u>123,056</u>	<u>85,502</u>	<u>85,502</u>
30		TOTAL GENERAL PLANT		<u>5,971,699</u>	<u>2,498,982</u>	<u>1,736,359</u>	<u>1,736,359</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		437,889,787	183,244,104	127,322,843	127,322,843

CLASSIFICATION COLUMBIA GAS OF KENTUCKY, INC. ATTACHMENT CEN-2
 DEMAND-COMMODITY GROSS INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION RESERVE ALLOC. PAGE 32 OF 129
 FORECASTED TEST YEAR - ORIGINAL FILING FOR THE TWELVE MONTHS ENDED 12/31/2017 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		INTANGIBLE PLANT					
2	301.00	ORGANIZATION	7DC	0	0	0	0
3	303.00	MISC. INTANGIBLE PLANT	7DC	49,104	20,549	14,278	14,278
4	303.10	DIS SOFTWARE	7DC	0	0	0	0
5	303.20	FARA SOFTWARE	7DC	0	0	0	0
6	303.30	OTHER SOFTWARE	7DC	<u>3,424,538</u>	<u>1,433,069</u>	<u>995,734</u>	<u>995,734</u>
7		TOTAL INTANGIBLE PLANT		3,473,642	1,453,618	1,010,012	1,010,012
8		PRODUCTION PLANT					
9	304.10	LAND	2	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0
13		DISTRIBUTION PLANT					
14	374.10	LAND - CITY GATE & M/L IND M&R	5	0	0	0	0
15	374.20	LAND - OTHER DISTRIBUTION	5	(523)	0	(262)	(262)
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	5	184,637	0	92,319	92,319
17	374.50	RIGHTS OF WAY	5	942,676	0	471,338	471,338
18	375.20	CITY GATE - MEAS & REG STRUCTURES	5	2,063	0	1,032	1,032
19	375.30	STRUC & IMPROV-GENERAL M&R	5	(78)	0	(39)	(39)
20	375.40	STRUC & IMPROV-REGULATING	5	497,862	0	248,931	248,931
21	375.40	DIRECT STRUC & IMPROV-REGULATING	5	3,028	0	1,514	1,514
22	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7DC	3,369,677	1,410,111	979,783	979,783
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7DC	199,220	83,368	57,926	57,926
25	375.80	STRUC & IMPROV-COMMUNICATION	5	0	0	0	0
26	376.00	MAINS	5	58,817,583	0	29,408,791	29,408,791
27	376.00	DIRECT MAINS	5	8,703	0	4,352	4,352
28	378.10	M & R GENERAL	5	372,072	0	186,036	186,036
29	378.20	M & R GENERAL - REGULATING	5	3,453,479	0	1,726,740	1,726,740
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	5	36,634	0	18,317	18,317
31	379.10	STA EQUIP - CITY	5	267,731	0	133,866	133,866
32	380.00	SERVICES	15	61,085,053	61,085,053	0	0
33	380.00	DIRECT SERVICES	15	0	0	0	0

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 33 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	381.00	METERS	16	6,025,045	6,025,045	0	0
2	382.00	METER INSTALLATIONS	16	4,714,156	4,714,156	0	0
3	383.00	HOUSE REGULATORS	16	1,568,587	1,568,587	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	1,780,729	1,780,729	0	0
5	385.00	IND M&R EQUIPMENT	17	823,118	823,118	0	0
6	385.00	DIRECT IND M&R EQUIPMENT	17	133,766	133,766	0	0
7	387.20	ODORIZATION	7DC	(59,912)	(25,071)	(17,420)	(17,420)
8	387.41	TELEPHONE	7DC	399,816	167,311	116,252	116,252
9	387.42	RADIO	7DC	567,414	237,446	164,984	164,984
10	387.44	OTHER COMMUNICATION	7DC	50,650	21,196	14,727	14,727
11	387.45	TELEMETERING	7DC	529,513	221,586	153,964	153,964
12	387.46	CIS	7DC	<u>114,357</u>	<u>47,855</u>	<u>33,251</u>	<u>33,251</u>
13		TOTAL DISTRIBUTION PLANT		145,887,056	78,294,256	33,796,402	33,796,402
14		GENERAL PLANT					
15	391.10	OFF FURN & EQUIP - UNSPEC	7DC	(33,247)	(13,913)	(9,667)	(9,667)
16	391.11	OFF FURN & EQUIP - DATA HAND	7DC	(11,355)	(4,752)	(3,302)	(3,302)
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DC	750,133	313,909	218,112	218,112
18	392.20	TR EQ - TRAILER > \$1,000	7DC	27,035	11,313	7,861	7,861
19	392.21	TR EQ - TRAILER < \$1,000	7DC	6,309	2,640	1,834	1,834
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DC	15,095	6,317	4,389	4,389
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DC	37,937	15,876	11,031	11,031
22	393.00	STORES EQUIPMENT	7DC	0	0	0	0
23	394.20	SHOP EQUIPMENT	7DC	185	77	54	54
24	394.30	TOOLS & OTHER EQUIPMENT	7DC	1,333,005	557,824	387,591	387,591
25	395.00	LABORATORY EQUIPMENT	7DC	7,764	3,249	2,257	2,257
26	396.00	POWER OP EQUIP-GEN TOOLS	7DC	202,598	84,781	58,908	58,908
27		RETIREMENT WORK IN PROGRESS	7DC	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7DC	12,094	<u>5,061</u>	<u>3,517</u>	<u>3,517</u>
29		TOTAL GENERAL PLANT		<u>2,347,553</u>	<u>982,382</u>	<u>682,585</u>	<u>682,585</u>
30		TOTAL PLANT RESERVE		151,708,251	80,730,256	35,488,999	35,488,999

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
GROSS INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION EXPENSE ALLOC.
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 34 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
		INTANGIBLE PLANT					
1	301.00	ORGANIZATION	7DC	0	0	0	0
2	303.00	MISC. INTANGIBLE PLANT	7DC	2,478	1,037	721	721
3	303.10	DIS SOFTWARE	7DC	0	0	0	0
4	303.20	FARA SOFTWARE	7DC	0	0	0	0
5	303.30	OTHER SOFTWARE	7DC	<u>1,271,617</u>	<u>532,135</u>	<u>369,741</u>	<u>369,741</u>
6		TOTAL INTANGIBLE PLANT		1,274,096	533,172	370,462	370,462
7		PRODUCTION PLANT					
8	304.10	LAND	2	0	0	0	0
9	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0
10	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL PRODUCTION PLANT		0	0	0	0
12		DISTRIBUTION PLANT					
13	374.10	LAND - CITY GATE & M/L IND M&R	5	0	0	0	0
14	374.20	LAND - OTHER DISTRIBUTION	5	0	0	0	0
15	374.40	LAND RIGHTS - OTHER DISTRIBUTION	5	11,508	0	5,754	5,754
16	374.50	RIGHTS OF WAY	5	35,215	0	17,608	17,608
17	375.20	CITY GATE - MEAS & REG STRUCTURES	5	72	0	36	36
18	375.30	STRUC & IMPROV-GENERAL M&R	5	0	0	0	0
19	375.40	STRUC & IMPROV-REGULATING	5	69,888	0	34,944	34,944
20	375.40	DIRECT STRUC & IMPROV-REGULATING	5	744	0	372	372
21	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0
22	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7DC	185,730	77,723	54,004	54,004
23	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7DC	33,049	13,830	9,609	9,609
24	375.80	STRUC & IMPROV-COMMUNICATION	5	0	0	0	0
25	376.00	MAINS	5	5,087,613	0	2,543,807	2,543,807
26	376.00	DIRECT MAINS	5	151	0	75	75
27	378.10	M & R GENERAL	5	17,220	0	8,610	8,610
28	378.20	M & R GENERAL - REGULATING	5	304,399	0	152,200	152,200
29	378.30	M & R EQUIP - LOCAL GAS PURCHASES	5	1,512	0	756	756
30	379.10	STA EQUIP - CITY	5	0	0	0	0
31	380.00	SERVICES	15	6,496,995	6,496,995	0	0
32	380.00	DIRECT SERVICES	15	0	0	0	0

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 35 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	381.00	METERS	16	1,172,264	1,172,264	0	0
2	382.00	METER INSTALLATIONS	16	230,831	230,831	0	0
3	383.00	HOUSE REGULATORS	16	157,520	157,520	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	22,800	22,800	0	0
5	385.00	IND M&R EQUIPMENT	17	158,316	158,316	0	0
6	385.00	DIRECT IND M&R EQUIPMENT	17	13,065	13,065	0	0
7	387.20	ODORIZATION	7DC	0	0	0	0
8	387.41	TELEPHONE	7DC	27,516	11,515	8,001	8,001
9	387.42	RADIO	7DC	29,736	12,444	8,646	8,646
10	387.44	OTHER COMMUNICATION	7DC	4,992	2,089	1,451	1,451
11	387.45	TELEMETERING	7DC	140,832	58,934	40,949	40,949
12	387.46	CIS	7DC	4,248	1,778	1,235	1,235
13		TOTAL DISTRIBUTION PLANT		14,206,216	8,430,104	2,888,057	2,888,057
14		GENERAL PLANT					
15	391.10	OFF FURN & EQUIP - UNSPEC	7DC	36,561	15,300	10,631	10,631
16	391.11	OFF FURN & EQUIP - DATA HAND	7DC	1,260	527	366	366
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DC	253,397	106,039	73,679	73,679
18	392.20	TR EQ - TRAILER > \$1,000	7DC	8,760	3,666	2,547	2,547
19	392.21	TR EQ - TRAILER < \$1,000	7DC	2,244	939	652	652
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DC	972	407	283	283
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DC	0	0	0	0
22	393.00	STORES EQUIPMENT	7DC	0	0	0	0
23	394.20	SHOP EQUIPMENT	7DC	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7DC	129,657	54,258	37,700	37,700
25	395.00	LABORATORY EQUIPMENT	7DC	468	196	136	136
26	396.00	POWER OP EQUIP-GEN TOOLS	7DC	6,552	2,742	1,905	1,905
27	398.00	MISCELLANEOUS EQUIPMENT	7DC	19,604	8,204	5,700	5,700
28		TOTAL GENERAL PLANT		459,475	192,278	133,599	133,599
29		TOTAL DEPRECIATION EXPENSE		15,939,787	9,155,554	3,392,118	3,392,118

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 36 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE					
2	480.00	RESIDENTIAL SALES	22	49,696,061	17,373,849	22,167,789	10,154,424
3	481.10	COMMERCIAL SALES	22	18,520,317	5,527,244	9,762,586	3,230,487
4	481.20	INDUSTRIAL SALES	22	1,458,726	432,118	774,051	252,557
5		TOTAL SALES REVENUE		69,675,105	23,333,211	32,704,425	13,637,468
6	487.00	FORFEITED DISCOUNTS	22	476,000	230,432	110,157	135,411
7	488.00	MISC. SERVICE REVENUE	6	137,000	137,000	0	0
8	489.00	REVENUE FROM TRANSPORTATION	22	21,807,062	10,556,799	5,080,172	6,170,091
9	495.00	OTHER	6	587,000	587,000	0	0
10		TOTAL OTHER GAS DEPT REVENUE		23,007,062	11,511,231	5,190,329	6,305,502
11		TOTAL OPERATING REVENUE		92,682,167	34,844,442	37,894,754	19,942,971

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
PRODUCTION EXPENSE ALLOCATION
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 37 OF 129
WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING EXPENSES					
2		PRODUCTION EXPENSES - OPERATION					
3	717	LIQUE PETRO GAS EXP - LABOR	2	0	0	0	0
4	717	LIQUE PETRO GAS EXP - M&E	2	2,139	0	0	2,139
5	723	LIQUIFIED PETROLEUM GAS PROCESS	2	0	0	0	0
6	728	LIQUIFIED PETROLEUM GAS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL OPERATION		2,139	0	0	2,139
8		PRODUCTION EXPENSES - MAINTENANCE					
9	741	STRUCTURES & IMPROV - LABOR	2	0	0	0	0
10	741	STRUCTURES & IMPROV - M&E	2	0	0	0	0
11	742	PRODUCTION EQUIPMENT - LABOR	2	0	0	0	0
12	742	PRODUCTION EQUIPMENT - M&E	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13		TOTAL MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14		TOTAL MANUFACTURED GAS		2,139	0	0	2,139
15		OTHER GAS SUPPLIES EXPENSE					
16	803 - 806						
17	& 808	COST OF GAS @ CITY GATE	9	21,475,950	0	21,475,950	0
18	807	OTHER PURCHASED GAS - LABOR	9	0	0	0	0
19	807	OTHER PURCHASED GAS - M & E	9	341,557	0	341,557	0
20	812	GAS USED IN OPERATIONS	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL OTHER GAS SUPPLIES EXP		<u>21,817,507</u>	<u>0</u>	<u>21,817,507</u>	<u>0</u>
22		TOTAL PRODUCTION EXPENSE		21,819,646	0	21,817,507	2,139

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
DISTRIBUTION EXPENSE ALLOCATION - LABOR
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 38 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL			
	(A)	(B)	(C)	COMPANY (D)	CUSTOMER (E)	COMMODITY (F)	DEMAND (G)
				\$	\$	\$	\$
1		DISTRIBUTION EXPENSES					
2	870	SUPERVISION & ENGINEERING	10DC	97,461	60,564	18,980	17,917
3	871	DISTRIBUTION LOAD DISPATCH	4	66,644	0	66,644	0
4	874	MAINS & SERVICES	14DC	1,726,536	630,991	547,773	547,773
5	875	M & R - GENERAL	18DC	82,347	0	41,174	41,174
6	876	M & R - INDUSTRIAL	8	38,736	38,736	0	0
7	878	METERS & HOUSE REGULATORS	16	1,279,637	1,279,637	0	0
8	879	CUSTOMER INSTALLATION	16	1,500,691	1,500,691	0	0
9	880	OTHER	10DC	547,972	340,519	106,716	100,736
10	881	RENTS	10DC	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		5,340,024	3,851,138	781,287	707,600
12		MAINTENANCE					
13	885	SUPERVISION & ENGINEERING	10DC	8,649	5,375	1,684	1,590
14	886	STRUCTURES & IMPROVEMENTS	18DC	2,509	0	1,255	1,255
15	887	MAINS	18DC	926,354	0	463,177	463,177
16	889	M & R - GENERAL	18DC	138,594	0	69,297	69,297
17	890	M & R - INDUSTRIAL	8	19,419	19,419	0	0
18	892	SERVICES	15	298,657	298,657	0	0
19	893	METERS & HOUSE REGULATORS	16	26,851	26,851	0	0
20	894	OTHER EQUIPMENT	10DC	<u>124,180</u>	<u>77,168</u>	<u>24,184</u>	<u>22,829</u>
21		TOTAL MAINTENANCE		1,545,213	427,470	559,597	558,148

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
DISTRIBUTION EXPENSE ALLOCATION - LABOR
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 39 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		CUSTOMER ACCOUNTS					
2	901	SUPERVISION	6	0	0	0	0
3	902	METER READING	6	165,331	165,331	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	692,556	692,556	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	0	0	0	0
6	905	MISC.	6	0	0	0	0
7	920	SALARIES	6	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0
9	931	RENTS	6	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		857,887	857,887	0	0
12		CUSTOMER SERVICE & INFORMATIONAL					
13	907	SUPERVISION	6	0	0	0	0
14	908	CUSTOMER ASSISTANCE	6	12,982	12,982	0	0
15	909	INFO. & INSTRUCTIONAL	6	0	0	0	0
16	910	MISCELLANEOUS	6	0	0	0	0
17	920	SALARIES	6	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0
19	931	RENTS	6	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		12,982	12,982	0	0

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 40 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		SALES					
2	911	SUPERVISION	6	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0
5	916	MISC.	6	0	0	0	0
6		TOTAL SALES		0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		7,756,106	5,149,477	1,340,884	1,265,748
8		ADMINISTRATIVE & GENERAL					
9	920	SALARIES	12DC	1,597,984	1,060,942	276,261	260,781
10	921	OFFICE SUPPLIES & EXPENSES	12DC	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12DC	0	0	0	0
12	923	OUTSIDE SERVICES	12DC	4,636	3,078	802	757
13	924	PROPERTY INSURANCE	12DC	0	0	0	0
14	925	INJURIES AND DAMAGES	12DC	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12DC	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12DC	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12DC	0	0	0	0
18	930.20	MISC. - GENERAL	12DC	0	0	0	0
19	931	RENTS	12DC	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12DC	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE					
22		FURNITURE & EQUIPMENT	12DC	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12DC	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		1,602,620	1,064,020	277,063	261,538
25		TOTAL O & M EXPENSE - LABOR		9,358,726	6,213,497	1,617,947	1,527,286

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 41 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL			
	(A)	(B)	(C)	COMPANY (D)	CUSTOMER (E)	COMMODITY (F)	DEMAND (G)
				\$	\$	\$	\$
1		DISTRIBUTION EXPENSES					
2	870	SUPERVISION & ENGINEERING	11DC	783,470	296,039	244,411	243,020
3	871	DISTRIBUTION LOAD DISPATCH	4	17,885	0	17,885	0
4	874	MAINS & SERVICES	14DC	5,567,660	2,034,793	1,766,434	1,766,434
5	875	M & R - GENERAL	18DC	118,379	0	59,190	59,190
6	876	M & R - INDUSTRIAL	8	29,602	29,602	0	0
7	878	METERS & HOUSE REGULATORS	16	485,057	485,057	0	0
8	879	CUSTOMER INSTALLATION	16	655,941	655,941	0	0
9	880	OTHER	11DC	1,211,487	457,767	377,935	375,785
10	881	RENTS	11DC	<u>82,157</u>	<u>31,043</u>	<u>25,630</u>	<u>25,484</u>
11		TOTAL OPERATION		8,951,638	3,990,242	2,491,485	2,469,913
12		MAINTENANCE					
13	885	SUPERVISION & ENGINEERING	11DC	2,571	971	802	797
14	886	STRUCTURES & IMPROVEMENTS	18DC	251,838	0	125,919	125,919
15	887	MAINS	18DC	2,202,076	0	1,101,038	1,101,038
16	889	M & R - GENERAL	18DC	144,736	0	72,368	72,368
17	890	M & R - INDUSTRIAL	8	51,880	51,880	0	0
18	892	SERVICES	15	431,251	431,251	0	0
19	893	METERS & HOUSE REGULATORS	16	118,176	118,176	0	0
20	894	OTHER EQUIPMENT	11DC	<u>199,573</u>	<u>75,410</u>	<u>62,259</u>	<u>61,904</u>
21		TOTAL MAINTENANCE		3,402,101	677,688	1,362,386	1,362,026

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
DISTRIBUTION EXPENSE ALLOCATION - M & E
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 42 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL			
	(A)	(B)	(C)	COMPANY (D)	CUSTOMER (E)	COMMODITY (F)	DEMAND (G)
				\$	\$	\$	\$
1		CUSTOMER ACCOUNTS					
2	901	SUPERVISION	6	0	0	0	0
3	902	METER READING	6	399,502	399,502	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	3,252,912	3,252,912	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	1,027,585	1,027,585	0	0
6	905	MISC.	6	1,073	1,073	0	0
7	920	SALARIES	6	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	253	253	0	0
9	931	RENTS	6	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		4,681,325	4,681,325	0	0
12		CUSTOMER SERVICE & INFORMATIONAL					
13	907	SUPERVISION	6	(2,789)	(2,789)	0	0
14	908	CUSTOMER ASSISTANCE	6	1,198,971	1,198,971	0	0
15	909	INFO. & INSTRUCTIONAL	6	65,932	65,932	0	0
16	910	MISCELLANEOUS	6	257,797	257,797	0	0
17	920	SALARIES	6	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	13,868	13,868	0	0
19	931	RENTS	6	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		1,533,779	1,533,779	0	0

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
DISTRIBUTION EXPENSE ALLOCATION - M & E
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 43 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		SALES					
2	911	SUPERVISION	6	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	37,477	37,477	0	0
4	913	ADVERTISING	6	138,706	138,706	0	0
5	916	MISC.	6	0	0	0	0
6		TOTAL SALES		<u>176,183</u>	<u>176,183</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		18,745,026	11,059,217	3,853,871	3,831,939
8		ADMINISTRATIVE & GENERAL					
9	920	SALARIES	13DC	2,963,302	1,645,896	632,306	685,099
10	921	OFFICE SUPPLIES & EXPENSES	13DC	894,098	496,606	190,782	206,711
11	922	ADMIN. EXPENSES TRANSFERED	13DC	0	0	0	0
12	923	OUTSIDE SERVICES	13DC	7,099,789	3,943,410	1,514,946	1,641,432
13	924	PROPERTY INSURANCE	13DC	81,748	45,405	17,443	18,900
14	925	INJURIES AND DAMAGES	13DC	1,043,923	579,823	222,751	241,349
15	926	EMPLOYEE PENSIONS & BENEFITS	13DC	3,351,467	1,861,493	715,133	774,841
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS	13DC	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13DC	197,762	109,842	42,198	45,722
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13DC	176,189	97,860	37,595	40,734
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13DC	0	0	0	0
20	930.20	MISC. - GENERAL	13DC	(62,123)	(34,505)	(13,256)	(14,363)
21	931	RENTS	13DC	642,175	356,681	137,027	148,467
22	935.13	MAINT. STRUCTURES & IMPROV.	13DC	130	72	28	30
23	935.23	MAINT. - GEN'L OFFICE FURNITURE & EQUIPMENT	13DC	0	0	0	0
24	932	MAINT.-MISCELLANEOUS	13DC	<u>259,121</u>	<u>143,923</u>	<u>55,291</u>	<u>59,907</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>16,647,581</u>	<u>9,246,506</u>	<u>3,552,244</u>	<u>3,848,829</u>
26		TOTAL O & M EXPENSE - M & E		35,736,303	20,305,723	7,747,672	7,682,907

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 44 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		LABOR					
2		PRODUCTION	PAGE 13	0	0	0	0
3		DISTRIBUTION - O&M OPERATION	PAGE 14	5,340,024	3,851,138	781,287	707,600
4		DISTRIBUTION - O&M MAINT.	PAGE 14	1,545,213	427,470	559,597	558,148
5		CUSTOMER ACCOUNTS	PAGE 15	857,887	857,887	0	0
6		CUSTOMER SERVICE & INFOR.	PAGE 15	12,982	12,982	0	0
7		SALES	PAGE 16	0	0	0	0
8		ADMINISTRATIVE & GENERAL	PAGE 16	<u>1,602,620</u>	<u>1,064,020</u>	<u>277,063</u>	<u>261,538</u>
9		TOTAL LABOR EXPENSE		9,358,726	6,213,497	1,617,947	1,527,286
10		M & E					
11		PRODUCTION	PAGE 13	343,696	0	341,557	2,139
12		DISTRIBUTION - O&M OPERATION	PAGE 17	8,951,638	3,990,242	2,491,485	2,469,913
13		DISTRIBUTION - O&M MAINT.	PAGE 17	3,402,101	677,688	1,362,386	1,362,026
14		CUSTOMER ACCOUNTS	PAGE 18	4,681,325	4,681,325	0	0
15		CUSTOMER SERVICE & INFOR.	PAGE 18	1,533,779	1,533,779	0	0
16		SALES	PAGE 19	176,183	176,183	0	0
17		ADMINISTRATIVE & GENERAL	PAGE 19	<u>16,647,581</u>	<u>9,246,506</u>	<u>3,552,244</u>	<u>3,848,829</u>
18		TOTAL M & E EXPENSE		<u>35,736,303</u>	<u>20,305,723</u>	<u>7,747,672</u>	<u>7,682,907</u>
19		TOTAL O & M EXPENSES		45,095,030	26,519,220	9,365,619	9,210,193

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 45 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7DC	4,136,779	1,731,121	1,202,829	1,202,829
2	408	TAXES BASED ON PAYROLL	12DC	654,102	434,275	113,082	106,745
3	408	OTHER TAXES	12DC	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		4,790,881	2,165,396	1,315,911	1,309,574

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 46 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,380,519	(2,995,728)	2,345,156	6,031,086
2		LESS: RECONCILING ITEMS:					
3		IMPUTED INTEREST		6,688,725	1,909,223	1,838,499	2,941,002
4		TAX ACCELERATED DEPRECIATION	19DC	14,595,754	6,107,897	4,243,929	4,243,929
5		BOOK DEPRECIATION		<u>14,665,691</u>	<u>8,622,382</u>	<u>3,021,656</u>	<u>3,021,656</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(2,514,485)	1,222,273	1,222,273
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12DC	<u>(4,960)</u>	<u>(3,293)</u>	<u>(857)</u>	<u>(809)</u>
8		TOTAL RECONCILING ITEMS		<u>6,613,828</u>	<u>(608,555)</u>	<u>3,059,915</u>	<u>4,162,466</u>
9		TAXABLE INCOME		(1,233,309)	(2,387,173)	(714,759)	1,868,620
10		STATE INCOME TAX @ 6.00%		(73,999)	(143,231)	(42,886)	112,118
11		PLUS: FOREIGN TAX PAYMENTS	19DC	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(73,999)	(143,231)	(42,886)	112,118

CLASSIFICATION
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
KENTUCKY STATE INCOME TAX
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 47 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DEFERRED TAXES					
2		RECONCILIATION ITEMS:					
3		AMORTIZATION OF EXCESS ADIT-STATE	19DC	(17,008)	(7,117)	(4,945)	(4,945)
4		TOTAL DEFERRED INCOME TAX		(17,008)	(7,117)	(4,945)	(4,945)
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(91,007)	(150,348)	(47,831)	107,173

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 48 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE		92,682,167	34,844,442	37,894,754	19,942,971
2		LESS: EXPENSES OTHER THAN FIT		<u>87,301,647</u>	<u>37,840,170</u>	<u>35,549,598</u>	<u>13,911,885</u>
3		OPERATING INCOME BEFORE TAXES		5,380,519	(2,995,728)	2,345,156	6,031,086
4		LESS: RECONCILING ITEMS:					
5		IMPUTED INTEREST		6,688,725	1,909,223	1,838,499	2,941,002
6		EXCESS OF BOOK OVER TAX S/L	19DC	14,595,754	6,107,897	4,243,929	4,243,929
7		BOOK DEPRECIATION		<u>14,665,691</u>	<u>8,622,382</u>	<u>3,021,656</u>	<u>3,021,656</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(2,514,485)	1,222,273	1,222,273
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12DC	(4,960)	<u>(3,293)</u>	<u>(857)</u>	<u>(809)</u>
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(73,999)</u>	<u>(143,231)</u>	<u>(42,886)</u>	<u>112,118</u>
11		TOTAL RECONCILING ITEMS		6,539,829	(751,786)	3,017,029	4,274,584
12		TAXABLE INCOME		(1,159,310)	(2,243,942)	(671,873)	1,756,502
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(762,940)	(228,437)	597,211
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19DC	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(762,940)	(228,437)	597,211

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 49 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DEFERRED INCOME TAXES					
2		LESS: AMORT. OF PRIOR YEARS ITC	19DC	35,760	14,965	10,398	10,398
3		OTHER TAX DEFERRALS					
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19DC	<u>(54,526)</u>	<u>(22,818)</u>	<u>(15,854)</u>	<u>(15,854)</u>
5		TOTAL OTHER TAX DEFERRALS		(54,526)	(22,818)	(15,854)	(15,854)
6		TOTAL DEFERRED INCOME TAX		<u>(90,286)</u>	<u>(37,783)</u>	<u>(26,252)</u>	<u>(26,252)</u>
7		TOTAL FEDERAL INCOME TAX		(484,451)	(800,723)	(254,689)	570,959

CLASSIFICATION
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE BASE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 50 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		437,889,787	183,244,104	127,322,843	127,322,843
		LESS:					
2	108-111	DEPRECIATION RESERVE [2]		<u>151,708,251</u>	<u>80,730,256</u>	<u>35,488,999</u>	<u>35,488,999</u>
3		NET PLANT		286,181,536	102,513,848	91,833,844	91,833,844
4	190.00	ACCUMULATED DEF INCOME TAX	19DC	\$5,385,973	2,253,872	1,566,050	1,566,050
		LESS:					
5	252.00	CUSTOMER ADVANCES	5	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19DC	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19DC	86,167,687	36,058,661	25,054,513	25,054,513
8	283.00	ACCUMULATED DEF INCOME TAX	19DC	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		205,399,822	68,709,059	68,345,381	68,345,381
10		PLUS WORKING CAPITAL:					
11		CASH WORKING CAPITAL @ 1/8 OF					
12		O & M EXCLUDING GAS COST [3]		5,636,879	3,314,903	1,170,702	1,151,274
13	151.00	FUEL STOCK	2	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7DC	82,011	34,319	23,846	23,846
15	165.00	PREPAYMENTS	13DC	469,518	260,783	100,185	108,550
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>41,772,551</u>	<u>0</u>	<u>0</u>	<u>41,772,551</u>
17		RATE BASE		253,360,781	72,319,064	69,640,114	111,401,602

REFERENCES: [1] PAGE 31, [2] PAGE 33,
 [3] TOTAL O & M EXPENSE
 LESS: COST OF GAS
 O & M EXCL. GAS COST

66,570,980	26,519,220	30,841,569	9,210,193
<u>21,475,950</u>	<u>0</u>	<u>21,475,950</u>	<u>0</u>
45,095,030	26,519,220	9,365,619	9,210,193

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT CEN-2

CLASSIFICATION FACTORS

PAGE 51 OF 129

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

CLASSIFICATION
FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	DESCRIPTION (A)	CLASSIFICATION FACTOR (B)	TOTAL			
			COMPANY (C)	CUSTOMER (D)	COMMODITY (E)	DEMAND (F)
1	DEMAND DESIGN DAY	1	100.000%	0.000%	0.000%	100.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	0.000%	0.000%	100.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	64.825%	0.000%	35.175%
4	COMMODITY THROUGHPUT	4	100.000%	0.000%	100.000%	0.000%
5	COMPOSITE OF 1 & 4 - DEMAND/COMMODITY	5	100.000%	0.000%	50.000%	50.000%
6	CUSTOMER	6	100.000%	100.000%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - C/D	7CD	100.000%	79.545%	0.000%	20.455%
8	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - D/C	7DC	100.000%	41.847%	29.076%	29.076%
9	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - AVG	7AVG	100.000%	60.696%	14.538%	24.766%
10	TOTAL PLANT ACCOUNT 385	8	100.000%	100.000%	0.000%	0.000%
11	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	0.000%	100.000%	0.000%
12	OTHER DIST. EXP - LABOR - C/D	10CD	100.000%	85.976%	1.091%	12.933%
13	OTHER DIST. EXP - LABOR - D/C	10DC	100.000%	62.142%	19.475%	18.383%
14	OTHER DIST. EXP - LABOR - AVG	10AVG	100.000%	74.059%	10.283%	15.658%
15	OTHER DIST. EXP EXCL - M & E - C/D	11CD	100.000%	78.001%	0.178%	21.821%
16	OTHER DIST. EXP EXCL - M & E - D/C	11DC	100.000%	37.786%	31.196%	31.018%
17	OTHER DIST. EXP EXCL - M & E - AVG	11AVG	100.000%	57.893%	15.687%	26.420%
18	O & M EXCL A & G - LABOR - C/D	12CD	100.000%	87.551%	0.969%	11.481%
19	O & M EXCL A & G - LABOR - D/C	12DC	100.000%	66.393%	17.288%	16.319%
20	O & M EXCL A & G - LABOR - AVG	12AVG	100.000%	76.972%	9.128%	13.900%
21	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - C/D	13CD	100.000%	83.050%	0.121%	16.829%
22	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	13DC	100.000%	55.543%	21.338%	23.119%
23	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	13AVG	100.000%	69.296%	10.730%	19.974%
24	ACCT 376/380 - MAINS/SERVICES - C/D	14CD	100.000%	77.680%	0.000%	22.320%
25	ACCT 376/380 - MAINS/SERVICES - D/C	14DC	100.000%	36.547%	31.727%	31.727%
26	ACCT 376/380 - MAINS/SERVICES - AVG	14AVG	100.000%	57.113%	15.863%	27.023%
27	DIRECT PLANT ACCT 380	15	100.000%	100.000%	0.000%	0.000%
28	DIRECT PLANT ACCTS 381	16	100.000%	100.000%	0.000%	0.000%
29	DIRECT PLANT ACCT 385	17	100.000%	100.000%	0.000%	0.000%
30	ACCOUNT 376 MAINS - COMPOSITE/PLANT - C/D	18CD	100.000%	64.825%	0.000%	35.175%
31	ACCOUNT 376 MAINS - COMPOSITE/PLANT - D/C	18DC	100.000%	0.000%	50.000%	50.000%
32	ACCOUNT 376 MAINS - COMPOSITE/PLANT - AVG	18AVG	100.000%	32.413%	25.000%	42.588%
33	TOTAL PLANT - C/D	19CD	100.000%	79.545%	0.000%	20.455%
34	TOTAL PLANT - D/C	19DC	100.000%	41.847%	29.076%	29.076%
35	TOTAL PLANT - AVG	19AVG	100.000%	60.696%	14.538%	24.766%
36	AVERAGE C/D & D/C	20	100.000%	32.413%	25.000%	42.588%
37	UNCOLLECTIBLES	21	100.000%	100.000%	0.000%	0.000%
38	REVREQ	22	100.000%	48.410%	23.296%	28.294%

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 52 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		34,844,439	22,541,870	9,256,354	11,173	233,222	2,801,820	0	0	
2	PROPOSED INCREASE		<u>11,926,684</u>	<u>7,639,154</u>	<u>3,266,515</u>	<u>3,940</u>	<u>(13)</u>	<u>1,017,088</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		46,771,123	30,181,024	12,522,869	15,113	233,209	3,818,908	0	0	
4	COST OF GAS		0	0	0	0	0	0	0	0	
5	OPERATING & MAINTENANCE EXPENSE		26,652,011	22,083,636	4,269,894	1,331	56,267	240,883	0	0	
6	DEPRECIATION & AMORTIZATION		9,155,554	7,618,315	1,359,472	350	16,645	160,772	0	0	
7	FEDERAL INCOME TAX		3,079,469	(185,634)	2,120,713	4,289	41,676	1,098,425	0	0	
8	KENTUCKY STATE INCOME TAX		557,286	(48,204)	392,429	799	7,824	204,438	0	0	
9	TAXES OTHER THAN INCOME		<u>2,165,395</u>	<u>1,766,713</u>	<u>359,323</u>	<u>108</u>	<u>7,967</u>	<u>31,284</u>	<u>0</u>	<u>0</u>	
10	TOTAL EXPENSES & TAXES		41,609,715	31,234,826	8,501,831	6,877	130,379	1,735,802	0	0	
11	OPERATING INCOME		5,161,408	(1,053,802)	4,021,038	8,236	102,830	2,083,106	0	0	
12	INTEREST EXPENSE		<u>1,909,224</u>	<u>1,549,351</u>	<u>311,956</u>	<u>98</u>	<u>11,819</u>	<u>36,000</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		3,252,184	(2,603,153)	3,709,082	8,138	91,011	2,047,106	0	0	
14	RATE BASE		72,319,064	58,687,539	11,816,516	3,731	447,678	1,363,622	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		7.14%	-1.80%	34.03%	220.75%	22.97%	152.76%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	(0.21)	4.05	26.25	2.73	18.16	0.00	0.00	

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 53 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		48,294,840	40,094,055	7,512,468	2,000	125,330	560,988	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		26,668,976	22,194,010	4,214,107	1,185	55,066	204,608	0	0
4		DEPRECIATION & AMORTIZATION		9,155,554	7,618,315	1,359,472	350	16,645	160,772	0	0
5		FEDERAL INCOME TAX		3,575,190	3,039,440	490,645	23	6,578	38,504	0	0
6		KENTUCKY STATE INCOME TAX		647,691	539,955	95,152	21	1,424	11,139	0	0
7		TAXES OTHER THAN INCOME		<u>2,165,395</u>	<u>1,766,713</u>	<u>359,323</u>	<u>108</u>	<u>7,967</u>	<u>31,284</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		42,212,806	35,158,433	6,518,699	1,687	87,680	446,307	0	0
9		OPERATING INCOME		6,082,035	4,935,622	993,768	313	37,650	114,681	0	0
10		INTEREST EXPENSE		<u>1,909,224</u>	<u>1,549,351</u>	<u>311,956</u>	<u>98</u>	<u>11,819</u>	<u>36,000</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		4,172,811	3,386,271	681,812	215	25,831	78,681	0	0
12		RATE BASE		72,319,064	58,687,539	11,816,516	3,731	447,678	1,363,622	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.40%	8.41%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
15		AVERAGE ANNUAL CUSTOMERS		135,979	121,915	13,977	2	6	79	0	0
16		MONTHLY CUSTOMER BASED COST [1]		29.60	27.41	44.79	83.35	1,740.69	591.76	0.00	0.00

[1] LINE 1 / LINE 15 / 12 MONTHS.

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 54 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total CUSTOMER (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		13,450,398	17,552,185	(1,743,886)	(9,173)	(107,892)	(2,240,832)	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		124,191	162,064	(16,102)	(85)	(996)	(20,690)	0	0
4	LESS: PSC FEES @ 0.00190100		<u>25,570</u>	<u>33,367</u>	<u>(3,315)</u>	<u>(17)</u>	<u>(205)</u>	<u>(4,260)</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		13,300,637	17,356,754	(1,724,469)	(9,071)	(106,691)	(2,215,882)	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>798,038</u>	<u>1,041,405</u>	<u>(103,468)</u>	<u>(544)</u>	<u>(6,401)</u>	<u>(132,953)</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		12,502,599	16,315,349	(1,621,001)	(8,527)	(100,290)	(2,082,929)	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>4,375,911</u>	<u>5,710,372</u>	<u>(567,350)</u>	<u>(2,984)</u>	<u>(35,102)</u>	<u>(729,025)</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		8,126,688	10,604,977	(1,053,651)	(5,543)	(65,188)	(1,353,904)	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 55 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO. (A)	ACCOUNT TITLE (B)	ALLOC FACTOR (C)	TOTAL CUSTOMER (D)	GS-RESIDENTIAL (E)	GS-OTHER (F)	IUS (G)	DS-ML (H)	DS/IS (I)	NOT USED (J)	NOT USED (K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		34,844,442	22,541,870	9,256,354	11,173	233,222	2,801,820	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		26,519,220	21,998,579	4,233,524	1,287	56,267	229,558	0	0
4		DEPRECIATION & AMORTIZATION [3]		9,155,554	7,618,315	1,359,472	350	16,645	160,772	0	0
5		FEDERAL INCOME TAX [4]		(800,723)	(2,670,932)	1,057,995	3,007	41,680	767,529	0	0
6		KENTUCKY STATE INCOME TAX [5]		(150,348)	(501,450)	198,620	565	7,825	144,092	0	0
7		TAXES OTHER THAN INCOME [6]		<u>2,165,396</u>	<u>1,766,713</u>	<u>359,323</u>	<u>108</u>	<u>7,967</u>	<u>31,284</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		36,889,099	28,211,225	7,208,934	5,317	130,384	1,333,235	0	0
9		OPERATING INCOME		(2,044,657)	(5,669,355)	2,047,420	5,856	102,838	1,468,585	0	0
10		INTEREST EXPENSE [7]		<u>1,909,223</u>	<u>1,549,351</u>	<u>311,956</u>	<u>98</u>	<u>11,819</u>	<u>36,000</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(3,953,880)	(7,218,706)	1,735,464	5,758	91,019	1,432,585	0	0
12		RATE BASE [8]		72,319,064	58,687,539	11,816,516	3,731	447,678	1,363,622	0	0
13		RATE OF RETURN EARNED ON RATE BASE		-2.83%	-9.66%	17.33%	156.96%	22.97%	107.70%	0.00%	0.00%
14		UNITIZED RETURN		1.00	3.41	(6.12)	(55.46)	(8.12)	(38.06)	0.00	0.00

REFERENCES: [1] PAGE 62, [2] PAGE 70, [3] PAGE 61, [4] PAGE 75, [5] PAGE 73, [6] PAGE 71, [7] PAGE 74, [8] PAGE 76.

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PRODUCTION, & DIST. PLANT ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 56 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		INTANGIBLE PLANT									
2	301.00	ORGANIZATION	7CUST	218	180	34	0	1	3	0	0
3	303.00	MISC. INTANGIBLE PLANT	7CUST	31,112	25,716	4,796	1	123	476	0	0
4	303.10	DIS SOFTWARE	7CUST	0	0	0	0	0	0	0	0
5	303.20	FARA SOFTWARE	7CUST	0	0	0	0	0	0	0	0
6	303.30	OTHER SOFTWARE	7CUST	<u>3,490,598</u>	<u>2,885,154</u>	<u>538,041</u>	<u>140</u>	<u>13,823</u>	<u>53,441</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		3,521,928	2,911,050	542,871	141	13,947	53,920	0	0
8		PRODUCTION PLANT									
9	304.10	LAND	2	0	0	0	0	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
13		DISTRIBUTION PLANT									
14	374.10	LAND - CITY GATE & M/L IND M&R	5	0	0	0	0	0	0	0	0
15	374.20	LAND - OTHER DISTRIBUTION	5	0	0	0	0	0	0	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	5	0	0	0	0	0	0	0	0
17	374.50	RIGHTS OF WAY	5	0	0	0	0	0	0	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES	5	0	0	0	0	0	0	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R	5	0	0	0	0	0	0	0	0
20	375.40	STRUC & IMPROV-REGULATING	5	0	0	0	0	0	0	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		0	0	0	0	0	0	0	0
22	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7CUST	3,666,397	3,030,460	565,138	147	14,519	56,133	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CUST	108,722	89,864	16,758	4	431	1,665	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION	5	0	0	0	0	0	0	0	0
26	376.00	MAINS	5	0	0	0	0	0	0	0	0
27	376.00	DIRECT MAINS		0	0	0	0	0	0	0	0
28	378.10	M & R GENERAL	5	0	0	0	0	0	0	0	0
29	378.20	M & R GENERAL - REGULATING	5	0	0	0	0	0	0	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	5	0	0	0	0	0	0	0	0
31	379.10	STA EQUIP - CITY	5	0	0	0	0	0	0	0	0
32	380.00	SERVICES	15	127,467,343	112,461,887	14,554,221	1,275	0	449,960	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 57 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS	16	22,789,579	16,395,279	6,292,659	2,963	0	98,679	0	0
3	382.00	METER INSTALLATIONS	16	9,462,175	6,807,278	2,612,696	1,230	0	40,971	0	0
4	383.00	HOUSE REGULATORS	16	5,770,311	4,151,277	1,593,298	750	0	24,985	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	2,257,522	1,624,106	623,347	293	0	9,775	0	0
6	385.00	IND M&R EQUIPMENT	17	2,697,547	0	700,742	782	0	1,996,050	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		677,829	0	0	0	677,829	0	0	0
8	387.20	ODORIZATION	7CUST	0	0	0	0	0	0	0	0
9	387.41	TELEPHONE	7CUST	307,899	254,494	47,460	12	1,219	4,714	0	0
10	387.42	RADIO	7CUST	332,763	275,045	51,292	13	1,318	5,095	0	0
11	387.44	OTHER COMMUNICATION	7CUST	55,904	46,207	8,617	2	221	856	0	0
12	387.45	TELEMETERING	7CUST	1,581,646	1,307,310	243,795	63	6,263	24,215	0	0
13	387.46	CIS	7CUST	<u>47,557</u>	<u>39,308</u>	<u>7,330</u>	<u>2</u>	<u>188</u>	<u>728</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		177,223,194	146,482,515	27,317,353	7,536	701,988	2,713,826	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC	7CUST	307,692	254,323	47,428	12	1,218	4,711	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	7,874	6,508	1,214	0	31	121	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CUST	526,286	435,002	81,122	21	2,084	8,057	0	0
19	392.20	TR EQ - TRAILER > \$1,000	7CUST	40,080	33,128	6,178	2	159	614	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7CUST	10,237	8,461	1,578	0	41	157	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	10,144	8,385	1,564	0	40	155	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CUST	0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7CUST	1,363,809	1,127,256	210,218	55	5,401	20,880	0	0
26	395.00	LABORATORY EQUIPMENT	7CUST	3,874	3,202	597	0	15	59	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	105,930	87,556	16,328	4	419	1,622	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7CUST	0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7CUST	<u>123,056</u>	<u>101,712</u>	<u>18,968</u>	<u>5</u>	<u>487</u>	<u>1,884</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>2,498,982</u>	<u>2,065,533</u>	<u>385,195</u>	<u>99</u>	<u>9,895</u>	<u>38,260</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		183,244,104	151,459,098	28,245,419	7,776	725,830	2,806,006	0	0

CUSTOMER RELATED
DEMAND-COMMODITY

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 59 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	6,025,045	4,334,538	1,663,635	783	0	26,088	0	0
2	382.00	METER INSTALLATIONS	16	4,714,156	3,391,458	1,301,673	613	0	20,412	0	0
3	383.00	HOUSE REGULATORS	16	1,568,587	1,128,473	433,118	204	0	6,792	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	1,780,729	1,281,092	491,695	231	0	7,711	0	0
5	385.00	IND M&R EQUIPMENT	17	823,118	0	213,821	239	0	609,066	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		133,766	0	0	0	133,766	0	0	0
7	387.20	ODORIZATION	7CUST	(25,071)	(20,722)	(3,864)	(1)	(99)	(384)	0	0
8	387.41	TELEPHONE	7CUST	167,311	138,291	25,789	7	663	2,562	0	0
9	387.42	RADIO	7CUST	237,446	196,261	36,600	9	940	3,635	0	0
10	387.44	OTHER COMMUNICATION	7CUST	21,196	17,520	3,267	1	84	325	0	0
11	387.45	TELEMETERING	7CUST	221,586	183,152	34,155	9	877	3,392	0	0
12	387.46	CIS	7CUST	<u>47,855</u>	<u>39,555</u>	<u>7,376</u>	<u>2</u>	<u>190</u>	<u>733</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		78,294,256	65,818,174	11,412,161	2,767	142,335	918,827	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7CUST	(13,913)	(11,500)	(2,145)	(1)	(55)	(213)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	(4,752)	(3,928)	(732)	0	(19)	(73)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CUST	313,909	259,461	48,386	13	1,243	4,806	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7CUST	11,313	9,351	1,744	0	45	173	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7CUST	2,640	2,182	407	0	10	40	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	6,317	5,221	974	0	25	97	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CUST	15,876	13,122	2,447	1	63	243	0	0
22	393.00	STORES EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7CUST	77	64	12	0	0	1	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7CUST	557,824	461,069	85,983	22	2,209	8,540	0	0
25	395.00	LABORATORY EQUIPMENT	7CUST	3,249	2,685	501	0	13	50	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	84,781	70,076	13,068	3	336	1,298	0	0
27		RETIREMENT WORK IN PROGRESS	7CUST	0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7CUST	<u>5,061</u>	<u>4,183</u>	<u>780</u>	<u>0</u>	<u>20</u>	<u>77</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>982,382</u>	<u>811,986</u>	<u>151,425</u>	<u>38</u>	<u>3,890</u>	<u>15,039</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		80,730,256	67,831,648	11,787,646	2,863	151,981	956,121	0	0

CUSTOMER RELATED
DEMAND-COMMODITY

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 61 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	1,172,264	843,350	323,686	152	0	5,076	0	0
2	382.00	METER INSTALLATIONS	16	230,831	166,064	63,737	30	0	999	0	0
3	383.00	HOUSE REGULATORS	16	157,520	113,323	43,494	20	0	682	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	22,800	16,403	6,296	3	0	99	0	0
5	385.00	IND M&R EQUIPMENT	17	158,316	0	41,126	46	0	117,146	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		13,065	0	0	0	13,065	0	0	0
7	387.20	ODORIZATION	7CUST	0	0	0	0	0	0	0	0
8	387.41	TELEPHONE	7CUST	11,515	9,518	1,775	0	46	176	0	0
9	387.42	RADIO	7CUST	12,444	10,286	1,918	0	49	191	0	0
10	387.44	OTHER COMMUNICATION	7CUST	2,089	1,727	322	0	8	32	0	0
11	387.45	TELEMETERING	7CUST	58,934	48,712	9,084	2	233	902	0	0
12	387.46	CIS	7CUST	<u>1,778</u>	<u>1,470</u>	<u>274</u>	<u>0</u>	<u>7</u>	<u>27</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		8,430,104	7,018,695	1,247,651	322	13,771	149,666	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7CUST	15,300	12,646	2,358	1	61	234	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	527	436	81	0	2	8	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CUST	106,039	87,647	16,345	4	420	1,623	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7CUST	3,666	3,030	565	0	15	56	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7CUST	939	776	145	0	4	14	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	407	336	63	0	2	6	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CUST	0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7CUST	54,258	44,847	8,363	2	215	831	0	0
25	395.00	LABORATORY EQUIPMENT	7CUST	196	162	30	0	1	3	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	2,742	2,266	423	0	11	42	0	0
27	398.00	MISCELLANEOUS EQUIPMENT	7CUST	<u>8,204</u>	<u>6,781</u>	<u>1,265</u>	<u>0</u>	<u>32</u>	<u>126</u>	<u>0</u>	<u>0</u>
28		TOTAL GENERAL PLANT		192,278	158,927	29,638	7	763	2,943	0	0
29		TOTAL DEPRECIATION EXPENSE		9,155,554	7,618,315	1,359,472	350	16,645	160,772	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 62 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		17,373,849	17,373,849	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		5,527,244	0	5,527,244	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		432,118	0	421,073	11,045	0	0	0	0
5		TOTAL SALES REVENUE		23,333,211	17,373,849	5,948,317	11,045	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		230,432	147,908	66,693	121	1,207	14,503	0	0
7	488.00	MISC. SERVICE REVENUE	6	137,000	122,831	14,082	1	5	79	0	0
8	489.00	REVENUE FROM TRANSPORTATION		10,556,799	4,370,990	3,166,924	0	231,987	2,786,898	0	0
9	495.00	OTHER	6	587,000	526,292	60,338	6	23	340	0	0
10		TOTAL OTHER GAS DEPT REVENUE		11,511,231	5,168,021	3,308,037	128	233,222	2,801,820	0	0
11		TOTAL OPERATING REVENUE		34,844,442	22,541,870	9,256,354	11,173	233,222	2,801,820	0	0

CUSTOMER RELATED
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
PRODUCTION EXPENSE ALLOCATION
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 63 OF 129
WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
	OPERATING EXPENSES										
2											
	PRODUCTION EXPENSES - OPERATION										
3	717		0	0	0	0	0	0	0	0	0
	LIQUE PETRO GAS EXP - LABOR										
4	717	2	0	0	0	0	0	0	0	0	0
	LIQUE PETRO GAS EXP - M&E										
5	723	2	0	0	0	0	0	0	0	0	0
	LIQUIFIED PETROLEUM GAS PROCESS										
6	728	2	0	0	0	0	0	0	0	0	0
	LIQUIFIED PETROLEUM GAS										
7			0	0	0	0	0	0	0	0	0
	TOTAL OPERATION										
8											
	PRODUCTION EXPENSES - MAINTENANCE										
9	741	2	0	0	0	0	0	0	0	0	0
	STRUCTURES & IMPROV - LABOR										
10	741	2	0	0	0	0	0	0	0	0	0
	STRUCTURES & IMPROV - M&E										
11	742	2	0	0	0	0	0	0	0	0	0
	PRODUCTION EQUIPMENT - LABOR										
12	742	2	0	0	0	0	0	0	0	0	0
	PRODUCTION EQUIPMENT - M&E										
13			0	0	0	0	0	0	0	0	0
	TOTAL MAINTENANCE										
14			0	0	0	0	0	0	0	0	0
	TOTAL MANUFACTURED GAS										
15											
	OTHER GAS SUPPLIES EXPENSE										
16	803 - 806										
17	& 808		0	0	0	0	0	0	0	0	0
	COST OF GAS @ CITY GATE										
18	807	9	0	0	0	0	0	0	0	0	0
	OTHER PURCHASED GAS - LABOR										
19	807	9	0	0	0	0	0	0	0	0	0
	OTHER PURCHASED GAS - M & E										
20	812	9	0	0	0	0	0	0	0	0	0
	GAS USED IN OPERATIONS										
21			0	0	0	0	0	0	0	0	0
	TOTAL OTHER GAS SUPPLIES EXP										
22			0	0	0	0	0	0	0	0	0
	TOTAL PRODUCTION EXPENSE										

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 64 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	10CUST	60,564	45,319	14,257	6	187	795	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14CUST	630,991	556,711	72,047	6	0	2,227	0	0
5	875	M & R - GENERAL	18CUST	0	0	0	0	0	0	0	0
6	876	M & R - INDUSTRIAL	8	38,736	0	8,042	9	7,779	22,907	0	0
7	878	METERS & HOUSE REGULATORS	16	1,279,637	920,596	353,333	166	0	5,541	0	0
8	879	CUSTOMER INSTALLATION	16	1,500,691	1,079,627	414,371	195	0	6,498	0	0
9	880	OTHER	10CUST	340,519	254,807	80,158	34	1,049	4,471	0	0
10	881	RENTS	10CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		3,851,138	2,857,060	942,208	416	9,015	42,439	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	10CUST	5,375	4,022	1,265	1	17	71	0	0
14	886	STRUCTURES & IMPROVEMENTS	18CUST	0	0	0	0	0	0	0	0
15	887	MAINS	18CUST	0	0	0	0	0	0	0	0
16	889	M & R - GENERAL	18CUST	0	0	0	0	0	0	0	0
17	890	M & R - INDUSTRIAL	8	19,419	0	4,032	4	3,900	11,483	0	0
18	892	SERVICES	15	298,657	263,499	34,101	3	0	1,054	0	0
19	893	METERS & HOUSE REGULATORS	16	26,851	19,317	7,414	3	0	116	0	0
20	894	OTHER EQUIPMENT	10CUST	<u>77,168</u>	<u>57,744</u>	<u>18,165</u>	<u>8</u>	<u>238</u>	<u>1,013</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		427,470	344,582	64,977	19	4,155	13,737	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 65 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION	6	0	0	0	0	0	0	0	0
3	902	METER READING	6	165,331	148,232	16,994	2	7	96	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	692,556	620,932	71,188	7	28	402	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	0	0	0	0	0	0	0	0
6	905	MISC.	6	0	0	0	0	0	0	0	0
7	920	SALARIES	6	0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
9	931	RENTS	6	0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		857,887	769,164	88,182	9	35	498	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION	6	0	0	0	0	0	0	0	0
14	908	CUSTOMER ASSISTANCE	6	12,982	11,639	1,334	0	1	8	0	0
15	909	INFO. & INSTRUCTIONAL	6	0	0	0	0	0	0	0	0
16	910	MISCELLANEOUS	6	0	0	0	0	0	0	0	0
17	920	SALARIES	6	0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
19	931	RENTS	6	0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		12,982	11,639	1,334	0	1	8	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 66 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	
1	SALES										
2	911	SUPERVISION	6	0	0	0	0	0	0	0	
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	
4	913	ADVERTISING	6	0	0	0	0	0	0	0	
5	916	MISC.	6	0	0	0	0	0	0	0	
6		TOTAL SALES		0	0	0	0	0	0	0	
7		TOTAL DISTRIBUTION EXPENSES		5,149,477	3,982,445	1,096,701	444	13,206	56,682	0	0
8	ADMINISTRATIVE & GENERAL										
9	920	SALARIES	12CUST	1,060,942	820,501	225,949	95	2,716	11,681	0	0
10	921	OFFICE SUPPLIES & EXPENSES	12CUST	0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12CUST	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	12CUST	3,078	2,380	656	0	8	34	0	0
13	924	PROPERTY INSURANCE	12CUST	0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES	12CUST	0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12CUST	0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12CUST	0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12CUST	0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL	12CUST	0	0	0	0	0	0	0	0
19	931	RENTS	12CUST	0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12CUST	0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
22		FURNITURE & EQUIPMENT	12CUST	0	0	0	0	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12CUST	0	0	0	0	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		1,064,020	822,881	226,605	95	2,724	11,715	0	0
25		TOTAL O & M EXPENSE - LABOR		6,213,497	4,805,326	1,323,306	539	15,930	68,397	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 67 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	11CUST	296,039	239,649	50,253	15	1,273	4,849	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14CUST	2,034,793	1,795,257	232,333	20	0	7,183	0	0
5	875	M & R - GENERAL	18CUST	0	0	0	0	0	0	0	0
6	876	M & R - INDUSTRIAL	8	29,602	0	6,146	7	5,944	17,505	0	0
7	878	METERS & HOUSE REGULATORS	16	485,057	348,960	133,934	63	0	2,100	0	0
8	879	CUSTOMER INSTALLATION	16	655,941	471,897	181,118	85	0	2,840	0	0
9	880	OTHER	11CUST	457,767	370,572	77,706	23	1,968	7,498	0	0
10	881	RENTS	11CUST	<u>31,043</u>	<u>25,130</u>	<u>5,270</u>	<u>2</u>	<u>133</u>	<u>508</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		3,990,242	3,251,465	686,760	215	9,318	42,483	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11CUST	971	786	165	0	4	16	0	0
14	886	STRUCTURES & IMPROVEMENTS	18CUST	0	0	0	0	0	0	0	0
15	887	MAINS	18CUST	0	0	0	0	0	0	0	0
16	889	M & R - GENERAL	18CUST	0	0	0	0	0	0	0	0
17	890	M & R - INDUSTRIAL	8	51,880	0	10,771	12	10,418	30,679	0	0
18	892	SERVICES	15	431,251	380,484	49,240	4	0	1,522	0	0
19	893	METERS & HOUSE REGULATORS	16	118,176	85,018	32,631	15	0	512	0	0
20	894	OTHER EQUIPMENT	11CUST	<u>75,410</u>	<u>61,046</u>	<u>12,801</u>	<u>4</u>	<u>324</u>	<u>1,235</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		677,688	527,334	105,608	35	10,746	33,964	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 68 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT		ALLOC	TOTAL			IUS	DS-ML	DS/IS	NOT USED	NOT USED
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	(G)	(H)	(I)	(J)	(K)
	(A)	(B)	(C)	(D)	(E)	(F)	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION	6	0	0	0	0	0	0	0	0
3	902	METER READING	6	399,502	358,186	41,065	4	16	232	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	3,252,912	2,916,496	334,367	33	130	1,887	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	1,027,585	891,707	135,035	21	62	760	0	0
6	905	MISC.	6	1,073	962	110	0	0	1	0	0
7	920	SALARIES	6	0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	253	227	26	0	0	0	0	0
9	931	RENTS	6	0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		4,681,325	4,167,578	510,603	58	208	2,880	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION	6	(2,789)	(2,501)	(287)	0	0	(2)	0	0
14	908	CUSTOMER ASSISTANCE	6	1,198,971	1,074,973	123,242	12	48	695	0	0
15	909	INFO. & INSTRUCTIONAL	6	65,932	59,113	6,777	1	3	38	0	0
16	910	MISCELLANEOUS	6	257,797	231,136	26,499	3	10	150	0	0
17	920	SALARIES	6	0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	13,868	12,434	1,425	0	1	8	0	0
19	931	RENTS	6	0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		1,533,779	1,375,155	157,656	16	62	889	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 69 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	37,477	33,601	3,852	0	1	22	0	0
4	913	ADVERTISING	6	138,706	124,361	14,258	1	6	80	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		<u>176,183</u>	<u>157,962</u>	<u>18,110</u>	<u>1</u>	<u>7</u>	<u>102</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		11,059,217	9,479,494	1,478,737	325	20,341	80,318	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13CUST	1,645,896	1,409,002	220,468	49	3,325	13,052	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13CUST	496,606	425,129	66,520	15	1,003	3,938	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13CUST	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13CUST	3,943,410	3,375,835	528,220	118	7,966	31,271	0	0
13	924	PROPERTY INSURANCE	13CUST	45,405	38,870	6,082	1	92	360	0	0
14	925	INJURIES AND DAMAGES	12CUST	579,823	448,418	123,485	52	1,484	6,384	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12CUST	1,861,493	1,439,623	396,442	168	4,765	20,495	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13CUST	109,842	94,032	14,713	3	222	871	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13CUST	97,860	83,775	13,108	3	198	776	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13CUST	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13CUST	(34,505)	(29,539)	(4,622)	(1)	(70)	(274)	0	0
21	931	RENTS	13CUST	356,681	305,344	47,777	11	720	2,828	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13CUST	72	62	10	0	0	1	0	0
23	935.23	MAINT. - GEN'L OFFICE									
24		FURNITURE & EQUIPMENT	13CUST	0	0	0	0	0	0	0	0
25	932	MAINT.-MISCELLANEOUS	13CUST	<u>143,923</u>	<u>123,208</u>	<u>19,278</u>	<u>4</u>	<u>291</u>	<u>1,141</u>	<u>0</u>	<u>0</u>
26		TOTAL ADMIN & GENERAL - M & E		<u>9,246,506</u>	<u>7,713,759</u>	<u>1,431,481</u>	<u>423</u>	<u>19,996</u>	<u>80,843</u>	<u>0</u>	<u>0</u>
27		TOTAL O & M EXPENSE - M & E		20,305,723	17,193,253	2,910,218	748	40,337	161,161	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 70 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	3,851,138	2,857,060	942,208	416	9,015	42,439	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	427,470	344,582	64,977	19	4,155	13,737	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	857,887	769,164	88,182	9	35	498	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	12,982	11,639	1,334	0	1	8	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>1,064,020</u>	<u>822,881</u>	<u>226,605</u>	<u>95</u>	<u>2,724</u>	<u>11,715</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			6,213,497	4,805,326	1,323,306	539	15,930	68,397	0	0
10	M & E										
11	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	3,990,242	3,251,465	686,760	215	9,318	42,483	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	677,688	527,334	105,608	35	10,746	33,964	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	4,681,325	4,167,578	510,603	58	208	2,880	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	1,533,779	1,375,155	157,656	16	62	889	0	0
16	SALES		PAGE 19	176,183	157,962	18,110	1	7	102	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>9,246,506</u>	<u>7,713,759</u>	<u>1,431,481</u>	<u>423</u>	<u>19,996</u>	<u>80,843</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>20,305,723</u>	<u>17,193,253</u>	<u>2,910,218</u>	<u>748</u>	<u>40,337</u>	<u>161,161</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			26,519,220	21,998,579	4,233,524	1,287	56,267	229,558	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 71 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7CUST	1,731,121	1,430,858	266,835	69	6,855	26,503	0	0
2	408	TAXES BASED ON PAYROLL	12CUST	434,275	335,855	92,488	39	1,112	4,781	0	0
3	408	OTHER TAXES	12CUST	0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		2,165,396	1,766,713	359,323	108	7,967	31,284	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 72 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		(2,995,728)	(8,841,737)	3,304,035	9,428	152,343	2,380,206	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		1,909,223	1,549,351	311,956	98	11,819	36,000	0	0
4		TAX ACCELERATED DEPRECIATION	19CUST	6,107,897	5,048,482	941,471	244	24,187	93,512	0	0
5		BOOK DEPRECIATION		<u>8,622,382</u>	<u>7,177,622</u>	<u>1,277,289</u>	<u>329</u>	<u>14,534</u>	<u>152,609</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		(2,514,485)	(2,129,140)	(335,818)	(85)	9,653	(59,097)	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12CUST	<u>(3,293)</u>	<u>(2,547)</u>	<u>(701)</u>	<u>0</u>	<u>(8)</u>	<u>(36)</u>	<u>0</u>	<u>0</u>
8		TOTAL RECONCILING ITEMS		<u>(608,555)</u>	<u>(582,336)</u>	<u>(24,563)</u>	<u>13</u>	<u>21,464</u>	<u>(23,133)</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(2,387,173)	(8,259,401)	3,328,598	9,415	130,879	2,403,339	0	0
10		STATE INCOME TAX @ 6.00%		(143,231)	(495,567)	199,717	565	7,853	144,201	0	0
11		PLUS: FOREIGN TAX PAYMENTS	19CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(143,231)	(495,567)	199,717	565	7,853	144,201	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 73 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE	19CUST	(7,117)	(5,883)	(1,097)	0	(28)	(109)	0	0
4		TOTAL DEFERRED INCOME TAX		(7,117)	(5,883)	(1,097)	0	(28)	(109)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(150,348)	(501,450)	198,620	565	7,825	144,092	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 74 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		34,844,442	22,541,870	9,256,354	11,173	233,222	2,801,820	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>37,840,170</u>	<u>31,383,607</u>	<u>5,952,319</u>	<u>1,745</u>	<u>80,879</u>	<u>421,614</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		(2,995,728)	(8,841,737)	3,304,035	9,428	152,343	2,380,206	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		1,909,223	1,549,351	311,956	98	11,819	36,000	0	0
6		EXCESS OF BOOK OVER TAX S/L	19CUST	6,107,897	5,048,482	941,471	244	24,187	93,512	0	0
7		BOOK DEPRECIATION		<u>8,622,382</u>	<u>7,177,622</u>	<u>1,277,289</u>	<u>329</u>	<u>14,534</u>	<u>152,609</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		(2,514,485)	(2,129,140)	(335,818)	(85)	9,653	(59,097)	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12CUST	(3,293)	(2,547)	(701)	0	(8)	(36)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(143,231)</u>	<u>(495,567)</u>	<u>199,717</u>	<u>565</u>	<u>7,853</u>	<u>144,201</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		(751,786)	(1,077,903)	175,154	578	29,317	121,068	0	0
12		TAXABLE INCOME		(2,243,942)	(7,763,834)	3,128,881	8,850	123,026	2,259,138	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(762,940)	(2,639,703)	1,063,819	3,009	41,829	768,107	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(762,940)	(2,639,703)	1,063,819	3,009	41,829	768,107	0	0

CUSTOMER RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 75 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC	19CUST	14,965	12,369	2,307	1	59	229	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19CUST	<u>(22,818)</u>	<u>(18,860)</u>	<u>(3,517)</u>	<u>(1)</u>	<u>(90)</u>	<u>(349)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(22,818)</u>	<u>(18,860)</u>	<u>(3,517)</u>	<u>(1)</u>	<u>(90)</u>	<u>(349)</u>	<u>0</u>	<u>0</u>
6		TOTAL DEFERRED INCOME TAX		<u>(37,783)</u>	<u>(31,229)</u>	<u>(5,824)</u>	<u>(2)</u>	<u>(149)</u>	<u>(578)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		(800,723)	(2,670,932)	1,057,995	3,007	41,680	767,529	0	0

CUSTOMER RELATED
DEMAND-COMMODITY

COLUMBIA GAS OF KENTUCKY, INC.
RATE BASE SUMMARY

ATTACHMENT CEN-2
PAGE 76 OF 129

FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		183,244,104	151,459,098	28,245,419	7,776	725,830	2,806,006	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>80,730,256</u>	<u>67,831,648</u>	<u>11,787,646</u>	<u>2,863</u>	<u>151,981</u>	<u>956,121</u>	<u>0</u>	<u>0</u>
3		NET PLANT		102,513,848	83,627,450	16,457,773	4,913	573,849	1,849,885	0	0
4	190.00	ACCUMULATED DEF INCOME TAX	19CUST	2,253,872	1,862,938	347,412	90	8,925	34,507	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES	5	0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19CUST	0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19CUST	36,058,661	29,804,286	5,558,082	1,442	142,792	552,058	0	0
8	283.00	ACCUMULATED DEF INCOME TAX	19CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		68,709,059	55,686,102	11,247,103	3,561	439,982	1,332,334	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		3,314,903	2,749,822	529,191	161	7,033	28,695	0	0
13	151.00	FUEL STOCK	2	0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7CUST	34,319	28,366	5,290	1	136	525	0	0
15	165.00	PREPAYMENTS	13CUST	260,783	223,249	34,932	8	527	2,068	0	0
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
17		RATE BASE		72,319,064	58,687,539	11,816,516	3,731	447,678	1,363,622	0	0

REFERENCES: [1] PAGE 57, [2] PAGE 59,

[3] TOTAL O & M EXPENSE

LESS: COST OF GAS

O & M EXCL. GAS COST

26,519,220	21,998,579	4,233,524	1,287	56,267	229,558	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
26,519,220	21,998,579	4,233,524	1,287	56,267	229,558	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT CEN-2

ALLOCATION FACTORS

PAGE 77 OF 129

CUSTOMER RELATED
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	TOTAL CUSTOMER (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (K)
1	DESIGN DAY EXCL. DS-ML	1	100.000%	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
4	THROUGHPUT EXCL MLS	4	100.000%	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
5	COMPOSIT OF ALLOC #1 & #4	5	100.000%	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
6	AVERAGE NO. OF CUSTOMERS	6	100.000%	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387	7CUST	100.000%	82.655%	15.414%	0.004%	0.396%	1.531%	0.000%	0.000%
8	TOTAL PLANT ACCOUNT 385	8	100.000%	0.000%	20.761%	0.023%	20.081%	59.135%	0.000%	0.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
10	OTHER DIST. EXP - LABOR	10CUST	100.000%	74.829%	23.540%	0.010%	0.308%	1.313%	0.000%	0.000%
11	OTHER DIST. EXP EXCL - M & E	11CUST	100.000%	80.952%	16.975%	0.005%	0.430%	1.638%	0.000%	0.000%
12	O & M EXCL A & G - LABOR	12CUST	100.000%	77.337%	21.297%	0.009%	0.256%	1.101%	0.000%	0.000%
13	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	13CUST	100.000%	85.607%	13.395%	0.003%	0.202%	0.793%	0.000%	0.000%
14	ACCT 376/380 - MAINS/SERVICES	14CUST	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
15	DIRECT PLANT ACCT 380	15	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
16	DIRECT PLANT ACCTS 381	16	100.000%	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
17	DIRECT PLANT ACCT 385	17	100.000%	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
18	ACCOUNT 376 MAINS - COMPOSITE/PLANT	18CUST	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
19	TOTAL PLANT	19CUST	100.000%	82.655%	15.414%	0.004%	0.396%	1.531%	0.000%	0.000%
20	AVG DEM/COM #5 & CUS/DEM #3	20	100.000%	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
21	UNCOLLECTIBLES	21	100.000%	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 78 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		37,894,754	24,342,386	12,069,289	30,324	111,637	1,341,119	0	0
2		PROPOSED INCREASE		<u>5,937,314</u>	<u>3,837,289</u>	<u>1,600,850</u>	<u>1,958</u>	<u>589</u>	<u>496,628</u>	<u>0</u>	<u>0</u>
3		TOTAL PROPOSED REVENUES		43,832,068	28,179,675	13,670,139	32,282	112,226	1,837,747	0	0
4		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
5		OPERATING & MAINTENANCE EXPENSE		9,431,720	3,823,953	2,537,115	5,670	453	3,064,529	0	0
6		DEPRECIATION & AMORTIZATION		3,392,117	1,322,148	895,331	1,931	597	1,172,110	0	0
7		FEDERAL INCOME TAX		1,676,939	2,429,152	467,846	(900)	35,116	(1,254,275)	0	0
8		KENTUCKY STATE INCOME TAX		304,443	449,335	85,033	(173)	6,592	(236,345)	0	0
9		TAXES OTHER THAN INCOME		<u>1,315,912</u>	<u>512,520</u>	<u>347,172</u>	<u>749</u>	<u>295</u>	<u>455,176</u>	<u>0</u>	<u>0</u>
10		TOTAL EXPENSES & TAXES		37,597,081	22,344,203	11,976,344	32,286	43,053	3,201,195	0	0
11		OPERATING INCOME		6,234,987	5,835,472	1,693,795	(4)	69,173	(1,363,448)	0	0
12		INTEREST EXPENSE		<u>1,838,498</u>	<u>717,014</u>	<u>485,387</u>	<u>1,049</u>	<u>495</u>	<u>634,553</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		4,396,489	5,118,458	1,208,408	(1,053)	68,678	(1,998,001)	0	0
14		RATE BASE		69,640,114	27,159,628	18,385,889	39,727	18,763	24,036,109	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.95%	21.49%	9.21%	-0.01%	368.67%	-5.67%	0.00%	0.00%
16		UNITIZED RETURN		1.00	2.56	1.10	0.00	43.84	(0.67)	0.00	0.00

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 79 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		43,206,032	22,301,879	13,425,945	37,818	348	7,440,034	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		9,424,747	3,758,508	2,534,396	5,731	(794)	3,126,906	0	0
4		DEPRECIATION & AMORTIZATION		3,392,118	1,322,148	895,331	1,931	597	1,172,110	0	0
5		FEDERAL INCOME TAX		1,473,265	516,889	388,401	901	(1,282)	568,356	0	0
6		KENTUCKY STATE INCOME TAX		267,298	100,594	70,544	156	(46)	96,049	0	0
7		TAXES OTHER THAN INCOME		<u>1,315,912</u>	<u>512,520</u>	<u>347,172</u>	<u>749</u>	<u>295</u>	<u>455,176</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		37,349,290	20,017,754	11,879,691	34,477	(1,230)	5,418,597	0	0
9		OPERATING INCOME		5,856,743	2,284,125	1,546,254	3,341	1,579	2,021,437	0	0
10		INTEREST EXPENSE		<u>1,838,498</u>	<u>717,014</u>	<u>485,387</u>	<u>1,049</u>	<u>495</u>	<u>634,553</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		4,018,245	1,567,111	1,060,867	2,292	1,084	1,386,884	0	0
12		RATE BASE		69,640,114	27,159,628	18,385,889	39,727	18,763	24,036,109	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 80 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total COMMODITY (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		5,311,278	(2,040,506)	1,356,656	7,495	(111,289)	6,098,915	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		49,039	(18,841)	12,526	69	(1,028)	56,313	0	0
4	LESS: PSC FEES @ 0.00190100		<u>10,096</u>	<u>(3,879)</u>	<u>2,579</u>	<u>14</u>	<u>(212)</u>	<u>11,594</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		5,252,143	(2,017,786)	1,341,551	7,412	(110,049)	6,031,008	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>315,129</u>	<u>(121,067)</u>	<u>80,493</u>	<u>445</u>	<u>(6,603)</u>	<u>361,860</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		4,937,014	(1,896,719)	1,261,058	6,967	(103,446)	5,669,148	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>1,727,952</u>	<u>(663,852)</u>	<u>441,370</u>	<u>2,438</u>	<u>(36,206)</u>	<u>1,984,202</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		3,209,062	(1,232,867)	819,688	4,529	(67,240)	3,684,946	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 81 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		37,894,754	24,342,386	12,069,289	30,324	111,637	1,341,119	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		9,365,619	3,781,228	2,519,291	5,648	446	3,058,999	0	0
4		DEPRECIATION & AMORTIZATION [3]		3,392,118	1,322,148	895,331	1,931	597	1,172,110	0	0
5		FEDERAL INCOME TAX [4]		(254,689)	1,180,741	(52,969)	(1,537)	34,924	(1,415,846)	0	0
6		KENTUCKY STATE INCOME TAX [5]		(47,831)	221,661	(9,949)	(289)	6,557	(265,811)	0	0
7		TAXES OTHER THAN INCOME [6]		<u>1,315,911</u>	<u>512,520</u>	<u>347,172</u>	<u>749</u>	<u>295</u>	<u>455,176</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		35,247,078	20,825,393	11,342,723	31,511	42,819	3,004,628	0	0
9		OPERATING INCOME		2,647,676	3,516,993	726,566	(1,187)	68,818	(1,663,509)	0	0
10		INTEREST EXPENSE [7]		<u>1,838,499</u>	<u>717,014</u>	<u>485,387</u>	<u>1,049</u>	<u>495</u>	<u>634,553</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		809,177	2,799,979	241,179	(2,236)	68,323	(2,298,062)	0	0
12		RATE BASE [8]		69,640,114	27,159,628	18,385,889	39,727	18,763	24,036,109	0	0
13		RATE OF RETURN EARNED ON RATE BASE		3.80%	12.95%	3.95%	-2.99%	366.78%	-6.92%	0.00%	0.00%
14		UNITIZED RETURN		1.00	3.41	1.04	(0.79)	96.52	(1.82)	0.00	0.00

REFERENCES: [1] PAGE 88, [2] PAGE 96, [3] PAGE 87, [4] PAGE 101, [5] PAGE 99, [6] PAGE 97, [7] PAGE 100, [8] PAGE 102.

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 83 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS	16	0	0	0	0	0	0	0	0
3	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
4	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
6	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
8	387.20	ODORIZATION	7COMM	0	0	0	0	0	0	0	0
9	387.41	TELEPHONE	7COMM	213,936	83,379	56,464	122	51	73,919	0	0
10	387.42	RADIO	7COMM	231,212	90,113	61,024	132	55	79,888	0	0
11	387.44	OTHER COMMUNICATION	7COMM	38,843	15,139	10,252	22	9	13,421	0	0
12	387.45	TELEMETERING	7COMM	1,098,970	428,313	290,051	626	264	379,716	0	0
13	387.46	CIS	7COMM	<u>33,044</u>	<u>12,879</u>	<u>8,721</u>	<u>19</u>	<u>8</u>	<u>11,417</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		123,139,355	47,992,939	32,499,662	70,173	29,962	42,546,618	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC	7COMM	213,793	83,324	56,426	122	51	73,870	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND	7COMM	5,471	2,132	1,444	3	1	1,890	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7COMM	365,677	142,519	96,513	208	88	126,349	0	0
19	392.20	TR EQ - TRAILER > \$1,000	7COMM	27,849	10,854	7,350	16	7	9,622	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7COMM	7,113	2,772	1,877	4	2	2,458	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7COMM	7,048	2,747	1,860	4	2	2,435	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7COMM	0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7COMM	947,611	369,322	250,103	540	227	327,419	0	0
26	395.00	LABORATORY EQUIPMENT	7COMM	2,692	1,049	710	2	1	930	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7COMM	73,603	28,686	19,426	42	18	25,431	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7COMM	0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7COMM	<u>85,502</u>	<u>33,324</u>	<u>22,567</u>	<u>49</u>	<u>21</u>	<u>29,543</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>1,736,359</u>	<u>676,729</u>	<u>458,276</u>	<u>990</u>	<u>418</u>	<u>599,947</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		127,322,843	49,623,412	33,603,809	72,557	30,967	43,992,096	0	0

COMMODITY RELATED
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 85 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7COMM	(17,420)	(6,789)	(4,598)	(10)	(4)	(6,019)	0	0
8	387.41	TELEPHONE	7COMM	116,252	45,308	30,682	66	28	40,167	0	0
9	387.42	RADIO	7COMM	164,984	64,301	43,544	94	40	57,005	0	0
10	387.44	OTHER COMMUNICATION	7COMM	14,727	5,740	3,887	8	4	5,088	0	0
11	387.45	TELEMETERING	7COMM	153,964	60,006	40,636	88	37	53,198	0	0
12	387.46	CIS	7COMM	<u>33,251</u>	<u>12,959</u>	<u>8,776</u>	<u>19</u>	<u>8</u>	<u>11,489</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		33,796,402	13,172,752	8,920,273	19,260	6,228	11,677,888	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7COMM	(9,667)	(3,768)	(2,551)	(6)	(2)	(3,340)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7COMM	(3,302)	(1,287)	(871)	(2)	(1)	(1,141)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7COMM	218,112	85,007	57,566	124	52	75,362	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7COMM	7,861	3,064	2,075	4	2	2,716	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7COMM	1,834	715	484	1	0	634	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7COMM	4,389	1,711	1,158	3	1	1,516	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7COMM	11,031	4,299	2,911	6	3	3,811	0	0
22	393.00	STORES EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7COMM	54	21	14	0	0	19	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7COMM	387,591	151,060	102,297	221	93	133,920	0	0
25	395.00	LABORATORY EQUIPMENT	7COMM	2,257	880	596	1	1	780	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7COMM	58,908	22,959	15,548	34	14	20,354	0	0
27		RETIREMENT WORK IN PROGRESS	7COMM	0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7COMM	<u>3,517</u>	<u>1,371</u>	<u>928</u>	<u>2</u>	<u>1</u>	<u>1,215</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>682,585</u>	<u>266,032</u>	<u>180,155</u>	<u>388</u>	<u>164</u>	<u>235,846</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		35,488,999	13,832,426	9,367,000	20,224	6,634	12,262,713	0	0

COMMODITY RELATED
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 87 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7COMM	0	0	0	0	0	0	0	0
8	387.41	TELEPHONE	7COMM	8,001	3,118	2,112	5	2	2,765	0	0
9	387.42	RADIO	7COMM	8,646	3,370	2,282	5	2	2,987	0	0
10	387.44	OTHER COMMUNICATION	7COMM	1,451	566	383	1	0	501	0	0
11	387.45	TELEMETERING	7COMM	40,949	15,959	10,808	23	10	14,149	0	0
12	387.46	CIS	7COMM	<u>1,235</u>	<u>481</u>	<u>326</u>	<u>1</u>	<u>0</u>	<u>427</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		2,888,057	1,125,695	762,294	1,646	476	997,948	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7COMM	10,631	4,143	2,806	6	3	3,673	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7COMM	366	143	97	0	0	126	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7COMM	73,679	28,716	19,446	42	18	25,458	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7COMM	2,547	993	672	1	1	880	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7COMM	652	254	172	0	0	225	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7COMM	283	110	75	0	0	98	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7COMM	0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7COMM	37,700	14,693	9,950	21	9	13,026	0	0
25	395.00	LABORATORY EQUIPMENT	7COMM	136	53	36	0	0	47	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7COMM	1,905	742	503	1	0	658	0	0
27	398.00	MISCELLANEOUS EQUIPMENT	7COMM	<u>5,700</u>	<u>2,222</u>	<u>1,504</u>	<u>3</u>	<u>1</u>	<u>1,969</u>	<u>0</u>	<u>0</u>
28		TOTAL GENERAL PLANT		133,599	52,069	35,261	74	32	46,160	0	0
29		TOTAL DEPRECIATION EXPENSE		3,392,118	1,322,148	895,331	1,931	597	1,172,110	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 88 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		22,167,789	22,167,789	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		9,762,586	0	9,762,586	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		774,051	0	743,727	30,324	0	0	0	0
5		TOTAL SALES REVENUE		32,704,425	22,167,789	10,506,313	30,324	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		110,157	71,177	38,980	0	0	0	0	0
7	488.00	MISC. SERVICE REVENUE	6	0	0	0	0	0	0	0	0
8	489.00	REVENUE FROM TRANSPORTATION - GS - Residential		5,080,172	2,103,420	1,523,996	0	111,637	1,341,119	0	0
9	495.00	OTHER	6	0	0	0	0	0	0	0	0
10		TOTAL OTHER GAS DEPT REVENUE		5,190,329	2,174,597	1,562,976	0	111,637	1,341,119	0	0
11		TOTAL OPERATING REVENUE		37,894,754	24,342,386	12,069,289	30,324	111,637	1,341,119	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 90 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	10COMM	18,980	7,340	4,986	11	1	6,642	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	66,644	22,273	16,093	32	0	28,246	0	0
4	874	MAINS & SERVICES	14COMM	547,773	213,533	144,601	312	27	189,299	0	0
5	875	M & R - GENERAL	18COMM	41,174	16,050	10,869	23	2	14,229	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	0	0	0	0	0	0	0	0
9	880	OTHER	10COMM	106,716	41,267	28,036	60	5	37,347	0	0
10	881	RENTS	10COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		781,287	300,463	204,585	438	35	275,763	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	10COMM	1,684	651	442	1	0	589	0	0
14	886	STRUCTURES & IMPROVEMENTS	18COMM	1,255	489	331	1	0	434	0	0
15	887	MAINS	18COMM	463,177	180,556	122,269	264	23	160,065	0	0
16	889	M & R - GENERAL	18COMM	69,297	27,013	18,293	39	3	23,948	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	10COMM	<u>24,184</u>	<u>9,352</u>	<u>6,354</u>	<u>14</u>	<u>1</u>	<u>8,464</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		559,597	218,061	147,689	319	27	193,500	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 92 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		1,340,884	518,524	352,274	757	62	469,263	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	12COMM	276,261	106,830	72,579	155	14	96,683	0	0
10	921	OFFICE SUPPLIES & EXPENSES	12COMM	0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12COMM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	12COMM	802	310	211	0	0	281	0	0
13	924	PROPERTY INSURANCE	12COMM	0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES	12COMM	0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12COMM	0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12COMM	0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12COMM	0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL	12COMM	0	0	0	0	0	0	0	0
19	931	RENTS	12COMM	0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12COMM	0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
22		FURNITURE & EQUIPMENT	12COMM	0	0	0	0	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12COMM	0	0	0	0	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		277,063	107,140	72,790	155	14	96,964	0	0
25		TOTAL O & M EXPENSE - LABOR		1,617,947	625,664	425,064	912	76	566,227	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 93 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	11COMM	244,411	95,198	64,488	139	12	84,574	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	17,885	5,977	4,319	9	0	7,580	0	0
4	874	MAINS & SERVICES	14COMM	1,766,434	688,591	466,303	1,007	88	610,444	0	0
5	875	M & R - GENERAL	18COMM	59,190	23,073	15,625	34	3	20,455	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	0	0	0	0	0	0	0	0
9	880	OTHER	11COMM	377,935	147,206	99,718	215	19	130,777	0	0
10	881	RENTS	11COMM	<u>25,630</u>	<u>9,983</u>	<u>6,762</u>	<u>15</u>	<u>1</u>	<u>8,869</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		2,491,485	970,028	657,215	1,419	123	862,699	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11COMM	802	312	212	0	0	278	0	0
14	886	STRUCTURES & IMPROVEMENTS	18COMM	125,919	49,086	33,240	72	6	43,515	0	0
15	887	MAINS	18COMM	1,101,038	429,207	290,652	628	55	380,497	0	0
16	889	M & R - GENERAL	18COMM	72,368	28,210	19,104	41	4	25,009	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	11COMM	<u>62,259</u>	<u>24,250</u>	<u>16,427</u>	<u>35</u>	<u>3</u>	<u>21,543</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,362,386	531,065	359,635	776	68	470,842	0	0

COMMODITY RELATED
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
DISTRIBUTION EXPENSE ALLOCATION - M & E
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 95 OF 129
WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		3,853,871	1,501,093	1,016,850	2,195	191	1,333,541	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13COMM	632,306	259,321	171,576	392	32	200,985	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13COMM	190,782	78,244	51,769	118	10	60,642	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13COMM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13COMM	1,514,946	621,310	411,081	939	76	481,541	0	0
13	924	PROPERTY INSURANCE	13COMM	17,443	7,154	4,733	11	1	5,544	0	0
14	925	INJURIES AND DAMAGES	12COMM	222,751	86,138	58,521	125	11	77,956	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12COMM	715,133	276,542	187,880	400	36	250,275	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13COMM	42,198	17,306	11,450	26	2	13,413	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13COMM	37,595	15,418	10,201	23	2	11,950	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13COMM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13COMM	(13,256)	(5,437)	(3,597)	(8)	(1)	(4,214)	0	0
21	931	RENTS	13COMM	137,027	56,198	37,182	85	7	43,555	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13COMM	28	11	8	0	0	9	0	0
23	935.23	MAINT. - GEN'L OFFICE									
24		FURNITURE & EQUIPMENT	13COMM	0	0	0	0	0	0	0	0
25	932	MAINT.-MISCELLANEOUS	13COMM	<u>55,291</u>	<u>22,676</u>	<u>15,003</u>	<u>34</u>	<u>3</u>	<u>17,575</u>	<u>0</u>	<u>0</u>
26		TOTAL ADMIN & GENERAL - M & E		<u>3,552,244</u>	<u>1,434,881</u>	<u>955,807</u>	<u>2,145</u>	<u>179</u>	<u>1,159,231</u>	<u>0</u>	<u>0</u>
27		TOTAL O & M EXPENSE - M & E		7,747,672	3,155,564	2,094,227	4,736	370	2,492,772	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 96 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	781,287	300,463	204,585	438	35	275,763	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	559,597	218,061	147,689	319	27	193,500	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	0	0	0	0	0	0	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	0	0	0	0	0	0	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>277,063</u>	<u>107,140</u>	<u>72,790</u>	<u>155</u>	<u>14</u>	<u>96,964</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			1,617,947	625,664	425,064	912	76	566,227	0	0
10	M & E										
11	PRODUCTION		PAGE 13	341,557	219,590	121,570	396	0	0	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	2,491,485	970,028	657,215	1,419	123	862,699	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	1,362,386	531,065	359,635	776	68	470,842	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	0	0	0	0	0	0	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	0	0	0	0	0	0	0	0
16	SALES		PAGE 19	0	0	0	0	0	0	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>3,552,244</u>	<u>1,434,881</u>	<u>955,807</u>	<u>2,145</u>	<u>179</u>	<u>1,159,231</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>7,747,672</u>	<u>3,155,564</u>	<u>2,094,227</u>	<u>4,736</u>	<u>370</u>	<u>2,492,772</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			9,365,619	3,781,228	2,519,291	5,648	446	3,058,999	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 97 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7COMM	1,202,829	468,791	317,463	686	289	415,601	0	0
2	408	TAXES BASED ON PAYROLL	12COMM	113,082	43,729	29,709	63	6	39,575	0	0
3	408	OTHER TAXES	12COMM	0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		1,315,911	512,520	347,172	749	295	455,176	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 98 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)	
	(A)	(B)	(C)	(D)	(E)	(F)		(G)	(H)	(I)	(J)	(K)
				\$	\$	\$		\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		2,345,156	4,919,395	663,648		(3,013)	110,299	(3,345,166)	0	0
2		LESS: RECONCILING ITEMS:										
3		IMPUTED INTEREST		1,838,499	717,014	485,387		1,049	495	634,553	0	0
4		TAX ACCELERATED DEPRECIATION	19COMM	4,243,929	1,654,029	1,120,100		2,419	1,019	1,466,362	0	0
5		BOOK DEPRECIATION		<u>3,021,656</u>	<u>1,177,764</u>	<u>797,555</u>		<u>1,720</u>	<u>508</u>	<u>1,044,108</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		1,222,273	476,265	322,545		699	511	422,254	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12COMM	<u>(857)</u>	<u>(331)</u>	<u>(225)</u>		<u>0</u>	<u>0</u>	<u>(300)</u>	<u>0</u>	<u>0</u>
8		TOTAL RECONCILING ITEMS		<u>3,059,915</u>	<u>1,192,948</u>	<u>807,707</u>		<u>1,748</u>	<u>1,006</u>	<u>1,056,507</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(714,759)	3,726,447	(144,059)		(4,761)	109,293	(4,401,673)	0	0
10		STATE INCOME TAX @ 6.00%		(42,886)	223,588	(8,644)		(286)	6,558	(264,102)	0	0
11		PLUS: FOREIGN TAX PAYMENTS	19COMM	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(42,886)	223,588	(8,644)		(286)	6,558	(264,102)	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 99 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE	19COMM	(4,945)	(1,927)	(1,305)	(3)	(1)	(1,709)	0	0
4		TOTAL DEFERRED INCOME TAX		(4,945)	(1,927)	(1,305)	(3)	(1)	(1,709)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(47,831)	221,661	(9,949)	(289)	6,557	(265,811)	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 100 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		37,894,754	24,342,386	12,069,289	30,324	111,637	1,341,119	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>35,549,598</u>	<u>19,422,991</u>	<u>11,405,641</u>	<u>33,337</u>	<u>1,338</u>	<u>4,686,285</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		2,345,156	4,919,395	663,648	(3,013)	110,299	(3,345,166)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		1,838,499	717,014	485,387	1,049	495	634,553	0	0
6		EXCESS OF BOOK OVER TAX S/L	19COMM	4,243,929	1,654,029	1,120,100	2,419	1,019	1,466,362	0	0
7		BOOK DEPRECIATION		<u>3,021,656</u>	<u>1,177,764</u>	<u>797,555</u>	<u>1,720</u>	<u>508</u>	<u>1,044,108</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		1,222,273	476,265	322,545	699	511	422,254	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12COMM	(857)	(331)	(225)	0	0	(300)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(42,886)</u>	<u>223,588</u>	<u>(8,644)</u>	<u>(286)</u>	<u>6,558</u>	<u>(264,102)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		3,017,029	1,416,536	799,063	1,462	7,564	792,405	0	0
12		TAXABLE INCOME		(671,873)	3,502,859	(135,415)	(4,475)	102,735	(4,137,571)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(228,437)	1,190,973	(46,041)	(1,522)	34,930	(1,406,775)	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(228,437)	1,190,973	(46,041)	(1,522)	34,930	(1,406,775)	0	0

COMMODITY RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 101 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC	19COMM	10,398	4,053	2,744	6	2	3,593	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19COMM	<u>(15,854)</u>	<u>(6,179)</u>	<u>(4,184)</u>	<u>(9)</u>	<u>(4)</u>	<u>(5,478)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(15,854)</u>	<u>(6,179)</u>	<u>(4,184)</u>	<u>(9)</u>	<u>(4)</u>	<u>(5,478)</u>	<u>0</u>	<u>0</u>
6		TOTAL DEFERRED INCOME TAX		<u>(26,252)</u>	<u>(10,232)</u>	<u>(6,928)</u>	<u>(15)</u>	<u>(6)</u>	<u>(9,071)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		(254,689)	1,180,741	(52,969)	(1,537)	34,924	(1,415,846)	0	0

COMMODITY RELATED
DEMAND-COMMODITY

COLUMBIA GAS OF KENTUCKY, INC.
RATE BASE SUMMARY

ATTACHMENT CEN-2
PAGE 102 OF 129

FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		127,322,843	49,623,412	33,603,809	72,557	30,967	43,992,096	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>35,488,999</u>	<u>13,832,426</u>	<u>9,367,000</u>	<u>20,224</u>	<u>6,634</u>	<u>12,262,713</u>	<u>0</u>	<u>0</u>
3		NET PLANT		91,833,844	35,790,986	24,236,809	52,333	24,333	31,729,383	0	0
4	190.00	ACCUMULATED DEF INCOME TAX	19COMM	1,566,050	610,352	413,328	893	376	541,102	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES	5	0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19COMM	0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19COMM	25,054,513	9,764,746	6,612,638	14,281	6,013	8,656,835	0	0
8	283.00	ACCUMULATED DEF INCOME TAX	19COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		68,345,381	26,636,592	18,037,499	38,945	18,696	23,613,650	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		1,170,702	472,654	314,911	706	56	382,375	0	0
13	151.00	FUEL STOCK	2	0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7COMM	23,846	9,294	6,294	14	6	8,239	0	0
15	165.00	PREPAYMENTS	13COMM	100,185	41,088	27,185	62	5	31,845	0	0
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
17		RATE BASE		69,640,114	27,159,628	18,385,889	39,727	18,763	24,036,109	0	0
		REFERENCES: [1] PAGE 83, [2] PAGE 85,									
		[3] TOTAL O & M EXPENSE		30,841,569	17,588,323	10,163,138	30,657	446	3,058,999	0	0
		LESS: COST OF GAS		<u>21,475,950</u>	<u>13,807,095</u>	<u>7,643,847</u>	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		O & M EXCL. GAS COST		9,365,619	3,781,228	2,519,291	5,648	446	3,058,999	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT CEN-2

ALLOCATION FACTORS

PAGE 103 OF 129

COMMODITY RELATED
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	TOTAL COMMODITY (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (K)
1	DESIGN DAY EXCL. DS-ML	1	100.000%	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
4	THROUGHPUT EXCL MLS	4	100.000%	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
5	COMPOSIT OF ALLOC #1 & #4	5	100.000%	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
6	AVERAGE NO. OF CUSTOMERS	6	100.000%	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387	7COMM	100.000%	38.974%	26.393%	0.057%	0.024%	34.552%	0.000%	0.000%
8	TOTAL PLANT ACCOUNT 385	8	100.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	64.291%	35.593%	0.116%	0.000%	0.000%	0.000%	0.000%
10	OTHER DIST. EXP - LABOR	10COMM	100.000%	38.670%	26.272%	0.056%	0.005%	34.997%	0.000%	0.000%
11	OTHER DIST. EXP EXCL - M & E	11COMM	100.000%	38.950%	26.385%	0.057%	0.005%	34.603%	0.000%	0.000%
12	O & M EXCL A & G - LABOR	12COMM	100.000%	38.670%	26.272%	0.056%	0.005%	34.997%	0.000%	0.000%
13	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	13COMM	100.000%	41.012%	27.135%	0.062%	0.005%	31.786%	0.000%	0.000%
14	ACCT 376/380 - MAINS/SERVICES	14COMM	100.000%	38.982%	26.398%	0.057%	0.005%	34.558%	0.000%	0.000%
15	DIRECT PLANT ACCT 380	15	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
16	DIRECT PLANT ACCTS 381	16	100.000%	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
17	DIRECT PLANT ACCT 385	17	100.000%	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
18	ACCOUNT 376 MAINS - COMPOSITE/PLANT	18COMM	100.000%	38.982%	26.398%	0.057%	0.005%	34.558%	0.000%	0.000%
19	TOTAL PLANT	19COMM	100.000%	38.974%	26.393%	0.057%	0.024%	34.552%	0.000%	0.000%
20	AVG DEM/COM #5 & CUS/DEM #3	20	100.000%	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
21	UNCOLLECTIBLES	21	100.000%	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 104 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		19,942,971	12,795,566	5,359,642	6,584	136,876	1,644,303	0	0
2		PROPOSED INCREASE		<u>7,544,378</u>	<u>4,995,436</u>	<u>1,959,546</u>	<u>2,249</u>	<u>(574)</u>	<u>587,720</u>	<u>0</u>	<u>0</u>
3		TOTAL PROPOSED REVENUES		27,487,348	17,791,002	7,319,188	8,833	136,302	2,232,023	0	0
4		COST OF GAS		0	0	0	0	0	0	0	0
5		OPERATING & MAINTENANCE EXPENSE		9,294,195	3,646,747	2,453,527	5,277	451	3,188,193	0	0
6		DEPRECIATION & AMORTIZATION		3,392,113	1,322,146	895,328	1,931	598	1,172,110	0	0
7		FEDERAL INCOME TAX		3,025,424	3,375,153	780,420	(585)	42,800	(1,172,364)	0	0
8		KENTUCKY STATE INCOME TAX		554,795	624,910	143,088	(114)	8,036	(221,126)	0	0
9		TAXES OTHER THAN INCOME		<u>1,309,575</u>	<u>510,402</u>	<u>345,642</u>	<u>747</u>	<u>294</u>	<u>452,490</u>	<u>0</u>	<u>0</u>
10		TOTAL EXPENSES & TAXES		17,576,102	9,479,358	4,618,005	7,256	52,179	3,419,303	0	0
11		OPERATING INCOME		9,911,247	8,311,643	2,701,183	1,578	84,123	(1,187,280)	0	0
12		INTEREST EXPENSE		<u>2,941,001</u>	<u>1,388,474</u>	<u>895,807</u>	<u>2,029</u>	<u>495</u>	<u>654,196</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		6,970,246	6,923,169	1,805,376	(451)	83,628	(1,841,476)	0	0
14		RATE BASE		111,401,603	52,593,719	33,932,099	76,856	18,765	24,780,170	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.90%	15.80%	7.96%	2.05%	448.29%	-4.79%	0.00%	0.00%
16		UNITIZED RETURN		1.00	1.88	0.95	0.24	53.30	(0.57)	0.00	0.00

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 105 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		26,589,671	11,355,167	7,571,600	16,921	(317)	7,646,303	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		9,284,199	3,575,088	2,456,338	5,367	(1,071)	3,248,477	0	0
4		DEPRECIATION & AMORTIZATION		3,392,115	1,322,146	895,328	1,931	598	1,172,110	0	0
5		FEDERAL INCOME TAX		2,733,377	1,281,339	862,538	2,046	(1,647)	589,101	0	0
6		KENTUCKY STATE INCOME TAX		501,533	243,059	158,064	366	(70)	100,113	0	0
7		TAXES OTHER THAN INCOME		<u>1,309,575</u>	<u>510,402</u>	<u>345,642</u>	<u>747</u>	<u>294</u>	<u>452,490</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		17,220,798	6,932,034	4,717,910	10,457	(1,896)	5,562,291	0	0
9		OPERATING INCOME		9,368,873	4,423,133	2,853,690	6,465	1,579	2,084,012	0	0
10		INTEREST EXPENSE		<u>2,941,001</u>	<u>1,388,474</u>	<u>895,807</u>	<u>2,029</u>	<u>495</u>	<u>654,196</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		6,427,872	3,034,659	1,957,883	4,436	1,084	1,429,816	0	0
12		RATE BASE		111,401,603	52,593,719	33,932,099	76,856	18,765	24,780,170	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 106 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total DEMAND (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		6,646,701	(1,440,399)	2,211,958	10,337	(137,193)	6,002,000	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		61,370	(13,300)	20,424	95	(1,267)	55,418	0	0
4	LESS: PSC FEES @ 0.00190100		<u>12,636</u>	<u>(2,738)</u>	<u>4,205</u>	<u>20</u>	<u>(261)</u>	<u>11,410</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		6,572,695	(1,424,361)	2,187,329	10,222	(135,665)	5,935,172	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>394,362</u>	<u>(85,462)</u>	<u>131,240</u>	<u>613</u>	<u>(8,140)</u>	<u>356,110</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		6,178,333	(1,338,899)	2,056,089	9,609	(127,525)	5,579,062	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>2,162,417</u>	<u>(468,615)</u>	<u>719,631</u>	<u>3,363</u>	<u>(44,634)</u>	<u>1,952,672</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		4,015,916	(870,284)	1,336,458	6,246	(82,891)	3,626,390	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 107 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		19,942,971	12,795,566	5,359,642	6,584	136,876	1,644,303	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		9,210,191	3,591,126	2,431,709	5,252	457	3,181,649	0	0
4		DEPRECIATION & AMORTIZATION [3]		3,392,115	1,322,146	895,328	1,931	598	1,172,110	0	0
5		FEDERAL INCOME TAX [4]		570,961	1,749,954	142,907	(1,317)	42,987	(1,363,571)	0	0
6		KENTUCKY STATE INCOME TAX [5]		107,172	328,521	26,824	(247)	8,070	(255,997)	0	0
7		TAXES OTHER THAN INCOME [6]		<u>1,309,574</u>	<u>510,402</u>	<u>345,642</u>	<u>747</u>	<u>294</u>	<u>452,490</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		14,590,012	7,502,149	3,842,410	6,366	52,406	3,186,681	0	0
9		OPERATING INCOME		5,352,959	5,293,416	1,517,232	218	84,470	(1,542,378)	0	0
10		INTEREST EXPENSE [7]		<u>2,941,002</u>	<u>1,388,474</u>	<u>895,807</u>	<u>2,029</u>	<u>495</u>	<u>654,196</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		2,411,957	3,904,942	621,425	(1,811)	83,975	(2,196,574)	0	0
12		RATE BASE [8]		111,401,603	52,593,719	33,932,099	76,856	18,765	24,780,170	0	0
13		RATE OF RETURN EARNED ON RATE BASE		4.81%	10.06%	4.47%	0.28%	450.13%	-6.22%	0.00%	0.00%
14		UNITIZED RETURN		1.00	2.09	0.93	0.06	93.58	(1.29)	0.00	0.00

REFERENCES: [1] PAGE 114, [2] PAGE 122, [3] PAGE 113, [4] PAGE 127, [5] PAGE 125, [6] PAGE 123, [7] PAGE 126, [8] PAGE 128.

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 109 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS	16	0	0	0	0	0	0	0	0
3	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
4	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
6	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
8	387.20	ODORIZATION	7DEM	0	0	0	0	0	0	0	0
9	387.41	TELEPHONE	7DEM	213,936	83,379	56,464	122	51	73,919	0	0
10	387.42	RADIO	7DEM	231,212	90,113	61,024	132	55	79,888	0	0
11	387.44	OTHER COMMUNICATION	7DEM	38,843	15,139	10,252	22	9	13,421	0	0
12	387.45	TELEMETERING	7DEM	1,098,969	428,312	290,051	626	264	379,716	0	0
13	387.46	CIS	7DEM	<u>33,043</u>	<u>12,878</u>	<u>8,721</u>	<u>19</u>	<u>8</u>	<u>11,417</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		123,139,351	47,992,938	32,499,661	70,173	29,963	42,546,616	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC	7DEM	213,793	83,324	56,426	122	51	73,870	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND	7DEM	5,471	2,132	1,444	3	1	1,890	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DEM	365,678	142,519	96,513	208	88	126,349	0	0
19	392.20	TR EQ - TRAILER > \$1,000	7DEM	27,849	10,854	7,350	16	7	9,622	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7DEM	7,112	2,772	1,877	4	2	2,457	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DEM	7,049	2,747	1,860	4	2	2,436	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DEM	0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7DEM	947,610	369,322	250,103	540	227	327,418	0	0
26	395.00	LABORATORY EQUIPMENT	7DEM	2,692	1,049	710	2	1	930	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7DEM	73,602	28,686	19,426	42	18	25,431	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7DEM	0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7DEM	<u>85,502</u>	<u>33,324</u>	<u>22,567</u>	<u>49</u>	<u>21</u>	<u>29,543</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>1,736,358</u>	<u>676,729</u>	<u>458,276</u>	<u>990</u>	<u>418</u>	<u>599,946</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		127,322,840	49,623,411	33,603,809	72,557	30,968	43,992,095	0	0

DEMAND RELATED
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 111 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	(0)	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7DEM	(17,421)	(6,790)	(4,598)	(10)	(4)	(6,019)	0	0
8	387.41	TELEPHONE	7DEM	116,253	45,308	30,683	66	28	40,168	0	0
9	387.42	RADIO	7DEM	164,984	64,301	43,544	94	40	57,005	0	0
10	387.44	OTHER COMMUNICATION	7DEM	14,727	5,740	3,887	8	4	5,088	0	0
11	387.45	TELEMETERING	7DEM	153,963	60,006	40,635	88	37	53,197	0	0
12	387.46	CIS	7DEM	<u>33,251</u>	<u>12,959</u>	<u>8,776</u>	<u>19</u>	<u>8</u>	<u>11,489</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		33,796,398	13,172,750	8,920,273	19,260	6,227	11,677,888	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7DEM	(9,667)	(3,768)	(2,551)	(6)	(2)	(3,340)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7DEM	(3,301)	(1,287)	(871)	(2)	(1)	(1,141)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DEM	218,112	85,007	57,566	124	52	75,362	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7DEM	7,861	3,064	2,075	4	2	2,716	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7DEM	1,835	715	484	1	0	634	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DEM	4,389	1,711	1,158	3	1	1,516	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DEM	11,030	4,299	2,911	6	3	3,811	0	0
22	393.00	STORES EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7DEM	54	21	14	0	0	19	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7DEM	387,590	151,059	102,297	221	93	133,920	0	0
25	395.00	LABORATORY EQUIPMENT	7DEM	2,258	880	596	1	1	780	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7DEM	58,909	22,959	15,548	34	14	20,354	0	0
27		RETIREMENT WORK IN PROGRESS	7DEM	0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7DEM	<u>3,516</u>	<u>1,370</u>	<u>928</u>	<u>2</u>	<u>1</u>	<u>1,215</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>682,586</u>	<u>266,030</u>	<u>180,155</u>	<u>388</u>	<u>164</u>	<u>235,846</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		35,488,996	13,832,422	9,367,000	20,224	6,633	12,262,713	0	0

DEMAND RELATED
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 113 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	(0)	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7DEM	0	0	0	0	0	0	0	0
8	387.41	TELEPHONE	7DEM	8,000	3,118	2,111	5	2	2,764	0	0
9	387.42	RADIO	7DEM	8,646	3,370	2,282	5	2	2,987	0	0
10	387.44	OTHER COMMUNICATION	7DEM	1,452	566	383	1	0	502	0	0
11	387.45	TELEMETERING	7DEM	40,949	15,959	10,808	23	10	14,149	0	0
12	387.46	CIS	7DEM	<u>1,235</u>	<u>481</u>	<u>326</u>	<u>1</u>	<u>0</u>	<u>427</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		2,888,055	1,125,692	762,292	1,646	477	997,947	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7DEM	10,630	4,143	2,806	6	3	3,673	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7DEM	367	143	97	0	0	127	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DEM	73,679	28,716	19,446	42	18	25,458	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7DEM	2,547	993	672	1	1	880	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7DEM	653	255	172	0	0	226	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DEM	282	110	74	0	0	97	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DEM	0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7DEM	37,699	14,693	9,950	21	9	13,026	0	0
25	395.00	LABORATORY EQUIPMENT	7DEM	136	53	36	0	0	47	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7DEM	1,905	742	503	1	0	658	0	0
27	398.00	MISCELLANEOUS EQUIPMENT	7DEM	<u>5,700</u>	<u>2,222</u>	<u>1,504</u>	<u>3</u>	<u>1</u>	<u>1,969</u>	<u>0</u>	<u>0</u>
28		TOTAL GENERAL PLANT		133,598	52,070	35,260	74	32	46,161	0	0
29		TOTAL DEPRECIATION EXPENSE		3,392,115	1,322,146	895,328	1,931	598	1,172,110	0	0

DEMAND RELATED
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
OPERATING REVENUE @ CURRENT RATES
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 114 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		10,154,424	10,154,424	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		3,230,487	0	3,230,487	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		252,557	0	246,102	6,456	0	0	0	0
5		TOTAL SALES REVENUE		13,637,468	10,154,424	3,476,589	6,456	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		135,411	86,447	32,093	128	1,287	15,456	0	0
7	488.00	MISC. SERVICE REVENUE	6	0	0	0	0	0	0	0	0
8	489.00	REVENUE FROM TRANSPORTATION		6,170,091	2,554,695	1,850,960	0	135,589	1,628,847	0	0
9	495.00	OTHER	6	0	0	0	0	0	0	0	0
10		TOTAL OTHER GAS DEPT REVENUE		6,305,502	2,641,142	1,883,053	128	136,876	1,644,303	0	0
11		TOTAL OPERATING REVENUE		19,942,971	12,795,566	5,359,642	6,584	136,876	1,644,303	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 PRODUCTION EXPENSE ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 115 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING EXPENSES									
2		PRODUCTION EXPENSES - OPERATION									
3	717	LIQUE PETRO GAS EXP - LABOR	2	0	0	0	0	0	0	0	0
4	717	LIQUE PETRO GAS EXP - M&E	2	2,139	1,304	797	2	0	37	0	0
5	723	LIQUIFIED PETROLEUM GAS PROCESS	2	0	0	0	0	0	0	0	0
6	728	LIQUIFIED PETROLEUM GAS	2	0	0	0	0	0	0	0	0
7		TOTAL OPERATION		2,139	1,304	797	2	0	37	0	0
8		PRODUCTION EXPENSES - MAINTENANCE									
9	741	STRUCTURES & IMPROV - LABOR	2	0	0	0	0	0	0	0	0
10	741	STRUCTURES & IMPROV - M&E	2	0	0	0	0	0	0	0	0
11	742	PRODUCTION EQUIPMENT - LABOR	2	0	0	0	0	0	0	0	0
12	742	PRODUCTION EQUIPMENT - M&E	2	0	0	0	0	0	0	0	0
13		TOTAL MAINTENANCE		0	0	0	0	0	0	0	0
14		TOTAL MANUFACTURED GAS		2,139	1,304	797	2	0	37	0	0
15		OTHER GAS SUPPLIES EXPENSE									
16	803 - 806										
17	& 808	COST OF GAS @ CITY GATE		0	0	0	0	0	0	0	0
18	807	OTHER PURCHASED GAS - LABOR	9	0	0	0	0	0	0	0	0
19	807	OTHER PURCHASED GAS - M & E	9	0	0	0	0	0	0	0	0
20	812	GAS USED IN OPERATIONS	9	0	0	0	0	0	0	0	0
21		TOTAL OTHER GAS SUPPLIES EXP		0	0	0	0	0	0	0	0
22		TOTAL PRODUCTION EXPENSE		2,139	1,304	797	2	0	37	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 116 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	10DEM	17,917	6,984	4,730	10	1	6,192	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14DEM	547,772	213,532	144,601	312	27	189,299	0	0
5	875	M & R - GENERAL	18DEM	41,173	16,050	10,869	23	2	14,229	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	0	0	0	0	0	0	0	0
9	880	OTHER	10DEM	100,737	39,269	26,593	57	5	34,813	0	0
10	881	RENTS	10DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		707,599	275,835	186,793	402	35	244,533	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	10DEM	1,590	620	420	1	0	549	0	0
14	886	STRUCTURES & IMPROVEMENTS	18DEM	1,254	489	331	1	0	433	0	0
15	887	MAINS	18DEM	463,177	180,556	122,269	264	23	160,065	0	0
16	889	M & R - GENERAL	18DEM	69,297	27,013	18,293	39	3	23,948	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	10DEM	<u>22,828</u>	<u>8,899</u>	<u>6,026</u>	<u>13</u>	<u>1</u>	<u>7,889</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		558,146	217,577	147,339	318	27	192,884	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVEMONTHSENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 118 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		1,265,745	493,412	334,132	720	62	437,417	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	12DEM	260,781	101,658	68,841	149	13	90,121	0	0
10	921	OFFICE SUPPLIES & EXPENSES	12DEM	0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12DEM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	12DEM	756	295	200	0	0	261	0	0
13	924	PROPERTY INSURANCE	12DEM	0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES	12DEM	0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12DEM	0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12DEM	0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12DEM	0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL	12DEM	0	0	0	0	0	0	0	0
19	931	RENTS	12DEM	0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12DEM	0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
22		FURNITURE & EQUIPMENT	12DEM	0	0	0	0	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12DEM	0	0	0	0	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		261,537	101,953	69,041	149	13	90,382	0	0
25		TOTAL O & M EXPENSE - LABOR		1,527,282	595,365	403,173	869	75	527,799	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 119 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	11DEM	243,020	94,734	64,152	139	12	83,983	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14DEM	1,766,433	688,591	466,303	1,007	88	610,444	0	0
5	875	M & R - GENERAL	18DEM	59,189	23,073	15,625	34	3	20,455	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	(0)	0	0	0	0	0	0	0
9	880	OTHER	11DEM	375,785	146,489	99,200	214	19	129,864	0	0
10	881	RENTS	11DEM	<u>25,484</u>	<u>9,934</u>	<u>6,727</u>	<u>15</u>	<u>1</u>	<u>8,807</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		2,469,911	962,821	652,007	1,409	123	853,553	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11DEM	798	311	211	0	0	276	0	0
14	886	STRUCTURES & IMPROVEMENTS	18DEM	125,919	49,086	33,240	72	6	43,515	0	0
15	887	MAINS	18DEM	1,101,038	429,207	290,652	628	55	380,497	0	0
16	889	M & R - GENERAL	18DEM	72,368	28,210	19,104	41	4	25,009	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	11DEM	<u>61,904</u>	<u>24,131</u>	<u>16,341</u>	<u>35</u>	<u>3</u>	<u>21,393</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,362,027	530,945	359,548	776	68	470,690	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 120 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION	6	0	0	0	0	0	0	0	0
3	902	METER READING	6	0	0	0	0	0	0	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	0	0	0	0	0	0	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	0	0	0	0	0	0	0	0
6	905	MISC.	6	0	0	0	0	0	0	0	0
7	920	SALARIES	6	0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
9	931	RENTS	6	0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		0	0	0	0	0	0	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION	6	0	0	0	0	0	0	0	0
14	908	CUSTOMER ASSISTANCE	6	(0)	0	0	0	0	0	0	0
15	909	INFO. & INSTRUCTIONAL	6	0	0	0	0	0	0	0	0
16	910	MISCELLANEOUS	6	0	0	0	0	0	0	0	0
17	920	SALARIES	6	0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
19	931	RENTS	6	0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		(0)	0	0	0	0	0	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 121 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		3,831,938	1,493,766	1,011,555	2,185	191	1,324,243	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13DEM	685,100	267,148	180,894	391	34	236,634	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13DEM	206,710	80,604	54,580	118	10	71,398	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13DEM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13DEM	1,641,433	640,060	433,404	936	82	566,951	0	0
13	924	PROPERTY INSURANCE	13DEM	18,900	7,370	4,990	11	1	6,528	0	0
14	925	INJURIES AND DAMAGES	12DEM	241,349	94,083	63,711	138	12	83,405	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12DEM	774,841	302,048	204,542	442	39	267,770	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13DEM	45,722	17,829	12,073	26	2	15,792	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13DEM	40,734	15,884	10,755	23	2	14,070	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13DEM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13DEM	(14,362)	(5,600)	(3,792)	(8)	(1)	(4,961)	0	0
21	931	RENTS	13DEM	148,467	57,893	39,201	85	7	51,281	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13DEM	30	12	8	0	0	10	0	0
23	935.23	MAINT. - GEN'L OFFICE									
24		FURNITURE & EQUIPMENT	13DEM	0	0	0	0	0	0	0	0
25	932	MAINT.-MISCELLANEOUS	13DEM	59,907	23,360	15,818	34	3	20,692	0	0
26		TOTAL ADMIN & GENERAL - M & E		3,848,831	1,500,691	1,016,184	2,196	191	1,329,570	0	0
27		TOTAL O & M EXPENSE - M & E		7,682,908	2,995,761	2,028,536	4,383	382	2,653,850	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 122 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	707,599	275,835	186,793	402	35	244,533	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	558,146	217,577	147,339	318	27	192,884	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	0	0	0	0	0	0	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	0	0	0	0	0	0	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>261,537</u>	<u>101,953</u>	<u>69,041</u>	<u>149</u>	<u>13</u>	<u>90,382</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			1,527,282	595,365	403,173	869	75	527,799	0	0
10	M & E										
11	PRODUCTION		PAGE 13	2,139	1,304	797	2	0	37	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	2,469,911	962,821	652,007	1,409	123	853,553	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	1,362,027	530,945	359,548	776	68	470,690	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	0	0	0	0	0	0	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	(0)	0	0	0	0	0	0	0
16	SALES		PAGE 19	0	0	0	0	0	0	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>3,848,831</u>	<u>1,500,691</u>	<u>1,016,184</u>	<u>2,196</u>	<u>191</u>	<u>1,329,570</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>7,682,908</u>	<u>2,995,761</u>	<u>2,028,536</u>	<u>4,383</u>	<u>382</u>	<u>2,653,850</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			9,210,191	3,591,126	2,431,709	5,252	457	3,181,649	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 123 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7DEM	1,202,829	468,791	317,463	686	289	415,601	0	0
2	408	TAXES BASED ON PAYROLL	12DEM	106,745	41,611	28,179	61	5	36,889	0	0
3	408	OTHER TAXES	12DEM	0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		1,309,574	510,402	345,642	747	294	452,490	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 124 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		6,031,091	7,371,892	1,686,963	(1,346)	135,527	(3,161,946)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		2,941,002	1,388,474	895,807	2,029	495	654,196	0	0
4		TAX ACCELERATED DEPRECIATION	19DEM	4,243,928	1,654,028	1,120,100	2,419	1,019	1,466,362	0	0
5		BOOK DEPRECIATION		<u>3,021,653</u>	<u>1,177,762</u>	<u>797,552</u>	<u>1,720</u>	<u>509</u>	<u>1,044,108</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		1,222,275	476,266	322,548	699	510	422,254	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12DEM	(810)	(316)	(214)	0	0	(280)	0	0
8		TOTAL RECONCILING ITEMS		<u>4,162,467</u>	<u>1,864,424</u>	<u>1,218,141</u>	<u>2,728</u>	<u>1,005</u>	<u>1,076,170</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		1,868,624	5,507,468	468,822	(4,074)	134,522	(4,238,116)	0	0
10		STATE INCOME TAX @ 6.00%		112,118	330,449	28,129	(244)	8,071	(254,288)	0	0
11		PLUS: FOREIGN TAX PAYMENTS	19DEM	0	0	0	0	0	0	0	0
12		KENTUCKY STATE INCOME TAX - CURRENT		112,118	330,449	28,129	(244)	8,071	(254,288)	0	0

DEMAND RELATED
DEMAND-COMMODITY
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
KENTUCKY STATE INCOME TAX
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 125 OF 129
WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE	19DEM	(4,946)	(1,928)	(1,305)	(3)	(1)	(1,709)	0	0
4		TOTAL DEFERRED INCOME TAX		(4,946)	(1,928)	(1,305)	(3)	(1)	(1,709)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		107,172	328,521	26,824	(247)	8,070	(255,997)	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 126 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		19,942,971	12,795,566	5,359,642	6,584	136,876	1,644,303	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>13,911,879</u>	<u>5,423,674</u>	<u>3,672,679</u>	<u>7,930</u>	<u>1,349</u>	<u>4,806,249</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		6,031,091	7,371,892	1,686,963	(1,346)	135,527	(3,161,946)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		2,941,002	1,388,474	895,807	2,029	495	654,196	0	0
6		EXCESS OF BOOK OVER TAX S/L	19DEM	4,243,928	1,654,028	1,120,100	2,419	1,019	1,466,362	0	0
7		BOOK DEPRECIATION		<u>3,021,653</u>	<u>1,177,762</u>	<u>797,552</u>	<u>1,720</u>	<u>509</u>	<u>1,044,108</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		1,222,275	476,266	322,548	699	510	422,254	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12DEM	(810)	(316)	(214)	0	0	(280)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>112,118</u>	<u>330,449</u>	<u>28,129</u>	<u>(244)</u>	<u>8,071</u>	<u>(254,288)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		4,274,585	2,194,873	1,246,270	2,484	9,076	821,882	0	0
12		TAXABLE INCOME		1,756,506	5,177,018	440,693	(3,830)	126,451	(3,983,828)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		597,212	1,760,185	149,835	(1,302)	42,993	(1,354,501)	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		597,212	1,760,185	149,835	(1,302)	42,993	(1,354,501)	0	0

DEMAND RELATED
 DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 127 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC	19DEM	10,397	4,052	2,744	6	2	3,592	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19DEM	<u>(15,854)</u>	<u>(6,179)</u>	<u>(4,184)</u>	<u>(9)</u>	<u>(4)</u>	<u>(5,478)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(15,854)</u>	<u>(6,179)</u>	<u>(4,184)</u>	<u>(9)</u>	<u>(4)</u>	<u>(5,478)</u>	<u>0</u>	<u>0</u>
6		TOTAL DEFERRED INCOME TAX		<u>(26,251)</u>	<u>(10,231)</u>	<u>(6,928)</u>	<u>(15)</u>	<u>(6)</u>	<u>(9,070)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		570,961	1,749,954	142,907	(1,317)	42,987	(1,363,571)	0	0

DEMAND RELATED
DEMAND-COMMODITY

COLUMBIA GAS OF KENTUCKY, INC.
RATE BASE SUMMARY
FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
PAGE 128 OF 129
WITNESS: C. NOTESTONE

FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		127,322,840	49,623,411	33,603,809	72,557	30,968	43,992,095	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>35,488,996</u>	<u>13,832,422</u>	<u>9,367,000</u>	<u>20,224</u>	<u>6,633</u>	<u>12,262,713</u>	<u>0</u>	<u>0</u>
3		NET PLANT		91,833,844	35,790,989	24,236,809	52,333	24,334	31,729,382	0	0
4	190.00	ACCUMULATED DEF INCOME TAX	19DEM	1,566,051	610,353	413,328	893	376	541,102	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES	5	0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19DEM	0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19DEM	25,054,513	9,764,746	6,612,638	14,281	6,013	8,656,835	0	0
8	283.00	ACCUMULATED DEF INCOME TAX	19DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		68,345,382	26,636,596	18,037,499	38,945	18,697	23,613,649	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		1,151,274	448,891	303,964	657	57	397,706	0	0
13	151.00	FUEL STOCK	2	0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7DEM	23,846	9,294	6,294	14	6	8,239	0	0
15	165.00	PREPAYMENTS	13DEM	108,550	42,328	28,662	62	5	37,493	0	0
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>41,772,551</u>	<u>25,456,610</u>	<u>15,555,680</u>	<u>37,178</u>	<u>0</u>	<u>723,083</u>	<u>0</u>	<u>0</u>
17		RATE BASE		111,401,603	52,593,719	33,932,099	76,856	18,765	24,780,170	0	0
		REFERENCES: [1] PAGE 109, [2] PAGE 111,									
		[3] TOTAL O & M EXPENSE		9,210,191	3,591,126	2,431,709	5,252	457	3,181,649	0	0
		LESS: COST OF GAS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		O & M EXCL. GAS COST		9,210,191	3,591,126	2,431,709	5,252	457	3,181,649	0	0

COLUMBIA GAS OF KENTUCKY, INC.
 ALLOCATION FACTORS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-2
 PAGE 129 OF 129
 WITNESS: C. NOTESTONE

DEMAND RELATED
 FORECASTED TEST YEAR - ORIGINAL FILING

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	TOTAL DEMAND (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (K)
1	DESIGN DAY EXCL. DS-ML	1	100.000%	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
4	THROUGHPUT EXCL MLS	4	100.000%	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
5	COMPOSIT OF ALLOC #1 & #4	5	100.000%	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
6	AVERAGE NO. OF CUSTOMERS	6	100.000%	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387	7DEM	100.000%	38.974%	26.393%	0.057%	0.024%	34.552%	0.000%	0.000%
8	TOTAL PLANT ACCOUNT 385	8	100.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
10	OTHER DIST. EXP - LABOR	10DEM	100.000%	38.982%	26.398%	0.057%	0.005%	34.558%	0.000%	0.000%
11	OTHER DIST. EXP EXCL - M & E	11DEM	100.000%	38.982%	26.398%	0.057%	0.005%	34.558%	0.000%	0.000%
12	O & M EXCL A & G - LABOR	12DEM	100.000%	38.982%	26.398%	0.057%	0.005%	34.558%	0.000%	0.000%
13	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	13DEM	100.000%	38.994%	26.404%	0.057%	0.005%	34.540%	0.000%	0.000%
14	ACCT 376/380 - MAINS/SERVICES	14DEM	100.000%	38.982%	26.398%	0.057%	0.005%	34.558%	0.000%	0.000%
15	DIRECT PLANT ACCT 380	15	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
16	DIRECT PLANT ACCTS 381	16	100.000%	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
17	DIRECT PLANT ACCT 385	17	100.000%	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
18	ACCOUNT 376 MAINS - COMPOSITE/PLANT	18DEM	100.000%	38.982%	26.398%	0.057%	0.005%	34.558%	0.000%	0.000%
19	TOTAL PLANT	19DEM	100.000%	38.974%	26.393%	0.057%	0.024%	34.552%	0.000%	0.000%
20	AVG DEM/COM #5 & CUS/DEM #3	20	100.000%	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
21	UNCOLLECTIBLES	21	100.000%	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

COLUMBIA GAS OF KENTUCKY, INC.

TABLE OF CONTENTS

STUDY: ATTACHMENT CEN-3
CASE NO.: 2016 - 00162
WITNESS: C. NOTESTONE
STUDY TYPE: FORECASTED TEST YEAR - ORIGINAL FILING
ALLOCATION BASIS: AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
TEST YEAR: 12/31/2017
RATE BASE: 12/31/17

TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND	
<u>SUMMARY</u>	<u>CLASSIFICATION</u>	<u>ALLOCATION</u>	<u>ALLOCATION</u>	<u>ALLOCATION</u>
PAGE	PAGE	PAGE	PAGE	PAGE
1	26	52	78	104
2	27	53	79	105
3	28	54	80	106
4	29	55	81	107
5	30	56	82	108
6	31	57	83	109
7	32	58	84	110
8	33	59	85	111
9	34	60	86	112
10	35	61	87	113
11	36	62	88	114
12	37	63	89	115
13	38	64	90	116
14	39	65	91	117
15	40	66	92	118
16	41	67	93	119
17	42	68	94	120
18	43	69	95	121
19	44	70	96	122
20	45	71	97	123
21	46	72	98	124
22	47	73	99	125
23	48	74	100	126
24	49	75	101	127
25	50	76	102	128
N/A	51	77	103	129

RATE OF RETURN - PROFORMA @ PROPOSED RATES
RATE OF RETURN - PROFORMA @ AUTHORIZED RETURN
DEVELOPMENT OF PROFORMA ADJUSTMENTS
RATE OF RETURN BY CLASS @ CURRENT RATES
GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. (ACCTS 101,106)
GROSS DIST. & GENERAL PLANT ALLOCATION (ACCTS 101,106)
GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. RESERVE
GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. RESERVE
GROSS INTANGIBLE, PROD., & DIST. PLANT ALLOC. DEPR. EXPENSE
GROSS DIST. & GENERAL PLANT ALLOCATION DEPR. EXPENSE
OPERATING REVENUE @ CURRENT RATES
PRODUCTION EXPENSE ALLOCATION
DISTRIBUTION O & M EXPENSE ALLOCATION - LABOR
CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - LABOR
SALES AND A & G EXPENSE ALLOCATION - LABOR
DISTRIBUTION O & M EXPENSE ALLOCATION - M & E
CUST ACCTS & CUST SERVICE & INFOR EXP ALLOC - M & E
SALES AND A & G EXPENSE ALLOCATION - M & E
OPERATION & MAINTENANCE EXPENSE SUMMARY
TAXES OTHER THAN INCOME
KENTUCKY STATE INCOME TAX - CURRENT
KENTUCKY STATE INCOME TAX - DEFERRED
FEDERAL INCOME TAX - CURRENT
FEDERAL INCOME TAX - DEFERRED
WORKING CAPITAL/RATE BASE SUMMARY
ALLOCATION FACTORS

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED REVENUE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 1 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0
2		PROPOSED INCREASE		<u>25,408,373</u>	<u>16,471,876</u>	<u>6,826,911</u>	<u>8,147</u>	<u>2</u>	<u>2,101,436</u>	<u>0</u>	<u>0</u>
3		TOTAL PROPOSED REVENUES		118,090,539	76,151,700	33,512,196	56,228	481,737	7,888,678	0	0
4		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
5		OPERATING & MAINTENANCE EXPENSE		45,377,934	32,697,416	8,396,236	9,357	57,662	4,217,263	0	0
6		DEPRECIATION & AMORTIZATION		15,939,783	11,443,117	2,822,575	3,137	17,845	1,653,109	0	0
7		FEDERAL INCOME TAX		7,781,830	3,741,901	3,887,236	4,523	119,414	28,756	0	0
8		KENTUCKY STATE INCOME TAX		1,416,522	673,703	717,843	834	22,417	1,725	0	0
9		TAXES OTHER THAN INCOME		<u>4,790,882</u>	<u>3,245,357</u>	<u>925,681</u>	<u>1,196</u>	<u>8,572</u>	<u>610,076</u>	<u>0</u>	<u>0</u>
10		TOTAL EXPENSES & TAXES		96,782,901	65,608,589	24,393,418	44,055	225,910	6,510,929	0	0
11		OPERATING INCOME		21,307,638	10,543,112	9,118,778	12,172	255,827	1,377,749	0	0
12		INTEREST EXPENSE		<u>6,688,725</u>	<u>4,294,228</u>	<u>1,515,770</u>	<u>2,583</u>	<u>12,806</u>	<u>863,338</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,913	6,248,884	7,603,008	9,589	243,021	514,411	0	0
14		RATE BASE		253,360,781	162,660,136	57,415,543	97,844	485,072	32,702,200	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	6.48%	15.88%	12.44%	52.74%	4.21%	0.00%	0.00%
16		UNITIZED RETURN		1.00	0.77	1.89	1.48	6.27	0.50	0.00	0.00

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 2 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		118,090,544	81,343,062	26,411,644	49,701	125,840	10,160,299	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		45,377,933	32,755,218	8,317,176	9,284	53,699	4,242,556	0	0
4		DEPRECIATION & AMORTIZATION		15,939,787	11,443,117	2,822,575	3,137	17,845	1,653,109	0	0
5		FEDERAL INCOME TAX		7,781,831	5,430,842	1,577,165	2,399	3,627	767,798	0	0
6		KENTUCKY STATE INCOME TAX		1,416,523	981,717	296,553	447	1,301	136,505	0	0
7		TAXES OTHER THAN INCOME		<u>4,790,882</u>	<u>3,245,357</u>	<u>925,681</u>	<u>1,196</u>	<u>8,572</u>	<u>610,076</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		96,782,906	67,663,346	21,582,997	41,471	85,044	7,410,044	0	0
9		OPERATING INCOME		21,307,639	13,679,717	4,828,647	8,229	40,796	2,750,255	0	0
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>4,294,228</u>	<u>1,515,770</u>	<u>2,583</u>	<u>12,806</u>	<u>863,338</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,914	9,385,489	3,312,877	5,646	27,990	1,886,917	0	0
12		RATE BASE		253,360,781	162,660,136	57,415,543	97,844	485,072	32,702,200	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 3 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total Company (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		25,408,378	21,663,238	(273,641)	1,620	(355,895)	4,373,057	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	200,023	(2,527)	15	(3,286)	40,378	0	0
4	LESS: PSC FEES @ 0.00190100		<u>48,301</u>	<u>41,182</u>	<u>(520)</u>	<u>3</u>	<u>(677)</u>	<u>8,313</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,474	21,422,033	(270,594)	1,602	(351,932)	4,324,366	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>1,285,322</u>	<u>(16,236)</u>	<u>96</u>	<u>(21,116)</u>	<u>259,462</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,946	20,136,711	(254,358)	1,506	(330,816)	4,064,904	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,281</u>	<u>7,047,849</u>	<u>(89,025)</u>	<u>527</u>	<u>(115,786)</u>	<u>1,422,716</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		15,351,665	13,088,862	(165,333)	979	(215,030)	2,642,188	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 4 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		45,095,029	32,514,013	8,320,223	9,266	57,662	4,193,865	0	0
4		DEPRECIATION & AMORTIZATION [3]		15,939,787	11,443,117	2,822,575	3,137	17,845	1,653,109	0	0
5		FEDERAL INCOME TAX [4]		(484,451)	(1,617,007)	1,666,190	1,872	119,413	(654,918)	0	0
6		KENTUCKY STATE INCOME TAX [5]		(91,006)	(303,605)	312,789	351	22,417	(122,957)	0	0
7		TAXES OTHER THAN INCOME [6]		<u>4,790,881</u>	<u>3,245,357</u>	<u>925,681</u>	<u>1,196</u>	<u>8,572</u>	<u>610,076</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		86,726,189	59,088,970	21,691,305	40,830	225,909	5,679,175	0	0
9		OPERATING INCOME		5,955,978	590,855	4,993,980	7,250	255,826	108,067	0	0
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>4,294,228</u>	<u>1,515,770</u>	<u>2,583</u>	<u>12,806</u>	<u>863,338</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(3,703,373)	3,478,210	4,667	243,020	(755,271)	0	0
12		RATE BASE [8]		253,360,781	162,660,136	57,415,543	97,844	485,072	32,702,200	0	0
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	0.36%	8.70%	7.41%	52.74%	0.33%	0.00%	0.00%
14		UNITIZED RETURN		1.00	0.15	3.70	3.15	22.44	0.14	0.00	0.00

REFERENCES: [1] PAGE 11, [2] PAGE 19, [3] PAGE 10, [4] PAGE 24, [5] PAGE 22, [6] PAGE 20, [7] PAGE 23, [8] PAGE 25.

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PRODUCTION, & DIST. PLANT ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 5 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		INTANGIBLE PLANT									
2	301.00	ORGANIZATION		521	351	99	0	1	70	0	0
3	303.00	MISC. INTANGIBLE PLANT		74,348	50,089	14,120	19	134	9,987	0	0
4	303.10	DIS SOFTWARE		0	0	0	0	0	0	0	0
5	303.20	FARA SOFTWARE		0	0	0	0	0	0	0	0
6	303.30	OTHER SOFTWARE		<u>8,341,319</u>	<u>5,619,671</u>	<u>1,584,090</u>	<u>2,154</u>	<u>15,014</u>	<u>1,120,389</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		8,416,188	5,670,111	1,598,309	2,173	15,149	1,130,446	0	0
8		PRODUCTION PLANT									
9	304.10	LAND		0	0	0	0	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS		0	0	0	0	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
13		DISTRIBUTION PLANT									
14	374.10	LAND - CITY GATE & M/L IND M&R		206	116	44	0	0	45	0	0
15	374.20	LAND - OTHER DISTRIBUTION		877,756	494,949	189,332	360	0	193,116	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION		661,306	372,897	142,643	271	0	145,494	0	0
17	374.50	RIGHTS OF WAY		2,729,828	1,539,295	588,824	1,120	0	600,589	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES		2,125	1,198	459	0	0	468	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R		0	0	0	0	0	0	0	0
20	375.40	STRUC & IMPROV-REGULATING		2,176,686	1,227,390	469,511	892	0	478,892	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		46,211	0	0	0	46,211	0	0	0
22	375.60	STRUC & IMPROV-DIST. IND. M & R		0	0	0	0	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM		8,761,416	5,902,697	1,663,870	2,263	15,770	1,176,816	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV		259,809	175,037	49,341	66	467	34,897	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION		0	0	0	0	0	0	0	0
26	376.00	MAINS		221,300,854	124,787,126	47,734,594	90,733	0	48,688,401	0	0
27	376.00	DIRECT MAINS		11,682	0	0	0	11,682	0	0	0
28	378.10	M & R GENERAL		518,504	292,375	111,841	213	0	114,076	0	0
29	378.20	M & R GENERAL - REGULATING		9,175,090	5,173,650	1,979,067	3,761	0	2,018,611	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES		45,443	25,624	9,802	19	0	9,999	0	0
31	379.10	STA EQUIP - CITY		254,901	143,734	54,982	105	0	56,080	0	0
32	380.00	SERVICES		127,467,343	112,461,887	14,554,221	1,275	0	449,960	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 6 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS		22,789,579	16,395,279	6,292,659	2,963	0	98,679	0	0
3	382.00	METER INSTALLATIONS		9,462,175	6,807,278	2,612,696	1,230	0	40,971	0	0
4	383.00	HOUSE REGULATORS		5,770,311	4,151,277	1,593,298	750	0	24,985	0	0
5	384.00	HOUSE REG INSTALLATIONS		2,257,522	1,624,106	623,347	293	0	9,775	0	0
6	385.00	IND M&R EQUIPMENT		2,697,547	0	700,742	782	0	1,996,050	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		677,829	0	0	0	677,829	0	0	0
8	387.20	ODORIZATION		0	0	0	0	0	0	0	0
9	387.41	TELEPHONE		735,771	495,700	139,730	190	1,325	98,828	0	0
10	387.42	RADIO		795,187	535,729	151,013	205	1,431	106,808	0	0
11	387.44	OTHER COMMUNICATION		133,590	90,002	25,370	35	241	17,943	0	0
12	387.45	TELEMETERING		3,779,585	2,546,363	717,777	976	6,803	507,667	0	0
13	387.46	CIS		<u>113,644</u>	<u>76,563</u>	<u>21,582</u>	<u>30</u>	<u>205</u>	<u>15,265</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		423,501,900	285,320,272	80,426,745	108,532	761,964	56,884,415	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC		735,278	495,368	139,635	190	1,324	98,761	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND		18,816	12,676	3,574	5	34	2,528	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM		1,257,641	847,292	238,837	325	2,264	168,924	0	0
19	392.20	TR EQ - TRAILER > \$1,000		95,778	64,527	18,189	25	172	12,865	0	0
20	392.21	TR EQ - TRAILER < \$1,000		24,462	16,481	4,646	5	44	3,286	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		24,241	16,332	4,604	5	43	3,256	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP		0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT		0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT		0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT		3,259,030	2,195,658	618,919	841	5,866	437,747	0	0
26	395.00	LABORATORY EQUIPMENT		9,258	6,238	1,757	3	17	1,243	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS		253,135	170,540	48,072	66	456	34,001	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING		0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT		<u>294,060</u>	<u>198,112</u>	<u>55,844</u>	<u>77</u>	<u>529</u>	<u>39,498</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>5,971,699</u>	<u>4,023,224</u>	<u>1,134,077</u>	<u>1,542</u>	<u>10,749</u>	<u>802,109</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		437,889,787	295,013,607	83,159,131	112,247	787,862	58,816,970	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 8 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS		6,025,045	4,334,538	1,663,635	783	0	26,088	0	0
2	382.00	METER INSTALLATIONS		4,714,156	3,391,458	1,301,673	613	0	20,412	0	0
3	383.00	HOUSE REGULATORS		1,568,587	1,128,473	433,118	204	0	6,792	0	0
4	384.00	HOUSE REG INSTALLATIONS		1,780,729	1,281,092	491,695	231	0	7,711	0	0
5	385.00	IND M&R EQUIPMENT		823,118	0	213,821	239	0	609,066	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		133,766	0	0	0	133,766	0	0	0
7	387.20	ODORIZATION		(59,912)	(40,364)	(11,378)	(16)	(108)	(8,048)	0	0
8	387.41	TELEPHONE		399,816	269,362	75,928	104	720	53,702	0	0
9	387.42	RADIO		567,414	382,276	107,756	147	1,022	76,214	0	0
10	387.44	OTHER COMMUNICATION		50,650	34,124	9,619	13	91	6,803	0	0
11	387.45	TELEMETERING		529,513	356,741	100,559	137	952	71,123	0	0
12	387.46	CIS		<u>114,357</u>	<u>77,044</u>	<u>21,718</u>	<u>30</u>	<u>206</u>	<u>15,361</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		145,887,056	103,925,348	25,989,241	30,492	154,804	15,787,178	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC		(33,247)	(22,399)	(6,313)	(8)	(60)	(4,465)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND		(11,355)	(7,650)	(2,156)	(3)	(20)	(1,526)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM		750,133	505,376	142,457	194	1,350	100,757	0	0
18	392.20	TR EQ - TRAILER > \$1,000		27,035	18,214	5,135	8	49	3,631	0	0
19	392.21	TR EQ - TRAILER < \$1,000		6,309	4,250	1,198	2	11	848	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		15,095	10,169	2,866	4	28	2,028	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP		37,937	25,559	7,204	10	68	5,096	0	0
22	393.00	STORES EQUIPMENT		0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT		185	124	35	0	0	25	0	0
24	394.30	TOOLS & OTHER EQUIPMENT		1,333,005	898,065	253,150	343	2,400	179,047	0	0
25	395.00	LABORATORY EQUIPMENT		7,764	5,230	1,474	2	13	1,043	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS		202,598	136,493	38,475	53	365	27,212	0	0
27		RETIREMENT WORK IN PROGRESS		0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT		12,094	<u>8,148</u>	<u>2,297</u>	<u>3</u>	<u>22</u>	<u>1,625</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>2,347,553</u>	<u>1,581,579</u>	<u>445,822</u>	<u>608</u>	<u>4,226</u>	<u>315,321</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		151,708,251	107,847,172	27,094,739	31,998	165,283	16,569,072	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 10 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS		1,172,264	843,350	323,686	152	0	5,076	0	0
2	382.00	METER INSTALLATIONS		230,831	166,064	63,737	30	0	999	0	0
3	383.00	HOUSE REGULATORS		157,520	113,323	43,494	20	0	682	0	0
4	384.00	HOUSE REG INSTALLATIONS		22,800	16,403	6,296	3	0	99	0	0
5	385.00	IND M&R EQUIPMENT		158,316	0	41,126	46	0	117,146	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		13,065	0	0	0	13,065	0	0	0
7	387.20	ODORIZATION		0	0	0	0	0	0	0	0
8	387.41	TELEPHONE		27,516	18,538	5,226	8	50	3,696	0	0
9	387.42	RADIO		29,736	20,033	5,647	8	54	3,994	0	0
10	387.44	OTHER COMMUNICATION		4,992	3,363	949	1	9	671	0	0
11	387.45	TELEMETERING		140,832	94,881	26,745	36	253	18,916	0	0
12	387.46	CIS		<u>4,248</u>	<u>2,861</u>	<u>807</u>	<u>0</u>	<u>7</u>	<u>570</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		14,206,216	10,275,184	2,493,355	2,689	14,726	1,420,259	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC		36,561	24,632	6,943	10	65	4,911	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND		1,260	849	239	0	2	169	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM		253,397	170,718	48,122	66	456	34,036	0	0
18	392.20	TR EQ - TRAILER > \$1,000		8,760	5,902	1,664	3	16	1,176	0	0
19	392.21	TR EQ - TRAILER < \$1,000		2,244	1,512	426	0	4	301	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV		972	655	184	0	2	131	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP		0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT		0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT		0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT		129,657	87,351	24,623	34	234	17,415	0	0
25	395.00	LABORATORY EQUIPMENT		468	315	89	0	1	63	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS		6,552	4,414	1,245	2	11	881	0	0
27	398.00	MISCELLANEOUS EQUIPMENT		<u>19,604</u>	<u>13,208</u>	<u>3,723</u>	<u>5</u>	<u>35</u>	<u>2,633</u>	<u>0</u>	<u>0</u>
28		TOTAL GENERAL PLANT		459,475	309,556	87,258	120	826	61,716	0	0
29		TOTAL DEPRECIATION EXPENSE		15,939,787	11,443,117	2,822,575	3,137	17,845	1,653,109	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 11 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		49,696,061	49,696,061	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		18,520,317	0	18,520,317	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		<u>1,458,726</u>	<u>0</u>	<u>1,410,902</u>	<u>47,824</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL SALES REVENUE		69,675,105	49,696,061	19,931,219	47,824	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		476,000	305,532	137,766	249	2,494	29,959	0	0
7	488.00	MISC. SERVICE REVENUE		137,000	122,833	14,082	1	5	79	0	0
8	489.00	REVENUE FROM TRANSPORTATION		21,807,062	9,029,105	6,541,880	0	479,213	5,756,864	0	0
9	495.00	OTHER		<u>587,000</u>	<u>526,293</u>	<u>60,338</u>	<u>6</u>	<u>23</u>	<u>340</u>	<u>0</u>	<u>0</u>
10		TOTAL OTHER GAS DEPT REVENUE		<u>23,007,062</u>	<u>9,983,763</u>	<u>6,754,066</u>	<u>256</u>	<u>481,735</u>	<u>5,787,242</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATING REVENUE		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 PRODUCTION EXPENSE ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 12 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	OPERATING EXPENSES										
2	PRODUCTION EXPENSES - OPERATION										
3	717	LIQUE PETRO GAS EXP - LABOR		0	0	0	0	0	0	0	0
4	717	LIQUE PETRO GAS EXP - M&E		2,139	1,304	797	2	0	37	0	0
5	723	LIQUIFIED PETROLEUM GAS PROCESS		0	0	0	0	0	0	0	0
6	728	LIQUIFIED PETROLEUM GAS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL OPERATION		2,139	1,304	797	2	0	37	0	0
8	PRODUCTION EXPENSES - MAINTENANCE										
9	741	STRUCTURES & IMPROV - LABOR		0	0	0	0	0	0	0	0
10	741	STRUCTURES & IMPROV - M&E		0	0	0	0	0	0	0	0
11	742	PRODUCTION EQUIPMENT - LABOR		0	0	0	0	0	0	0	0
12	742	PRODUCTION EQUIPMENT - M&E		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13		TOTAL MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14		TOTAL MANUFACTURED GAS		2,139	1,304	797	2	0	37	0	0
15	OTHER GAS SUPPLIES EXPENSE										
16	803 - 806										
17	& 808	COST OF GAS @ CITY GATE		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
18	807	OTHER PURCHASED GAS - LABOR		0	0	0	0	0	0	0	0
19	807	OTHER PURCHASED GAS - M & E		341,557	219,590	121,570	396	0	0	0	0
20	812	GAS USED IN OPERATIONS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL OTHER GAS SUPPLIES EXP		<u>21,817,507</u>	<u>14,026,685</u>	<u>7,765,417</u>	<u>25,405</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22		TOTAL PRODUCTION EXPENSE		21,819,646	14,027,989	7,766,214	25,407	0	37	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 13 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING		97,461	65,880	22,243	21	189	9,130	0	0
3	871	DISTRIBUTION LOAD DISPATCH		66,644	22,273	16,093	32	0	28,246	0	0
4	874	MAINS & SERVICES		1,726,536	1,174,442	308,340	451	57	243,246	0	0
5	875	M & R - GENERAL		82,347	46,432	17,761	33	4	18,116	0	0
6	876	M & R - INDUSTRIAL		38,736	0	8,042	9	7,779	22,907	0	0
7	878	METERS & HOUSE REGULATORS		1,279,637	920,596	353,333	166	0	5,541	0	0
8	879	CUSTOMER INSTALLATION		1,500,691	1,079,627	414,371	195	0	6,498	0	0
9	880	OTHER		547,972	370,406	125,059	120	1,058	51,329	0	0
10	881	RENTS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		5,340,024	3,679,656	1,265,242	1,027	9,087	385,013	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING		8,649	5,847	1,973	2	17	810	0	0
14	886	STRUCTURES & IMPROVEMENTS		2,509	1,415	541	0	0	552	0	0
15	887	MAINS		926,354	522,324	199,805	380	47	203,798	0	0
16	889	M & R - GENERAL		138,594	78,146	29,893	56	7	30,491	0	0
17	890	M & R - INDUSTRIAL		19,419	0	4,032	4	3,900	11,483	0	0
18	892	SERVICES		298,657	263,499	34,101	3	0	1,054	0	0
19	893	METERS & HOUSE REGULATORS		26,851	19,317	7,414	3	0	116	0	0
20	894	OTHER EQUIPMENT		<u>124,180</u>	<u>83,941</u>	<u>28,340</u>	<u>27</u>	<u>240</u>	<u>11,632</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,545,213	974,489	306,099	475	4,211	259,936	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 14 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION		0	0	0	0	0	0	0	0
3	902	METER READING		165,331	148,232	16,994	2	7	96	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS		692,556	620,932	71,188	7	28	402	0	0
5	904	UNCOLLECTIBLE ACCOUNTS		0	0	0	0	0	0	0	0
6	905	MISC.		0	0	0	0	0	0	0	0
7	920	SALARIES		0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE		0	0	0	0	0	0	0	0
9	931	RENTS		0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		857,887	769,164	88,182	9	35	498	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION		0	0	0	0	0	0	0	0
14	908	CUSTOMER ASSISTANCE		12,982	11,639	1,334	0	1	8	0	0
15	909	INFO. & INSTRUCTIONAL		0	0	0	0	0	0	0	0
16	910	MISCELLANEOUS		0	0	0	0	0	0	0	0
17	920	SALARIES		0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE		0	0	0	0	0	0	0	0
19	931	RENTS		0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		12,982	11,639	1,334	0	1	8	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVEMONTHSENDED12/31/2017

ATTACHMENT CEN-3
 PAGE 15 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
	SALES										
2	911		0	0	0	0	0	0	0	0	0
3	912		0	0	0	0	0	0	0	0	0
4	913		0	0	0	0	0	0	0	0	0
5	916		0	0	0	0	0	0	0	0	0
6			0	0	0	0	0	0	0	0	0
	TOTAL SALES		0	0	0	0	0	0	0	0	0
7			7,756,106	5,434,948	1,660,857	1,511	13,334	645,455	0	0	
8											
	ADMINISTRATIVE & GENERAL										
9	920		1,597,984	1,119,752	342,189	312	2,749	132,981	0	0	
10	921		0	0	0	0	0	0	0	0	
11	922		0	0	0	0	0	0	0	0	
12	923		4,636	3,248	992	0	8	386	0	0	
13	924		0	0	0	0	0	0	0	0	
14	925		0	0	0	0	0	0	0	0	
15	926		0	0	0	0	0	0	0	0	
16	928		0	0	0	0	0	0	0	0	
17	930.10		0	0	0	0	0	0	0	0	
18	930.20		0	0	0	0	0	0	0	0	
19	931		0	0	0	0	0	0	0	0	
20	935.13		0	0	0	0	0	0	0	0	
21	935.23		0	0	0	0	0	0	0	0	
	FURNITURE & EQUIPMENT		0	0	0	0	0	0	0	0	
22	932		0	0	0	0	0	0	0	0	
23			1,602,620	1,123,000	343,181	312	2,757	133,367	0	0	
	TOTAL ADMIN & GENERAL - LABOR		1,602,620	1,123,000	343,181	312	2,757	133,367	0	0	
24			9,358,726	6,557,948	2,004,038	1,823	16,091	778,822	0	0	
	TOTAL O & M EXPENSE - LABOR		9,358,726	6,557,948	2,004,038	1,823	16,091	778,822	0	0	

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 16 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING		783,470	514,171	155,419	217	1,295	112,366	0	0
3	871	DISTRIBUTION LOAD DISPATCH		17,885	5,977	4,319	9	0	7,580	0	0
4	874	MAINS & SERVICES		5,567,660	3,787,290	994,324	1,456	183	784,408	0	0
5	875	M & R - GENERAL		118,379	66,748	25,533	49	6	26,043	0	0
6	876	M & R - INDUSTRIAL		29,602	0	6,146	7	5,944	17,505	0	0
7	878	METERS & HOUSE REGULATORS		485,057	348,960	133,934	63	0	2,100	0	0
8	879	CUSTOMER INSTALLATION		655,941	471,897	181,118	85	0	2,840	0	0
9	880	OTHER		1,211,487	795,067	240,326	335	2,004	173,754	0	0
10	881	RENTS		<u>82,157</u>	<u>53,917</u>	<u>16,298</u>	<u>23</u>	<u>136</u>	<u>11,783</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		8,951,638	6,044,027	1,757,417	2,244	9,568	1,138,379	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING		2,571	1,687	510	0	4	370	0	0
14	886	STRUCTURES & IMPROVEMENTS		251,838	141,999	54,319	103	12	55,404	0	0
15	887	MAINS		2,202,076	1,241,641	474,965	904	111	484,457	0	0
16	889	M & R - GENERAL		144,736	81,609	31,219	59	7	31,842	0	0
17	890	M & R - INDUSTRIAL		51,880	0	10,771	12	10,418	30,679	0	0
18	892	SERVICES		431,251	380,484	49,240	4	0	1,522	0	0
19	893	METERS & HOUSE REGULATORS		118,176	85,018	32,631	15	0	512	0	0
20	894	OTHER EQUIPMENT		<u>199,573</u>	<u>130,974</u>	<u>39,591</u>	<u>56</u>	<u>331</u>	<u>28,623</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		3,402,101	2,063,412	693,246	1,153	10,883	633,409	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 17 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT		ALLOC	TOTAL							
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION		0	0	0	0	0	0	0	0
3	902	METER READING		399,502	358,186	41,065	4	16	232	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS		3,252,912	2,916,496	334,367	33	130	1,887	0	0
5	904	UNCOLLECTIBLE ACCOUNTS		1,027,585	891,707	135,035	21	62	760	0	0
6	905	MISC.		1,073	962	110	0	0	1	0	0
7	920	SALARIES		0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE		253	227	26	0	0	0	0	0
9	931	RENTS		0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		4,681,325	4,167,578	510,603	58	208	2,880	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION		(2,789)	(2,501)	(287)	0	0	(2)	0	0
14	908	CUSTOMER ASSISTANCE		1,198,971	1,074,973	123,242	12	48	695	0	0
15	909	INFO. & INSTRUCTIONAL		65,932	59,113	6,777	1	3	38	0	0
16	910	MISCELLANEOUS		257,797	231,136	26,499	3	10	150	0	0
17	920	SALARIES		0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE		13,868	12,434	1,425	0	1	8	0	0
19	931	RENTS		0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		1,533,779	1,375,155	157,656	16	62	889	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 18 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION		0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING		37,477	33,601	3,852	0	1	22	0	0
4	913	ADVERTISING		138,706	124,361	14,258	1	6	80	0	0
5	916	MISC.		0	0	0	0	0	0	0	0
6		TOTAL SALES		<u>176,183</u>	<u>157,962</u>	<u>18,110</u>	<u>1</u>	<u>7</u>	<u>102</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		18,745,026	13,808,134	3,137,032	3,472	20,728	1,775,659	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES		2,963,302	2,154,902	511,431	634	3,390	292,947	0	0
10	921	OFFICE SUPPLIES & EXPENSES		894,098	650,184	154,312	191	1,023	88,389	0	0
11	922	ADMIN. EXPENSES TRANSFERED		0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES		7,099,789	5,162,939	1,225,340	1,518	8,120	701,872	0	0
13	924	PROPERTY INSURANCE		81,748	59,447	14,109	18	93	8,082	0	0
14	925	INJURIES AND DAMAGES		1,043,923	716,619	223,776	226	1,622	101,679	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS		3,351,467	2,300,673	718,425	727	5,207	326,435	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL		197,761	143,811	34,131	42	226	19,550	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901		176,189	128,124	30,408	37	202	17,418	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV		0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL		(62,123)	(45,176)	(10,723)	(13)	(71)	(6,141)	0	0
21	931	RENTS		642,175	466,987	110,832	138	734	63,485	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.		130	95	23	0	0	14	0	0
23	935.23	MAINT. - GEN'L OFFICE FURNITURE & EQUIPMENT		0	0	0	0	0	0	0	0
24	932	MAINT.-MISCELLANEOUS		<u>259,121</u>	<u>188,432</u>	<u>44,722</u>	<u>55</u>	<u>297</u>	<u>25,617</u>	<u>0</u>	<u>0</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>16,647,580</u>	<u>11,927,037</u>	<u>3,056,786</u>	<u>3,573</u>	<u>20,843</u>	<u>1,639,347</u>	<u>0</u>	<u>0</u>
26		TOTAL O & M EXPENSE - M & E		35,736,302	25,956,065	6,316,185	7,443	41,571	3,415,043	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 19 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	5,340,024	3,679,656	1,265,242	1,027	9,087	385,013	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	1,545,213	974,489	306,099	475	4,211	259,936	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	857,887	769,164	88,182	9	35	498	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	12,982	11,639	1,334	0	1	8	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>1,602,620</u>	<u>1,123,000</u>	<u>343,181</u>	<u>312</u>	<u>2,757</u>	<u>133,367</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			9,358,726	6,557,948	2,004,038	1,823	16,091	778,822	0	0
10	M & E										
11	PRODUCTION		PAGE 13	343,696	220,894	122,367	398	0	37	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	8,951,638	6,044,027	1,757,417	2,244	9,568	1,138,379	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	3,402,101	2,063,412	693,246	1,153	10,883	633,409	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	4,681,325	4,167,578	510,603	58	208	2,880	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	1,533,779	1,375,155	157,656	16	62	889	0	0
16	SALES		PAGE 19	176,183	157,962	18,110	1	7	102	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>16,647,580</u>	<u>11,927,037</u>	<u>3,056,786</u>	<u>3,573</u>	<u>20,843</u>	<u>1,639,347</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>35,736,302</u>	<u>25,956,065</u>	<u>6,316,185</u>	<u>7,443</u>	<u>41,571</u>	<u>3,415,043</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			45,095,029	32,514,013	8,320,223	9,266	57,662	4,193,865	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 20 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY		4,136,779	2,787,009	785,612	1,069	7,446	555,644	0	0
2	408	TAXES BASED ON PAYROLL		654,102	458,348	140,069	127	1,126	54,432	0	0
3	408	OTHER TAXES		0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		4,790,881	3,245,357	925,681	1,196	8,572	610,076	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 21 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,380,520	(1,329,757)	6,972,959	9,473	397,656	(669,808)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		6,688,725	4,294,228	1,515,770	2,583	12,806	863,338	0	0
4		TAX ACCELERATED DEPRECIATION		14,595,754	9,833,377	2,771,863	3,769	26,271	1,960,474	0	0
5		BOOK DEPRECIATION		<u>14,665,691</u>	<u>10,584,740</u>	<u>2,580,613</u>	<u>2,809</u>	<u>15,552</u>	<u>1,481,975</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(751,363)	191,250	960	10,719	478,499	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE		<u>(4,960)</u>	(3,475)	(1,063)	0	(8)	(413)	0	0
8		TOTAL RECONCILING ITEMS		<u>6,613,828</u>	<u>3,539,390</u>	<u>1,705,957</u>	<u>3,543</u>	<u>23,517</u>	<u>1,341,424</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(1,233,308)	(4,869,147)	5,267,002	5,930	374,139	(2,011,232)	0	0
10		STATE INCOME TAX @ 6.00%		(73,998)	(292,147)	316,018	356	22,448	(120,673)	0	0
11		PLUS: FOREIGN TAX PAYMENTS		<u>0</u>	0	0	0	0	0	0	0
12		KENTUCKY STATE INCOME TAX - CURRENT		(73,998)	(292,147)	316,018	356	22,448	(120,673)	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 22 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE		(17,008)	(11,458)	(3,229)	(5)	(31)	(2,284)	0	0
4		TOTAL DEFERRED INCOME TAX		(17,008)	(11,458)	(3,229)	(5)	(31)	(2,284)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(91,006)	(303,605)	312,789	351	22,417	(122,957)	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 23 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		92,682,167	59,679,824	26,685,285	48,080	481,735	5,787,242	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>87,301,646</u>	<u>61,009,582</u>	<u>19,712,326</u>	<u>38,608</u>	<u>84,079</u>	<u>6,457,050</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		5,380,520	(1,329,757)	6,972,959	9,473	397,656	(669,808)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		6,688,725	4,294,228	1,515,770	2,583	12,806	863,338	0	0
6		EXCESS OF BOOK OVER TAX S/L		14,595,754	9,833,377	2,771,863	3,769	26,271	1,960,474	0	0
7		BOOK DEPRECIATION		<u>14,665,691</u>	<u>10,584,740</u>	<u>2,580,613</u>	<u>2,809</u>	<u>15,552</u>	<u>1,481,975</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(751,363)	191,250	960	10,719	478,499	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE		(4,960)	(3,475)	(1,063)	0	(8)	(413)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(73,998)</u>	<u>(292,147)</u>	<u>316,018</u>	<u>356</u>	<u>22,448</u>	<u>(120,673)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		6,539,830	3,247,243	2,021,975	3,899	45,965	1,220,751	0	0
12		TAXABLE INCOME		(1,159,310)	(4,577,000)	4,950,984	5,574	351,691	(1,890,559)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(1,556,180)	1,683,335	1,895	119,575	(642,790)	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(1,556,180)	1,683,335	1,895	119,575	(642,790)	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 24 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC		35,760	24,092	6,791	9	64	4,804	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL		<u>(54,526)</u>	<u>(36,735)</u>	<u>(10,354)</u>	<u>(14)</u>	<u>(98)</u>	<u>(7,324)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		(54,526)	(36,735)	(10,354)	(14)	(98)	(7,324)	0	0
6		TOTAL DEFERRED INCOME TAX		<u>(90,286)</u>	<u>(60,827)</u>	<u>(17,145)</u>	<u>(23)</u>	<u>(162)</u>	<u>(12,128)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		(484,451)	(1,617,007)	1,666,190	1,872	119,413	(654,918)	0	0

TOTAL COMPANY
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE BASE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 25 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMPANY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		437,889,787	295,013,607	83,159,131	112,247	787,862	58,816,970	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>151,708,251</u>	<u>107,847,172</u>	<u>27,094,739</u>	<u>31,998</u>	<u>165,283</u>	<u>16,569,072</u>	<u>0</u>	<u>0</u>
3		NET PLANT		286,181,536	187,166,435	56,064,392	80,249	622,578	42,247,898	0	0
4	190.00	ACCUMULATED DEF INCOME TAX		\$5,385,973	3,628,611	1,022,844	1,391	9,694	723,433	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES		0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT		0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX		86,167,687	58,052,454	16,364,008	22,253	155,093	11,573,878	0	0
8	283.00	ACCUMULATED DEF INCOME TAX		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		205,399,822	132,742,592	40,723,228	59,387	477,179	31,397,453	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		5,636,879	4,064,252	1,040,028	1,158	7,208	524,233	0	0
13	151.00	FUEL STOCK		0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES		82,011	55,251	15,574	21	148	11,016	0	0
15	165.00	PREPAYMENTS		469,518	341,431	81,033	100	537	46,415	0	0
16	164.00	GAS STORED UNDERGROUND - FSS		<u>41,772,551</u>	<u>25,456,610</u>	<u>15,555,680</u>	<u>37,178</u>	<u>0</u>	<u>723,083</u>	<u>0</u>	<u>0</u>
17		RATE BASE		253,360,781	162,660,136	57,415,543	97,844	485,072	32,702,200	0	0
REFERENCES:	[1]	PAGE 6,									
	[2]	PAGE 8,									
	[3]	TOTAL O & M EXPENSE		66,570,979	46,321,108	15,964,070	34,275	57,662	4,193,865	0	0
		LESS: COST OF GAS		<u>21,475,950</u>	<u>13,807,095</u>	<u>7,643,847</u>	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		O & M EXCL. GAS COST		45,095,029	32,514,013	8,320,223	9,266	57,662	4,193,865	0	0

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN - @ PROPOSED RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 26 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES		92,682,167	45,255,368	29,879,484	17,547,315
2		PROPOSED INCREASE		<u>25,408,373</u>	<u>15,786,693</u>	<u>3,019,237</u>	<u>6,602,443</u>
3		TOTAL PROPOSED REVENUES		118,090,539	61,042,061	32,898,721	24,149,757
4		COST OF GAS		21,475,950	0	21,475,950	0
5		OPERATING & MAINTENANCE EXPENSE		45,377,933	32,458,743	4,953,610	7,965,575
6		DEPRECIATION & AMORTIZATION		15,939,787	11,354,490	1,696,059	2,889,238
7		FEDERAL INCOME TAX		7,781,828	4,195,751	839,908	2,746,171
8		KENTUCKY STATE INCOME TAX		1,416,522	760,105	152,402	504,015
9		TAXES OTHER THAN INCOME		<u>4,790,881</u>	<u>3,014,328</u>	<u>661,123</u>	<u>1,115,429</u>
10		TOTAL EXPENSES & TAXES		96,782,900	51,783,417	29,779,052	15,220,428
11		OPERATING INCOME		21,307,639	9,258,644	3,119,669	8,929,329
12		INTEREST EXPENSE		<u>6,688,725</u>	<u>3,100,006</u>	<u>920,040</u>	<u>2,668,679</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		14,618,914	6,158,638	2,199,629	6,260,650
14		RATE BASE		253,360,781	117,424,458	34,849,993	101,086,334
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	7.88%	8.95%	8.83%
16		UNITIZED RETURN		1.00	0.94	1.06	1.05

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 27 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL			
	(A)	(B)	(C)	COMPANY (D)	CUSTOMER (E)	COMMODITY (F)	DEMAND (G)
				\$	\$	\$	\$
1		TOTAL REVENUES		118,090,544	62,062,843	32,586,266	23,441,430
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE		45,377,933	32,470,108	4,950,131	7,957,688
4		DEPRECIATION & AMORTIZATION		15,939,787	11,354,490	1,696,059	2,889,238
5		FEDERAL INCOME TAX		7,781,830	4,527,850	738,255	2,515,726
6		KENTUCKY STATE INCOME TAX		1,416,522	820,670	133,864	461,988
7		TAXES OTHER THAN INCOME		<u>4,790,881</u>	<u>3,014,328</u>	<u>661,123</u>	<u>1,115,429</u>
8		TOTAL EXPENSES & TAXES		96,782,902	52,187,446	29,655,382	14,940,069
9		OPERATING INCOME		21,307,642	9,875,397	2,930,883	8,501,361
10		INTEREST EXPENSE		<u>6,688,725</u>	<u>3,100,006</u>	<u>920,040</u>	<u>2,668,679</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		14,618,917	6,775,391	2,010,843	5,832,682
12		RATE BASE		253,360,781	117,424,458	34,849,993	101,086,334
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 28 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	CLASSIFICATION FACTOR (B)	Total Company (C)	CUSTOMER (D)	COMMODITY (E)	DEMAND (F)
1	OPERATING REVENUE		25,408,378	16,807,475	2,706,782	5,894,115
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		234,603	155,188	24,992	54,422
4	LESS: PSC FEES @ 0.00190100		<u>48,301</u>	<u>31,951</u>	<u>5,146</u>	<u>11,205</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		25,125,474	16,620,336	2,676,644	5,828,488
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>1,507,528</u>	<u>997,220</u>	<u>160,599</u>	<u>349,709</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		23,617,946	15,623,116	2,516,045	5,478,779
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>8,266,281</u>	<u>5,468,091</u>	<u>880,616</u>	<u>1,917,573</u>
9	OPERATING INCOME		15,351,665	10,155,025	1,635,429	3,561,206

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 29 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		TOTAL REVENUES [1]		92,682,167	45,255,368	29,879,484	17,547,315
2		COST OF GAS		21,475,950	0	21,475,950	0
3		OPERATING & MAINTENANCE EXPENSE [2]		45,095,029	32,282,969	4,919,993	7,892,061
4		DEPRECIATION & AMORTIZATION [3]		15,939,787	11,354,490	1,696,059	2,889,238
5		FEDERAL INCOME TAX [4]		(484,451)	(940,241)	(142,361)	598,153
6		KENTUCKY STATE INCOME TAX [5]		(91,006)	(176,550)	(26,735)	112,279
7		TAXES OTHER THAN INCOME [6]		<u>4,790,881</u>	<u>3,014,328</u>	<u>661,123</u>	<u>1,115,429</u>
8		TOTAL EXPENSES & TAXES		86,726,189	45,534,996	28,584,029	12,607,160
9		OPERATING INCOME		5,955,978	(279,628)	1,295,455	4,940,155
10		INTEREST EXPENSE [7]		<u>6,688,725</u>	<u>3,100,006</u>	<u>920,040</u>	<u>2,668,679</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(732,747)	(3,379,634)	375,415	2,271,476
12		RATE BASE [8]		253,360,781	117,424,458	34,849,993	101,086,334
13		RATE OF RETURN EARNED ON RATE BASE		2.35%	-0.24%	3.72%	4.89%
14		UNITIZED RETURN		1.00	(0.10)	1.58	2.08

REFERENCES: [1] PAGE 36, [2] PAGE 44, [3] PAGE 35, [4] PAGE 49, [5] PAGE 47, [6] PAGE 45, [7] PAGE 48, [8] PAGE 50.

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PRODUCTION, & DIST. PLANT ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 30 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		INTANGIBLE PLANT					
2	301.00	ORGANIZATION	7AVG	521	316	76	129
3	303.00	MISC. INTANGIBLE PLANT	7AVG	74,348	45,126	10,809	18,413
4	303.10	DIS SOFTWARE	7AVG	0	0	0	0
5	303.20	FARA SOFTWARE	7AVG	0	0	0	0
6	303.30	OTHER SOFTWARE	7AVG	<u>8,341,319</u>	<u>5,062,839</u>	<u>1,212,680</u>	<u>2,065,800</u>
7		TOTAL INTANGIBLE PLANT		8,416,188	5,108,281	1,223,565	2,084,342
8		PRODUCTION PLANT					
9	304.10	LAND	2	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0
13		DISTRIBUTION PLANT					
14	374.10	LAND - CITY GATE & M/L IND M&R	20	206	67	52	88
15	374.20	LAND - OTHER DISTRIBUTION	20	877,756	284,503	219,439	373,814
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	20	661,306	214,346	165,327	281,634
17	374.50	RIGHTS OF WAY	20	2,729,828	884,806	682,457	1,162,565
18	375.20	CITY GATE - MEAS & REG STRUCTURES	20	2,125	689	531	905
19	375.30	STRUC & IMPROV-GENERAL M&R	20	0	0	0	0
20	375.40	STRUC & IMPROV-REGULATING	20	2,176,686	705,518	544,172	926,996
21	375.40	DIRECT STRUC & IMPROV-REGULATING	20	46,211	14,978	11,553	19,680
22	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7AVG	8,761,416	5,317,820	1,273,755	2,169,841
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7AVG	259,809	157,693	37,772	64,344
25	375.80	STRUC & IMPROV-COMMUNICATION	20	0	0	0	0
26	376.00	MAINS	20	221,300,854	71,729,139	55,325,214	94,246,501
27	376.00	DIRECT MAINS	20	11,682	3,786	2,920	4,975
28	378.10	M & R GENERAL	20	518,504	168,060	129,626	220,818
29	378.20	M & R GENERAL - REGULATING	20	9,175,090	2,973,876	2,293,773	3,907,441
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	20	45,443	14,729	11,361	19,353
31	379.10	STA EQUIP - CITY	20	254,901	82,620	63,725	108,556
32	380.00	SERVICES	15	127,467,343	127,467,343	0	0

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 31 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	380.00	DIRECT SERVICES	15	0	0	0	0
2	381.00	METERS	16	22,789,579	22,789,579	0	0
3	382.00	METER INSTALLATIONS	16	9,462,175	9,462,175	0	0
4	383.00	HOUSE REGULATORS	16	5,770,311	5,770,311	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	2,257,522	2,257,522	0	0
6	385.00	IND M&R EQUIPMENT	17	2,697,547	2,697,547	0	0
7	385.00	DIRECT IND M&R EQUIPMENT	17	677,829	677,829	0	0
8	387.20	ODORIZATION	7AVG	0	0	0	0
9	387.41	TELEPHONE	7AVG	735,771	446,583	106,968	182,220
10	387.42	RADIO	7AVG	795,187	482,646	115,606	196,935
11	387.44	OTHER COMMUNICATION	7AVG	133,590	81,084	19,422	33,085
12	387.45	TELEMETERING	7AVG	3,779,585	2,294,053	549,485	936,047
13	387.46	CIS	7AVG	<u>113,644</u>	<u>68,977</u>	<u>16,522</u>	<u>28,145</u>
14		TOTAL DISTRIBUTION PLANT		423,501,900	257,048,279	61,569,680	104,883,943
15		GENERAL PLANT					
16	391.10	OFF FURN & EQUIP - UNSPEC	7AVG	735,278	446,284	106,896	182,098
17	391.11	OFF FURN & EQUIP - DATA HAND	7AVG	18,816	11,421	2,736	4,660
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7AVG	1,257,641	763,337	182,839	311,466
19	392.20	TR EQ - TRAILER > \$1,000	7AVG	95,778	58,133	13,924	23,720
20	392.21	TR EQ - TRAILER < \$1,000	7AVG	24,462	14,847	3,556	6,058
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7AVG	24,241	14,713	3,524	6,003
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7AVG	0	0	0	0
23	393.00	STORES EQUIPMENT	7AVG	0	0	0	0
24	394.20	SHOP EQUIPMENT	7AVG	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7AVG	3,259,030	1,978,098	473,805	807,127
26	395.00	LABORATORY EQUIPMENT	7AVG	9,258	5,619	1,346	2,293
27	396.00	POWER OP EQUIP-GEN TOOLS	7AVG	253,135	153,643	36,801	62,691
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7AVG	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7AVG	<u>294,060</u>	<u>178,482</u>	<u>42,751</u>	<u>72,827</u>
30		TOTAL GENERAL PLANT		<u>5,971,699</u>	<u>3,624,577</u>	<u>868,178</u>	<u>1,478,943</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		437,889,787	265,781,137	63,661,423	108,447,228

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION RESERVE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 32 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		INTANGIBLE PLANT					
2	301.00	ORGANIZATION	7AVG	0	0	0	0
3	303.00	MISC. INTANGIBLE PLANT	7AVG	49,104	29,804	7,139	12,161
4	303.10	DIS SOFTWARE	7AVG	0	0	0	0
5	303.20	FARA SOFTWARE	7AVG	0	0	0	0
6	303.30	OTHER SOFTWARE	7AVG	<u>3,424,538</u>	<u>2,078,554</u>	<u>497,867</u>	<u>848,117</u>
7		TOTAL INTANGIBLE PLANT		3,473,642	2,108,358	505,006	860,278
8		PRODUCTION PLANT					
9	304.10	LAND	2	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0
13		DISTRIBUTION PLANT					
14	374.10	LAND - CITY GATE & M/L IND M&R	20	0	0	0	0
15	374.20	LAND - OTHER DISTRIBUTION	20	(523)	(170)	(131)	(223)
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	20	184,637	59,845	46,159	78,632
17	374.50	RIGHTS OF WAY	20	942,676	305,545	235,669	401,462
18	375.20	CITY GATE - MEAS & REG STRUCTURES	20	2,063	669	516	879
19	375.30	STRUC & IMPROV-GENERAL M&R	20	(78)	(25)	(20)	(33)
20	375.40	STRUC & IMPROV-REGULATING	20	497,862	161,370	124,466	212,027
21	375.40	DIRECT STRUC & IMPROV-REGULATING	20	3,028	981	757	1,289
22	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7AVG	3,369,677	2,045,256	489,891	834,530
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7AVG	199,220	120,918	28,963	49,339
25	375.80	STRUC & IMPROV-COMMUNICATION	20	0	0	0	0
26	376.00	MAINS	20	58,817,583	19,064,249	14,704,396	25,048,938
27	376.00	DIRECT MAINS	20	8,703	2,821	2,176	3,706
28	378.10	M & R GENERAL	20	372,072	120,598	93,018	158,456
29	378.20	M & R GENERAL - REGULATING	20	3,453,479	1,119,359	863,370	1,470,750
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	20	36,634	11,874	9,159	15,602
31	379.10	STA EQUIP - CITY	20	267,731	86,778	66,933	114,020
32	380.00	SERVICES	15	61,085,053	61,085,053	0	0
33	380.00	DIRECT SERVICES	15	0	0	0	0

CLASSIFICATION			COLUMBIA GAS OF KENTUCKY, INC.				ATTACHMENT CEN-3
AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY			GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC				PAGE 33 OF 129
FORECASTED TEST YEAR - ORIGINAL FILING			FOR THE TWELVE MONTHS ENDED 12/31/2017				WITNESS: C. NOTESTONE
LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	381.00	METERS	16	6,025,045	6,025,045	0	0
2	382.00	METER INSTALLATIONS	16	4,714,156	4,714,156	0	0
3	383.00	HOUSE REGULATORS	16	1,568,587	1,568,587	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	1,780,729	1,780,729	0	0
5	385.00	IND M&R EQUIPMENT	17	823,118	823,118	0	0
6	385.00	DIRECT IND M&R EQUIPMENT	17	133,766	133,766	0	0
7	387.20	ODORIZATION	7AVG	(59,912)	(36,364)	(8,710)	(14,838)
8	387.41	TELEPHONE	7AVG	399,816	242,672	58,126	99,018
9	387.42	RADIO	7AVG	567,414	344,397	82,492	140,525
10	387.44	OTHER COMMUNICATION	7AVG	50,650	30,742	7,364	12,544
11	387.45	TELEMETERING	7AVG	529,513	321,393	76,982	131,139
12	387.46	CIS	7AVG	<u>114,357</u>	<u>69,410</u>	<u>16,625</u>	<u>28,322</u>
13		TOTAL DISTRIBUTION PLANT		145,887,056	100,202,772	16,898,201	28,786,084
14		GENERAL PLANT					
15	391.10	OFF FURN & EQUIP - UNSPEC	7AVG	(33,247)	(20,180)	(4,834)	(8,234)
16	391.11	OFF FURN & EQUIP - DATA HAND	7AVG	(11,355)	(6,892)	(1,651)	(2,812)
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7AVG	750,133	455,300	109,056	185,777
18	392.20	TR EQ - TRAILER > \$1,000	7AVG	27,035	16,409	3,930	6,695
19	392.21	TR EQ - TRAILER < \$1,000	7AVG	6,309	3,829	917	1,562
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7AVG	15,095	9,162	2,195	3,738
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7AVG	37,937	23,026	5,515	9,395
22	393.00	STORES EQUIPMENT	7AVG	0	0	0	0
23	394.20	SHOP EQUIPMENT	7AVG	185	112	27	46
24	394.30	TOOLS & OTHER EQUIPMENT	7AVG	1,333,005	809,079	193,795	330,130
25	395.00	LABORATORY EQUIPMENT	7AVG	7,764	4,712	1,129	1,923
26	396.00	POWER OP EQUIP-GEN TOOLS	7AVG	202,598	122,969	29,454	50,175
27		RETIREMENT WORK IN PROGRESS	7AVG	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7AVG	12,094	<u>7,341</u>	<u>1,758</u>	<u>2,995</u>
29		TOTAL GENERAL PLANT		<u>2,347,553</u>	<u>1,424,867</u>	<u>341,291</u>	<u>581,390</u>
30		TOTAL PLANT RESERVE		151,708,251	103,735,997	17,744,498	30,227,752

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PROD., & DIST. PLANT DEPRECIATION EXPENSE ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 34 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
		INTANGIBLE PLANT					
1	301.00	ORGANIZATION	7AVG	0	0	0	0
2	303.00	MISC. INTANGIBLE PLANT	7AVG	2,478	1,504	360	614
3	303.10	DIS SOFTWARE	7AVG	0	0	0	0
4	303.20	FARA SOFTWARE	7AVG	0	0	0	0
5	303.30	OTHER SOFTWARE	7AVG	<u>1,271,617</u>	<u>771,820</u>	<u>184,871</u>	<u>314,927</u>
6		TOTAL INTANGIBLE PLANT		1,274,096	773,324	185,231	315,541
7		PRODUCTION PLANT					
8	304.10	LAND	2	0	0	0	0
9	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0
10	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL PRODUCTION PLANT		0	0	0	0
12		DISTRIBUTION PLANT					
13	374.10	LAND - CITY GATE & M/L IND M&R	20	0	0	0	0
14	374.20	LAND - OTHER DISTRIBUTION	20	0	0	0	0
15	374.40	LAND RIGHTS - OTHER DISTRIBUTION	20	11,508	3,730	2,877	4,901
16	374.50	RIGHTS OF WAY	20	35,215	11,414	8,804	14,997
17	375.20	CITY GATE - MEAS & REG STRUCTURES	20	72	23	18	31
18	375.30	STRUC & IMPROV-GENERAL M&R	20	0	0	0	0
19	375.40	STRUC & IMPROV-REGULATING	20	69,888	22,652	17,472	29,764
20	375.40	DIRECT STRUC & IMPROV-REGULATING	20	744	241	186	317
21	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0
22	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7AVG	185,730	112,730	27,002	45,998
23	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7AVG	33,049	20,059	4,805	8,185
24	375.80	STRUC & IMPROV-COMMUNICATION	20	0	0	0	0
25	376.00	MAINS	20	5,087,613	1,649,023	1,271,903	2,166,687
26	376.00	DIRECT MAINS	20	151	49	38	64
27	378.10	M & R GENERAL	20	17,220	5,581	4,305	7,334
28	378.20	M & R GENERAL - REGULATING	20	304,399	98,663	76,100	129,636
29	378.30	M & R EQUIP - LOCAL GAS PURCHASES	20	1,512	490	378	644
30	379.10	STA EQUIP - CITY	20	0	0	0	0
31	380.00	SERVICES	15	6,496,995	6,496,995	0	0
32	380.00	DIRECT SERVICES	15	0	0	0	0

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 35 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	381.00	METERS	16	1,172,264	1,172,264	0	0
2	382.00	METER INSTALLATIONS	16	230,831	230,831	0	0
3	383.00	HOUSE REGULATORS	16	157,520	157,520	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	22,800	22,800	0	0
5	385.00	IND M&R EQUIPMENT	17	158,316	158,316	0	0
6	385.00	DIRECT IND M&R EQUIPMENT	17	13,065	13,065	0	0
7	387.20	ODORIZATION	7AVG	0	0	0	0
8	387.41	TELEPHONE	7AVG	27,516	16,701	4,000	6,815
9	387.42	RADIO	7AVG	29,736	18,049	4,323	7,364
10	387.44	OTHER COMMUNICATION	7AVG	4,992	3,030	726	1,236
11	387.45	TELEMETERING	7AVG	140,832	85,479	20,474	34,878
12	387.46	CIS	7AVG	4,248	2,578	618	1,052
13		TOTAL DISTRIBUTION PLANT		14,206,216	10,302,283	1,444,029	2,459,903
14		GENERAL PLANT					
15	391.10	OFF FURN & EQUIP - UNSPEC	7AVG	36,561	22,191	5,315	9,055
16	391.11	OFF FURN & EQUIP - DATA HAND	7AVG	1,260	765	183	312
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7AVG	253,397	153,802	36,839	62,756
18	392.20	TR EQ - TRAILER > \$1,000	7AVG	8,760	5,317	1,274	2,169
19	392.21	TR EQ - TRAILER < \$1,000	7AVG	2,244	1,362	326	556
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7AVG	972	590	141	241
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7AVG	0	0	0	0
22	393.00	STORES EQUIPMENT	7AVG	0	0	0	0
23	394.20	SHOP EQUIPMENT	7AVG	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7AVG	129,657	78,696	18,850	32,111
25	395.00	LABORATORY EQUIPMENT	7AVG	468	284	68	116
26	396.00	POWER OP EQUIP-GEN TOOLS	7AVG	6,552	3,977	953	1,623
27	398.00	MISCELLANEOUS EQUIPMENT	7AVG	19,604	11,899	2,850	4,855
28		TOTAL GENERAL PLANT		459,475	278,883	66,799	113,794
29		TOTAL DEPRECIATION EXPENSE		15,939,787	11,354,490	1,696,059	2,889,238

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 36 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE					
2	480.00	RESIDENTIAL SALES	22	49,696,061	22,675,008	18,078,959	8,942,095
3	481.10	COMMERCIAL SALES	22	18,520,317	7,213,733	8,461,783	2,844,801
4	481.20	INDUSTRIAL SALES	22	1,458,726	563,966	672,355	222,405
5		TOTAL SALES REVENUE		69,675,105	30,452,707	27,213,096	12,009,301
6	487.00	FORFEITED DISCOUNTS	22	476,000	300,741	70,693	104,566
7	488.00	MISC. SERVICE REVENUE	6	137,000	137,000	0	0
8	489.00	REVENUE FROM TRANSPORTATION	22	21,807,062	13,777,920	2,595,695	5,433,447
9	495.00	OTHER	6	587,000	587,000	0	0
10		TOTAL OTHER GAS DEPT REVENUE		23,007,062	14,802,661	2,666,388	5,538,013
11		TOTAL OPERATING REVENUE		92,682,167	45,255,368	29,879,484	17,547,315

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 PRODUCTION EXPENSE ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 37 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING EXPENSES					
2		PRODUCTION EXPENSES - OPERATION					
3	717	LIQUE PETRO GAS EXP - LABOR	2	0	0	0	0
4	717	LIQUE PETRO GAS EXP - M&E	2	2,139	0	0	2,139
5	723	LIQUIFIED PETROLEUM GAS PROCESS	2	0	0	0	0
6	728	LIQUIFIED PETROLEUM GAS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL OPERATION		2,139	0	0	2,139
8		PRODUCTION EXPENSES - MAINTENANCE					
9	741	STRUCTURES & IMPROV - LABOR	2	0	0	0	0
10	741	STRUCTURES & IMPROV - M&E	2	0	0	0	0
11	742	PRODUCTION EQUIPMENT - LABOR	2	0	0	0	0
12	742	PRODUCTION EQUIPMENT - M&E	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13		TOTAL MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14		TOTAL MANUFACTURED GAS		2,139	0	0	2,139
15		OTHER GAS SUPPLIES EXPENSE					
16	803 - 806						
17	& 808	COST OF GAS @ CITY GATE	9	21,475,950	0	21,475,950	0
18	807	OTHER PURCHASED GAS - LABOR	9	0	0	0	0
19	807	OTHER PURCHASED GAS - M & E	9	341,557	0	341,557	0
20	812	GAS USED IN OPERATIONS	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL OTHER GAS SUPPLIES EXP		<u>21,817,507</u>	<u>0</u>	<u>21,817,507</u>	<u>0</u>
22		TOTAL PRODUCTION EXPENSE		21,819,646	0	21,817,507	2,139

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 38 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DISTRIBUTION EXPENSES					
2	870	SUPERVISION & ENGINEERING	10AVG	97,461	72,178	10,022	15,261
3	871	DISTRIBUTION LOAD DISPATCH	4	66,644	0	66,644	0
4	874	MAINS & SERVICES	14AVG	1,726,536	986,084	273,886	466,565
5	875	M & R - GENERAL	18AVG	82,347	26,691	20,587	35,070
6	876	M & R - INDUSTRIAL	8	38,736	38,736	0	0
7	878	METERS & HOUSE REGULATORS	16	1,279,637	1,279,637	0	0
8	879	CUSTOMER INSTALLATION	16	1,500,691	1,500,691	0	0
9	880	OTHER	10AVG	547,972	405,822	56,348	85,802
10	881	RENTS	10AVG	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		5,340,024	4,309,839	427,487	602,698
12		MAINTENANCE					
13	885	SUPERVISION & ENGINEERING	10AVG	8,649	6,405	889	1,354
14	886	STRUCTURES & IMPROVEMENTS	18AVG	2,509	813	627	1,069
15	887	MAINS	18AVG	926,354	300,254	231,589	394,511
16	889	M & R - GENERAL	18AVG	138,594	44,922	34,649	59,024
17	890	M & R - INDUSTRIAL	8	19,419	19,419	0	0
18	892	SERVICES	15	298,657	298,657	0	0
19	893	METERS & HOUSE REGULATORS	16	26,851	26,851	0	0
20	894	OTHER EQUIPMENT	10AVG	<u>124,180</u>	<u>91,966</u>	<u>12,769</u>	<u>19,444</u>
21		TOTAL MAINTENANCE		1,545,213	789,287	280,523	475,402

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 39 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		CUSTOMER ACCOUNTS					
2	901	SUPERVISION	6	0	0	0	0
3	902	METER READING	6	165,331	165,331	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	692,556	692,556	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	0	0	0	0
6	905	MISC.	6	0	0	0	0
7	920	SALARIES	6	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0
9	931	RENTS	6	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		857,887	857,887	0	0
12		CUSTOMER SERVICE & INFORMATIONAL					
13	907	SUPERVISION	6	0	0	0	0
14	908	CUSTOMER ASSISTANCE	6	12,982	12,982	0	0
15	909	INFO. & INSTRUCTIONAL	6	0	0	0	0
16	910	MISCELLANEOUS	6	0	0	0	0
17	920	SALARIES	6	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0
19	931	RENTS	6	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		12,982	12,982	0	0

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVEMONTHSENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 40 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		SALES					
2	911	SUPERVISION	6	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0
5	916	MISC.	6	0	0	0	0
6		TOTAL SALES		0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		7,756,106	5,969,995	708,010	1,078,100
8		ADMINISTRATIVE & GENERAL					
9	920	SALARIES	12AVG	1,597,984	1,229,993	145,871	222,120
10	921	OFFICE SUPPLIES & EXPENSES	12AVG	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12AVG	0	0	0	0
12	923	OUTSIDE SERVICES	12AVG	4,636	3,569	423	644
13	924	PROPERTY INSURANCE	12AVG	0	0	0	0
14	925	INJURIES AND DAMAGES	12AVG	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12AVG	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12AVG	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12AVG	0	0	0	0
18	930.20	MISC. - GENERAL	12AVG	0	0	0	0
19	931	RENTS	12AVG	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12AVG	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE					
22		FURNITURE & EQUIPMENT	12AVG	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12AVG	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		1,602,620	1,233,562	146,294	222,764
25		TOTAL O & M EXPENSE - LABOR		9,358,726	7,203,557	854,304	1,300,864

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 41 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	CLASSIFICATION	TOTAL				
NO.	NO.	ACCOUNT TITLE	FACTOR	COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DISTRIBUTION EXPENSES					
2	870	SUPERVISION & ENGINEERING	11AVG	783,470	453,576	122,901	206,993
3	871	DISTRIBUTION LOAD DISPATCH	4	17,885	0	17,885	0
4	874	MAINS & SERVICES	14AVG	5,567,660	3,179,883	883,217	1,504,560
5	875	M & R - GENERAL	18AVG	118,379	38,370	29,595	50,415
6	876	M & R - INDUSTRIAL	8	29,602	29,602	0	0
7	878	METERS & HOUSE REGULATORS	16	485,057	485,057	0	0
8	879	CUSTOMER INSTALLATION	16	655,941	655,941	0	0
9	880	OTHER	11AVG	1,211,487	701,369	190,043	320,075
10	881	RENTS	11AVG	<u>82,157</u>	<u>47,563</u>	<u>12,888</u>	<u>21,706</u>
11		TOTAL OPERATION		8,951,638	5,591,361	1,256,529	2,103,749
12		MAINTENANCE					
13	885	SUPERVISION & ENGINEERING	11AVG	2,571	1,488	403	679
14	886	STRUCTURES & IMPROVEMENTS	18AVG	251,838	81,627	62,960	107,252
15	887	MAINS	18AVG	2,202,076	713,748	550,519	937,809
16	889	M & R - GENERAL	18AVG	144,736	46,913	36,184	61,639
17	890	M & R - INDUSTRIAL	8	51,880	51,880	0	0
18	892	SERVICES	15	431,251	431,251	0	0
19	893	METERS & HOUSE REGULATORS	16	118,176	118,176	0	0
20	894	OTHER EQUIPMENT	11AVG	<u>199,573</u>	<u>115,539</u>	<u>31,307</u>	<u>52,727</u>
21		TOTAL MAINTENANCE		3,402,101	1,560,622	681,373	1,160,106

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 42 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL			
	(A)	(B)	(C)	COMPANY (D)	CUSTOMER (E)	COMMODITY (F)	DEMAND (G)
				\$	\$	\$	\$
1		CUSTOMER ACCOUNTS					
2	901	SUPERVISION	6	0	0	0	0
3	902	METER READING	6	399,502	399,502	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	3,252,912	3,252,912	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	1,027,585	1,027,585	0	0
6	905	MISC.	6	1,073	1,073	0	0
7	920	SALARIES	6	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	253	253	0	0
9	931	RENTS	6	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		4,681,325	4,681,325	0	0
12		CUSTOMER SERVICE & INFORMATIONAL					
13	907	SUPERVISION	6	(2,789)	(2,789)	0	0
14	908	CUSTOMER ASSISTANCE	6	1,198,971	1,198,971	0	0
15	909	INFO. & INSTRUCTIONAL	6	65,932	65,932	0	0
16	910	MISCELLANEOUS	6	257,797	257,797	0	0
17	920	SALARIES	6	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	13,868	13,868	0	0
19	931	RENTS	6	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		1,533,779	1,533,779	0	0

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 43 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		SALES					
2	911	SUPERVISION	6	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	37,477	37,477	0	0
4	913	ADVERTISING	6	138,706	138,706	0	0
5	916	MISC.	6	0	0	0	0
6		TOTAL SALES		<u>176,183</u>	<u>176,183</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		18,745,026	13,543,270	1,937,902	3,263,855
8		ADMINISTRATIVE & GENERAL					
9	920	SALARIES	13AVG	2,963,302	2,053,456	317,953	591,893
10	921	OFFICE SUPPLIES & EXPENSES	13AVG	894,098	619,576	95,934	178,588
11	922	ADMIN. EXPENSES TRANSFERED	13AVG	0	0	0	0
12	923	OUTSIDE SERVICES	13AVG	7,099,789	4,919,885	761,784	1,418,119
13	924	PROPERTY INSURANCE	13AVG	81,748	56,648	8,771	16,328
14	925	INJURIES AND DAMAGES	13AVG	1,043,923	723,399	112,010	208,514
15	926	EMPLOYEE PENSIONS & BENEFITS	13AVG	3,351,467	2,322,440	359,601	669,425
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS	13AVG	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13AVG	197,761	137,041	21,219	39,501
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13AVG	176,189	122,092	18,904	35,192
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13AVG	0	0	0	0
20	930.20	MISC. - GENERAL	13AVG	(62,123)	(43,049)	(6,666)	(12,409)
21	931	RENTS	13AVG	642,175	445,003	68,903	128,269
22	935.13	MAINT. STRUCTURES & IMPROV.	13AVG	130	90	14	26
23	935.23	MAINT. - GEN'L OFFICE FURNITURE & EQUIPMENT	13AVG	0	0	0	0
24	932	MAINT.-MISCELLANEOUS	13AVG	<u>259,121</u>	<u>179,561</u>	<u>27,803</u>	<u>51,757</u>
25		TOTAL ADMIN & GENERAL - M & E		<u>16,647,580</u>	<u>11,536,142</u>	<u>1,786,230</u>	<u>3,325,203</u>
26		TOTAL O & M EXPENSE - M & E		35,736,302	25,079,412	4,065,689	6,591,197

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 44 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		LABOR					
2		PRODUCTION	PAGE 13	0	0	0	0
3		DISTRIBUTION - O&M OPERATION	PAGE 14	5,340,024	4,309,839	427,487	602,698
4		DISTRIBUTION - O&M MAINT.	PAGE 14	1,545,213	789,287	280,523	475,402
5		CUSTOMER ACCOUNTS	PAGE 15	857,887	857,887	0	0
6		CUSTOMER SERVICE & INFOR.	PAGE 15	12,982	12,982	0	0
7		SALES	PAGE 16	0	0	0	0
8		ADMINISTRATIVE & GENERAL	PAGE 16	<u>1,602,620</u>	<u>1,233,562</u>	<u>146,294</u>	<u>222,764</u>
9		TOTAL LABOR EXPENSE		9,358,726	7,203,557	854,304	1,300,864
10		M & E					
11		PRODUCTION	PAGE 13	343,696	0	341,557	2,139
12		DISTRIBUTION - O&M OPERATION	PAGE 17	8,951,638	5,591,361	1,256,529	2,103,749
13		DISTRIBUTION - O&M MAINT.	PAGE 17	3,402,101	1,560,622	681,373	1,160,106
14		CUSTOMER ACCOUNTS	PAGE 18	4,681,325	4,681,325	0	0
15		CUSTOMER SERVICE & INFOR.	PAGE 18	1,533,779	1,533,779	0	0
16		SALES	PAGE 19	176,183	176,183	0	0
17		ADMINISTRATIVE & GENERAL	PAGE 19	<u>16,647,580</u>	<u>11,536,142</u>	<u>1,786,230</u>	<u>3,325,203</u>
18		TOTAL M & E EXPENSE		<u>35,736,302</u>	<u>25,079,412</u>	<u>4,065,689</u>	<u>6,591,197</u>
19		TOTAL O & M EXPENSES		45,095,029	32,282,969	4,919,993	7,892,061

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 45 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7AVG	4,136,779	2,510,855	601,414	1,024,509
2	408	TAXES BASED ON PAYROLL	12AVG	654,102	503,473	59,709	90,920
3	408	OTHER TAXES	12AVG	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		4,790,881	3,014,328	661,123	1,115,429

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 46 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,380,520	(1,396,419)	1,126,359	5,650,587
2		LESS: RECONCILING ITEMS:					
3		IMPUTED INTEREST		6,688,725	3,100,006	920,040	2,668,679
4		TAX ACCELERATED DEPRECIATION	19AVG	14,595,754	8,859,024	2,121,964	3,614,765
5		BOOK DEPRECIATION		<u>14,665,691</u>	<u>10,581,166</u>	<u>1,510,828</u>	<u>2,573,697</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(1,722,142)	611,136	1,041,068
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12AVG	<u>(4,960)</u>	<u>(3,818)</u>	<u>(453)</u>	<u>(689)</u>
8		TOTAL RECONCILING ITEMS		<u>6,613,828</u>	<u>1,374,046</u>	<u>1,530,723</u>	<u>3,709,058</u>
9		TAXABLE INCOME		(1,233,308)	(2,770,465)	(404,364)	1,941,529
10		STATE INCOME TAX @ 6.00%		(73,998)	(166,227)	(24,262)	116,491
11		PLUS: FOREIGN TAX PAYMENTS	19AVG	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(73,998)	(166,227)	(24,262)	116,491

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 47 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DEFERRED TAXES					
2		RECONCILIATION ITEMS:					
3		AMORTIZATION OF EXCESS ADIT-STATE	19AVG	(17,008)	(10,323)	(2,473)	(4,212)
4		TOTAL DEFERRED INCOME TAX		(17,008)	(10,323)	(2,473)	(4,212)
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(91,006)	(176,550)	(26,735)	112,279

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 48 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		OPERATING REVENUE		92,682,167	45,255,368	29,879,484	17,547,315
2		LESS: EXPENSES OTHER THAN FIT		<u>87,301,646</u>	<u>46,651,787</u>	<u>28,753,125</u>	<u>11,896,728</u>
3		OPERATING INCOME BEFORE TAXES		5,380,520	(1,396,419)	1,126,359	5,650,587
4		LESS: RECONCILING ITEMS:					
5		IMPUTED INTEREST		6,688,725	3,100,006	920,040	2,668,679
6		EXCESS OF BOOK OVER TAX S/L	19AVG	14,595,754	8,859,024	2,121,964	3,614,765
7		BOOK DEPRECIATION		<u>14,665,691</u>	<u>10,581,166</u>	<u>1,510,828</u>	<u>2,573,697</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		(69,937)	(1,722,142)	611,136	1,041,068
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12AVG	(4,960)	<u>(3,818)</u>	<u>(453)</u>	<u>(689)</u>
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(73,998)</u>	<u>(166,227)</u>	<u>(24,262)</u>	<u>116,491</u>
11		TOTAL RECONCILING ITEMS		6,539,830	1,207,819	1,506,461	3,825,549
12		TAXABLE INCOME		(1,159,310)	(2,604,238)	(380,102)	1,825,038
13		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(885,441)	(129,235)	620,513
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19AVG	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(394,165)	(885,441)	(129,235)	620,513

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 49 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1		DEFERRED INCOME TAXES					
2		LESS: AMORT. OF PRIOR YEARS ITC	19AVG	35,760	21,705	5,199	8,856
3		OTHER TAX DEFERRALS					
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19AVG	<u>(54,526)</u>	<u>(33,095)</u>	<u>(7,927)</u>	<u>(13,504)</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(54,526)</u>	<u>(33,095)</u>	<u>(7,927)</u>	<u>(13,504)</u>
6		TOTAL DEFERRED INCOME TAX		<u>(90,286)</u>	<u>(54,800)</u>	<u>(13,126)</u>	<u>(22,360)</u>
7		TOTAL FEDERAL INCOME TAX		(484,451)	(940,241)	(142,361)	598,153

CLASSIFICATION
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE BASE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 50 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	CLASSIFICATION FACTOR	TOTAL COMPANY	CUSTOMER	COMMODITY	DEMAND
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
				\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		437,889,787	265,781,137	63,661,423	108,447,228
		LESS:					
2	108-111	DEPRECIATION RESERVE [2]		<u>151,708,251</u>	<u>103,735,997</u>	<u>17,744,498</u>	<u>30,227,752</u>
3		NET PLANT		286,181,536	162,045,140	45,916,925	78,219,476
4	190.00	ACCUMULATED DEF INCOME TAX	19AVG	\$5,385,973	3,269,065	783,025	1,333,883
		LESS:					
5	252.00	CUSTOMER ADVANCES	20	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19AVG	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19AVG	86,167,687	52,300,253	12,527,257	21,340,177
8	283.00	ACCUMULATED DEF INCOME TAX	19AVG	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		205,399,822	113,013,952	34,172,693	58,213,182
10		PLUS WORKING CAPITAL:					
11		CASH WORKING CAPITAL @ 1/8 OF					
12		O & M EXCLUDING GAS COST [3]		5,636,879	4,035,371	614,999	986,508
13	151.00	FUEL STOCK	2	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7AVG	82,011	49,777	11,923	20,311
15	165.00	PREPAYMENTS	13AVG	469,518	325,358	50,378	93,782
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>41,772,551</u>	<u>0</u>	<u>0</u>	<u>41,772,551</u>
17		RATE BASE		253,360,781	117,424,458	34,849,993	101,086,334

REFERENCES: [1] PAGE 31, [2] PAGE 33,
 [3] TOTAL O & M EXPENSE
 LESS: COST OF GAS
 O & M EXCL. GAS COST

66,570,979	32,282,969	26,395,943	7,892,061
<u>21,475,950</u>	<u>0</u>	<u>21,475,950</u>	<u>0</u>
45,095,029	32,282,969	4,919,993	7,892,061

CLASSIFICATION
FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
CLASSIFICATION FACTORS
FOR THE TWELVE MONTHS ENDED 12/31/2017

LINE NO.	DESCRIPTION (A)	CLASSIFICATION FACTOR (B)	TOTAL			
			COMPANY (C)	CUSTOMER (D)	COMMODITY (E)	DEMAND (F)
1	DEMAND DESIGN DAY	1	100.000%	0.000%	0.000%	100.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	0.000%	0.000%	100.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	64.825%	0.000%	35.175%
4	COMMODITY THROUGHPUT	4	100.000%	0.000%	100.000%	0.000%
5	COMPOSITE OF 1 & 4 - DEMAND/COMMODITY	5	100.000%	0.000%	50.000%	50.000%
6	CUSTOMER	6	100.000%	100.000%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - C/D	7CD	100.000%	79.545%	0.000%	20.455%
8	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - D/C	7DC	100.000%	41.847%	29.076%	29.076%
9	DIST. PLANT EXCL. ACCTS 375.70,375.71,387 - AVG	7AVG	100.000%	60.696%	14.538%	24.766%
10	TOTAL PLANT ACCOUNT 385	8	100.000%	100.000%	0.000%	0.000%
11	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	0.000%	100.000%	0.000%
12	OTHER DIST. EXP - LABOR - C/D	10CD	100.000%	85.976%	1.091%	12.933%
13	OTHER DIST. EXP - LABOR - D/C	10DC	100.000%	62.142%	19.475%	18.383%
14	OTHER DIST. EXP - LABOR - AVG	10AVG	100.000%	74.059%	10.283%	15.658%
15	OTHER DIST. EXP EXCL - M & E - C/D	11CD	100.000%	78.001%	0.178%	21.821%
16	OTHER DIST. EXP EXCL - M & E - D/C	11DC	100.000%	37.786%	31.196%	31.018%
17	OTHER DIST. EXP EXCL - M & E - AVG	11AVG	100.000%	57.893%	15.687%	26.420%
18	O & M EXCL A & G - LABOR - C/D	12CD	100.000%	87.551%	0.969%	11.481%
19	O & M EXCL A & G - LABOR - D/C	12DC	100.000%	66.393%	17.288%	16.319%
20	O & M EXCL A & G - LABOR - AVG	12AVG	100.000%	76.972%	9.128%	13.900%
21	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - C/D	13CD	100.000%	83.050%	0.121%	16.829%
22	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - D/C	13DC	100.000%	55.543%	21.338%	23.119%
23	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E - AVG	13AVG	100.000%	69.296%	10.730%	19.974%
24	ACCT 376/380 - MAINS/SERVICES - C/D	14CD	100.000%	77.680%	0.000%	22.320%
25	ACCT 376/380 - MAINS/SERVICES - D/C	14DC	100.000%	36.547%	31.727%	31.727%
26	ACCT 376/380 - MAINS/SERVICES - AVG	14AVG	100.000%	57.113%	15.863%	27.023%
27	DIRECT PLANT ACCT 380	15	100.000%	100.000%	0.000%	0.000%
28	DIRECT PLANT ACCTS 381	16	100.000%	100.000%	0.000%	0.000%
29	DIRECT PLANT ACCT 385	17	100.000%	100.000%	0.000%	0.000%
30	ACCOUNT 376 MAINS - COMPOSITE/PLANT - C/D	18CD	100.000%	64.825%	0.000%	35.175%
31	ACCOUNT 376 MAINS - COMPOSITE/PLANT - D/C	18DC	100.000%	0.000%	50.000%	50.000%
32	ACCOUNT 376 MAINS - COMPOSITE/PLANT - AVG	18AVG	100.000%	32.413%	25.000%	42.588%
33	TOTAL PLANT - C/D	19CD	100.000%	79.545%	0.000%	20.455%
34	TOTAL PLANT - D/C	19DC	100.000%	41.847%	29.076%	29.076%
35	TOTAL PLANT - AVG	19AVG	100.000%	60.696%	14.538%	24.766%
36	AVERAGE C/D & D/C	20	100.000%	32.413%	25.000%	42.588%
37	UNCOLLECTIBLES	21	100.000%	100.000%	0.000%	0.000%
38	REVREQ	22	100.000%	63.181%	11.903%	24.916%

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 52 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		45,255,365	29,221,848	12,057,971	14,579	304,376	3,656,591	0	0	
2	PROPOSED INCREASE		<u>15,786,696</u>	<u>10,168,097</u>	<u>4,285,910</u>	<u>5,145</u>	<u>(10)</u>	<u>1,327,554</u>	<u>0</u>	<u>0</u>	
3	TOTAL PROPOSED REVENUES		61,042,061	39,389,945	16,343,881	19,724	304,366	4,984,145	0	0	
4	COST OF GAS		0	0	0	0	0	0	0	0	
5	OPERATING & MAINTENANCE EXPENSE		32,458,742	25,400,649	5,523,893	3,659	57,053	1,473,488	0	0	
6	DEPRECIATION & AMORTIZATION		11,354,493	8,858,023	1,833,698	1,260	17,038	644,474	0	0	
7	FEDERAL INCOME TAX		4,195,751	804,966	2,600,237	4,347	63,748	722,453	0	0	
8	KENTUCKY STATE INCOME TAX		760,104	133,353	480,668	806	11,967	133,310	0	0	
9	TAXES OTHER THAN INCOME		<u>3,014,329</u>	<u>2,245,282</u>	<u>542,397</u>	<u>467</u>	<u>8,174</u>	<u>218,009</u>	<u>0</u>	<u>0</u>	
10	TOTAL EXPENSES & TAXES		51,783,419	37,442,273	10,980,893	10,539	157,980	3,191,734	0	0	
11	OPERATING INCOME		9,258,642	1,947,672	5,362,988	9,185	146,386	1,792,411	0	0	
12	INTEREST EXPENSE		<u>3,100,006</u>	<u>2,220,764</u>	<u>568,738</u>	<u>581</u>	<u>12,136</u>	<u>297,787</u>	<u>0</u>	<u>0</u>	
13	INCOME AVAILABLE FOR COMMON EQUITY		6,158,636	(273,092)	4,794,250	8,604	134,250	1,494,624	0	0	
14	RATE BASE		117,424,458	84,119,849	21,543,098	22,017	459,705	11,279,806	0	0	
15	RATE OF RETURN AUTHORIZED ON RATE BASE		7.88%	2.32%	24.89%	41.72%	31.84%	15.89%	0.00%	0.00%	
16	UNITIZED RETURN		1.00	0.28	2.96	4.96	3.79	1.89	0.00	0.00	

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 53 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
	(B)		\$	\$	\$	\$	\$	\$	\$	\$	\$
1	TOTAL REVENUES		62,062,843	47,875,269	10,466,306	7,588	126,072	3,587,616	0	0	
2	COST OF GAS		0	0	0	0	0	0	0	0	
3	OPERATING & MAINTENANCE EXPENSE		32,470,107	25,495,126	5,458,450	3,524	55,068	1,457,939	0	0	
4	DEPRECIATION & AMORTIZATION		11,354,490	8,858,023	1,833,698	1,260	17,038	644,474	0	0	
5	FEDERAL INCOME TAX		4,527,853	3,565,555	688,046	399	5,742	268,111	0	0	
6	KENTUCKY STATE INCOME TAX		820,671	636,804	131,940	86	1,389	50,452	0	0	
7	TAXES OTHER THAN INCOME		<u>3,014,329</u>	<u>2,245,282</u>	<u>542,397</u>	<u>467</u>	<u>8,174</u>	<u>218,009</u>	<u>0</u>	<u>0</u>	
8	TOTAL EXPENSES & TAXES		52,187,450	40,800,790	8,654,531	5,736	87,411	2,638,985	0	0	
9	OPERATING INCOME		9,875,393	7,074,479	1,811,775	1,852	38,661	948,632	0	0	
10	INTEREST EXPENSE		<u>3,100,006</u>	<u>2,220,764</u>	<u>568,738</u>	<u>581</u>	<u>12,136</u>	<u>297,787</u>	<u>0</u>	<u>0</u>	
11	INCOME AVAILABLE FOR COMMON EQUITY		6,775,387	4,853,715	1,243,037	1,271	26,525	650,845	0	0	
12	RATE BASE		117,424,458	84,119,849	21,543,098	22,017	459,705	11,279,806	0	0	
13	RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	0.00%	0.00%	
14	UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	
15	AVERAGE ANNUAL CUSTOMERS		135,979	121,915	13,977	2	6	79	0	0	
16	MONTHLY CUSTOMER BASED COST [1]		38.03	32.72	62.40	316.19	1,751.00	3,784.41	0.00	0.00	

[1] LINE 1 / LINE 15 / 12 MONTHS.

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 54 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total CUSTOMER (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		16,807,475	18,653,421	(1,591,665)	(6,991)	(178,304)	(68,975)	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		155,188	172,232	(14,696)	(65)	(1,646)	(637)	0	0
4	LESS: PSC FEES @ 0.00190100		<u>31,951</u>	<u>35,460</u>	<u>(3,026)</u>	<u>(13)</u>	<u>(339)</u>	<u>(131)</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		16,620,336	18,445,729	(1,573,943)	(6,913)	(176,319)	(68,207)	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>997,220</u>	<u>1,106,744</u>	<u>(94,437)</u>	<u>(415)</u>	<u>(10,579)</u>	<u>(4,092)</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		15,623,116	17,338,985	(1,479,506)	(6,498)	(165,740)	(64,115)	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>5,468,095</u>	<u>6,068,645</u>	<u>(517,827)</u>	<u>(2,274)</u>	<u>(58,009)</u>	<u>(22,440)</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		10,155,021	11,270,340	(961,679)	(4,224)	(107,731)	(41,675)	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 55 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		45,255,368	29,221,848	12,057,971	14,579	304,376	3,656,591	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		32,282,969	25,287,434	5,476,172	3,602	57,053	1,458,707	0	0
4		DEPRECIATION & AMORTIZATION [3]		11,354,490	8,858,023	1,833,698	1,260	17,038	644,474	0	0
5		FEDERAL INCOME TAX [4]		(940,241)	(2,503,090)	1,205,873	2,673	63,751	290,551	0	0
6		KENTUCKY STATE INCOME TAX [5]		(176,550)	(469,940)	226,377	501	11,968	54,544	0	0
7		TAXES OTHER THAN INCOME [6]		<u>3,014,328</u>	<u>2,245,282</u>	<u>542,397</u>	<u>467</u>	<u>8,174</u>	<u>218,009</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		45,534,996	33,417,709	9,284,517	8,503	157,984	2,666,285	0	0
9		OPERATING INCOME		(279,628)	(4,195,861)	2,773,454	6,076	146,392	990,306	0	0
10		INTEREST EXPENSE [7]		<u>3,100,006</u>	<u>2,220,764</u>	<u>568,738</u>	<u>581</u>	<u>12,136</u>	<u>297,787</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		(3,379,634)	(6,416,625)	2,204,716	5,495	134,256	692,519	0	0
12		RATE BASE [8]		117,424,458	84,119,849	21,543,098	22,017	459,705	11,279,806	0	0
13		RATE OF RETURN EARNED ON RATE BASE		-0.24%	-4.99%	12.87%	27.60%	31.84%	8.78%	0.00%	0.00%
14		UNITIZED RETURN		1.00	20.79	(53.63)	(115.00)	(132.67)	(36.58)	0.00	0.00

REFERENCES: [1] PAGE 62, [2] PAGE 70, [3] PAGE 61, [4] PAGE 75, [5] PAGE 73, [6] PAGE 71, [7] PAGE 74, [8] PAGE 76.

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS INTANGIBLE, PRODUCTION, & DIST. PLANT ALLOC.
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 56 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		INTANGIBLE PLANT									
2	301.00	ORGANIZATION	7CUST	316	235	55	0	1	25	0	0
3	303.00	MISC. INTANGIBLE PLANT	7CUST	45,126	33,616	7,818	7	127	3,559	0	0
4	303.10	DIS SOFTWARE	7CUST	0	0	0	0	0	0	0	0
5	303.20	FARA SOFTWARE	7CUST	0	0	0	0	0	0	0	0
6	303.30	OTHER SOFTWARE	7CUST	<u>5,062,839</u>	<u>3,771,461</u>	<u>877,086</u>	<u>810</u>	<u>14,227</u>	<u>399,255</u>	<u>0</u>	<u>0</u>
7		TOTAL INTANGIBLE PLANT		5,108,281	3,805,312	884,959	817	14,355	402,839	0	0
8		PRODUCTION PLANT									
9	304.10	LAND	2	0	0	0	0	0	0	0	0
10	305.00	STRUCTURES & IMPROVEMENTS	2	0	0	0	0	0	0	0	0
11	311.00	LIQUEFIED PETROLEUM GAS EQUIP	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		TOTAL PRODUCTION PLANT		0	0	0	0	0	0	0	0
13		DISTRIBUTION PLANT									
14	374.10	LAND - CITY GATE & M/L IND M&R	20	67	38	14	0	0	15	0	0
15	374.20	LAND - OTHER DISTRIBUTION	20	284,503	160,426	61,367	117	0	62,594	0	0
16	374.40	LAND RIGHTS - OTHER DISTRIBUTION	20	214,346	120,865	46,234	88	0	47,158	0	0
17	374.50	RIGHTS OF WAY	20	884,806	498,924	190,853	363	0	194,666	0	0
18	375.20	CITY GATE - MEAS & REG STRUCTURES	20	689	389	149	0	0	152	0	0
19	375.30	STRUC & IMPROV-GENERAL M&R	20	0	0	0	0	0	0	0	0
20	375.40	STRUC & IMPROV-REGULATING	20	705,518	397,827	152,180	289	0	155,221	0	0
21	375.40	DIRECT STRUC & IMPROV-REGULATING		14,978	0	0	0	14,978	0	0	0
22	375.60	STRUC & IMPROV-DIST. IND. M & R	8	0	0	0	0	0	0	0	0
23	375.70	STRUC & IMPROV-OTHER DIST. SYSTEM	7CUST	5,317,820	3,961,404	921,259	851	14,943	419,363	0	0
24	375.71	STRUCT & IMPROV-OTHER DIST. SYSTEM-IMPROV	7CUST	157,693	117,470	27,319	25	443	12,436	0	0
25	375.80	STRUC & IMPROV-COMMUNICATION	20	0	0	0	0	0	0	0	0
26	376.00	MAINS	20	71,729,139	40,446,627	15,471,975	29,409	0	15,781,128	0	0
27	376.00	DIRECT MAINS		3,786	0	0	0	3,786	0	0	0
28	378.10	M & R GENERAL	20	168,060	94,766	36,251	69	0	36,975	0	0
29	378.20	M & R GENERAL - REGULATING	20	2,973,876	1,676,909	641,465	1,219	0	654,282	0	0
30	378.30	M & R EQUIP - LOCAL GAS PURCHASES	20	14,729	8,305	3,177	6	0	3,241	0	0
31	379.10	STA EQUIP - CITY	20	82,620	46,588	17,821	34	0	18,177	0	0
32	380.00	SERVICES	15	127,467,343	112,461,887	14,554,221	1,275	0	449,960	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 57 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS	16	22,789,579	16,395,279	6,292,659	2,963	0	98,679	0	0
3	382.00	METER INSTALLATIONS	16	9,462,175	6,807,278	2,612,696	1,230	0	40,971	0	0
4	383.00	HOUSE REGULATORS	16	5,770,311	4,151,277	1,593,298	750	0	24,985	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	2,257,522	1,624,106	623,347	293	0	9,775	0	0
6	385.00	IND M&R EQUIPMENT	17	2,697,547	0	700,742	782	0	1,996,050	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		677,829	0	0	0	677,829	0	0	0
8	387.20	ODORIZATION	7CUST	0	0	0	0	0	0	0	0
9	387.41	TELEPHONE	7CUST	446,583	332,673	77,366	71	1,255	35,218	0	0
10	387.42	RADIO	7CUST	482,646	359,537	83,614	77	1,356	38,061	0	0
11	387.44	OTHER COMMUNICATION	7CUST	81,084	60,402	14,047	13	228	6,394	0	0
12	387.45	TELEMETERING	7CUST	2,294,053	1,708,909	397,422	367	6,446	180,909	0	0
13	387.46	CIS	7CUST	<u>68,977</u>	<u>51,383</u>	<u>11,950</u>	<u>11</u>	<u>194</u>	<u>5,440</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		257,048,279	191,483,269	44,531,426	40,302	721,458	20,271,850	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC	7CUST	446,284	332,450	77,314	71	1,254	35,194	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	11,421	8,508	1,979	2	32	901	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CUST	763,337	568,633	132,241	122	2,145	60,197	0	0
19	392.20	TR EQ - TRAILER > \$1,000	7CUST	58,133	43,305	10,071	9	163	4,584	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7CUST	14,847	11,060	2,572	2	42	1,171	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	14,713	10,960	2,549	2	41	1,160	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CUST	0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7CUST	1,978,098	1,473,545	342,686	316	5,558	155,993	0	0
26	395.00	LABORATORY EQUIPMENT	7CUST	5,619	4,186	973	1	16	443	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	153,643	114,453	26,617	25	432	12,116	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7CUST	0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7CUST	<u>178,482</u>	<u>132,957</u>	<u>30,920</u>	<u>29</u>	<u>502</u>	<u>14,075</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>3,624,577</u>	<u>2,700,057</u>	<u>627,922</u>	<u>579</u>	<u>10,185</u>	<u>285,834</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		265,781,137	197,988,638	46,044,307	41,698	745,998	20,960,523	0	0

CUSTOMER RELATED			COLUMBIA GAS OF KENTUCKY, INC.							ATTACHMENT CEN-3	
AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY			GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC							PAGE 59 OF 129	
FORECASTED TEST YEAR - ORIGINAL FILING			FOR THE TWELVE MONTHS ENDED 12/31/2017							WITNESS: C. NOTESTONE	
LINE	ACCT		ALLOC	TOTAL							
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	6,025,045	4,334,538	1,663,635	783	0	26,088	0	0
2	382.00	METER INSTALLATIONS	16	4,714,156	3,391,458	1,301,673	613	0	20,412	0	0
3	383.00	HOUSE REGULATORS	16	1,568,587	1,128,473	433,118	204	0	6,792	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	1,780,729	1,281,092	491,695	231	0	7,711	0	0
5	385.00	IND M&R EQUIPMENT	17	823,118	0	213,821	239	0	609,066	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		133,766	0	0	0	133,766	0	0	0
7	387.20	ODORIZATION	7CUST	(36,364)	(27,089)	(6,300)	(6)	(102)	(2,868)	0	0
8	387.41	TELEPHONE	7CUST	242,672	180,774	42,040	39	682	19,137	0	0
9	387.42	RADIO	7CUST	344,397	256,552	59,663	55	968	27,159	0	0
10	387.44	OTHER COMMUNICATION	7CUST	30,742	22,901	5,326	5	86	2,424	0	0
11	387.45	TELEMETERING	7CUST	321,393	239,415	55,678	51	903	25,345	0	0
12	387.46	CIS	7CUST	<u>69,410</u>	<u>51,706</u>	<u>12,025</u>	<u>11</u>	<u>195</u>	<u>5,474</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		100,202,772	78,169,649	16,136,955	11,763	146,387	5,738,023	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7CUST	(20,180)	(15,033)	(3,496)	(3)	(57)	(1,591)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	(6,892)	(5,134)	(1,194)	(1)	(19)	(544)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CUST	455,300	339,167	78,876	73	1,279	35,905	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7CUST	16,409	12,224	2,843	3	46	1,294	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7CUST	3,829	2,852	663	1	11	302	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	9,162	6,825	1,587	1	26	723	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CUST	23,026	17,153	3,989	4	65	1,816	0	0
22	393.00	STORES EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7CUST	112	83	19	0	0	9	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7CUST	809,079	602,707	140,165	129	2,274	63,804	0	0
25	395.00	LABORATORY EQUIPMENT	7CUST	4,712	3,510	816	1	13	372	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	122,969	91,603	21,303	20	346	9,697	0	0
27		RETIREMENT WORK IN PROGRESS	7CUST	0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7CUST	<u>7,341</u>	<u>5,469</u>	<u>1,272</u>	<u>1</u>	<u>21</u>	<u>579</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>1,424,867</u>	<u>1,061,426</u>	<u>246,843</u>	<u>229</u>	<u>4,005</u>	<u>112,366</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		103,735,997	80,801,654	16,749,050	12,330	156,317	6,016,654	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 61 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	1,172,264	843,350	323,686	152	0	5,076	0	0
2	382.00	METER INSTALLATIONS	16	230,831	166,064	63,737	30	0	999	0	0
3	383.00	HOUSE REGULATORS	16	157,520	113,323	43,494	20	0	682	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	22,800	16,403	6,296	3	0	99	0	0
5	385.00	IND M&R EQUIPMENT	17	158,316	0	41,126	46	0	117,146	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		13,065	0	0	0	13,065	0	0	0
7	387.20	ODORIZATION	7CUST	0	0	0	0	0	0	0	0
8	387.41	TELEPHONE	7CUST	16,701	12,441	2,893	3	47	1,317	0	0
9	387.42	RADIO	7CUST	18,049	13,445	3,127	3	51	1,423	0	0
10	387.44	OTHER COMMUNICATION	7CUST	3,030	2,257	525	0	9	239	0	0
11	387.45	TELEMETERING	7CUST	85,479	63,676	14,808	14	240	6,741	0	0
12	387.46	CIS	7CUST	2,578	1,920	447	0	7	203	0	0
13		TOTAL DISTRIBUTION PLANT		10,302,283	8,074,200	1,651,414	1,091	14,082	561,497	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7CUST	22,191	16,531	3,844	4	62	1,750	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7CUST	765	570	133	0	2	60	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7CUST	153,802	114,572	26,645	25	432	12,129	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7CUST	5,317	3,961	921	1	15	419	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7CUST	1,362	1,015	236	0	4	107	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7CUST	590	440	102	0	2	47	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7CUST	0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7CUST	0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7CUST	78,696	58,623	13,633	13	221	6,206	0	0
25	395.00	LABORATORY EQUIPMENT	7CUST	284	212	49	0	1	22	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7CUST	3,977	2,963	689	1	11	314	0	0
27	398.00	MISCELLANEOUS EQUIPMENT	7CUST	11,899	8,864	2,061	2	33	938	0	0
28		TOTAL GENERAL PLANT		278,883	207,751	48,313	46	783	21,992	0	0
29		TOTAL DEPRECIATION EXPENSE		11,354,490	8,858,023	1,833,698	1,260	17,038	644,474	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 62 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		22,675,008	22,675,008	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		7,213,733	0	7,213,733	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		<u>563,966</u>	<u>0</u>	<u>549,551</u>	<u>14,415</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL SALES REVENUE		30,452,707	22,675,008	7,763,284	14,415	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		300,741	193,038	87,042	157	1,576	18,928	0	0
7	488.00	MISC. SERVICE REVENUE	6	137,000	122,831	14,082	1	5	79	0	0
8	489.00	REVENUE FROM TRANSPORTATION		13,777,920	5,704,679	4,133,225	0	302,772	3,637,244	0	0
9	495.00	OTHER	6	<u>587,000</u>	<u>526,292</u>	<u>60,338</u>	<u>6</u>	<u>23</u>	<u>340</u>	<u>0</u>	<u>0</u>
10		TOTAL OTHER GAS DEPT REVENUE		<u>14,802,661</u>	<u>6,546,840</u>	<u>4,294,687</u>	<u>164</u>	<u>304,376</u>	<u>3,656,591</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATING REVENUE		45,255,368	29,221,848	12,057,971	14,579	304,376	3,656,591	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 PRODUCTION EXPENSE ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 63 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	\$
1											
	OPERATING EXPENSES										
2											
	PRODUCTION EXPENSES - OPERATION										
3	717		0	0	0	0	0	0	0	0	0
	LIQUE PETRO GAS EXP - LABOR										
4	717	2	0	0	0	0	0	0	0	0	0
	LIQUE PETRO GAS EXP - M&E										
5	723	2	0	0	0	0	0	0	0	0	0
	LIQUIFIED PETROLEUM GAS PROCESS										
6	728	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	LIQUIFIED PETROLEUM GAS										
7			0	0	0	0	0	0	0	0	0
	TOTAL OPERATION										
8											
	PRODUCTION EXPENSES - MAINTENANCE										
9	741	2	0	0	0	0	0	0	0	0	0
	STRUCTURES & IMPROV - LABOR										
10	741	2	0	0	0	0	0	0	0	0	0
	STRUCTURES & IMPROV - M&E										
11	742	2	0	0	0	0	0	0	0	0	0
	PRODUCTION EQUIPMENT - LABOR										
12	742	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	PRODUCTION EQUIPMENT - M&E										
13			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	TOTAL MAINTENANCE										
14			0	0	0	0	0	0	0	0	0
	TOTAL MANUFACTURED GAS										
15											
	OTHER GAS SUPPLIES EXPENSE										
16	803 - 806										
17	& 808		0	0	0	0	0	0	0	0	0
	COST OF GAS @ CITY GATE										
18	807	9	0	0	0	0	0	0	0	0	0
	OTHER PURCHASED GAS - LABOR										
19	807	9	0	0	0	0	0	0	0	0	0
	OTHER PURCHASED GAS - M & E										
20	812	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	GAS USED IN OPERATIONS										
21			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	TOTAL OTHER GAS SUPPLIES EXP										
22			0	0	0	0	0	0	0	0	0
	TOTAL PRODUCTION EXPENSE										

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 64 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	10CUST	72,178	51,868	16,762	11	187	3,351	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14CUST	986,084	756,938	148,632	148	20	80,346	0	0
5	875	M & R - GENERAL	18CUST	26,691	15,050	5,757	11	1	5,872	0	0
6	876	M & R - INDUSTRIAL	8	38,736	0	8,042	9	7,779	22,907	0	0
7	878	METERS & HOUSE REGULATORS	16	1,279,637	920,596	353,333	166	0	5,541	0	0
8	879	CUSTOMER INSTALLATION	16	1,500,691	1,079,627	414,371	195	0	6,498	0	0
9	880	OTHER	10CUST	405,822	291,628	94,244	61	1,051	18,838	0	0
10	881	RENTS	10CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		4,309,839	3,115,707	1,041,141	601	9,038	143,353	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	10CUST	6,405	4,603	1,487	1	17	297	0	0
14	886	STRUCTURES & IMPROVEMENTS	18CUST	813	458	175	0	0	179	0	0
15	887	MAINS	18CUST	300,254	169,298	64,762	123	15	66,056	0	0
16	889	M & R - GENERAL	18CUST	44,922	25,329	9,689	18	2	9,883	0	0
17	890	M & R - INDUSTRIAL	8	19,419	0	4,032	4	3,900	11,483	0	0
18	892	SERVICES	15	298,657	263,499	34,101	3	0	1,054	0	0
19	893	METERS & HOUSE REGULATORS	16	26,851	19,317	7,414	3	0	116	0	0
20	894	OTHER EQUIPMENT	10CUST	<u>91,966</u>	<u>66,088</u>	<u>21,357</u>	<u>14</u>	<u>238</u>	<u>4,269</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		789,287	548,592	143,017	166	4,172	93,337	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 65 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION	6	0	0	0	0	0	0	0	0
3	902	METER READING	6	165,331	148,232	16,994	2	7	96	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	692,556	620,932	71,188	7	28	402	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	0	0	0	0	0	0	0	0
6	905	MISC.	6	0	0	0	0	0	0	0	0
7	920	SALARIES	6	0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
9	931	RENTS	6	0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		857,887	769,164	88,182	9	35	498	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION	6	0	0	0	0	0	0	0	0
14	908	CUSTOMER ASSISTANCE	6	12,982	11,639	1,334	0	1	8	0	0
15	909	INFO. & INSTRUCTIONAL	6	0	0	0	0	0	0	0	0
16	910	MISCELLANEOUS	6	0	0	0	0	0	0	0	0
17	920	SALARIES	6	0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
19	931	RENTS	6	0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		12,982	11,639	1,334	0	1	8	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHETWELVEMONTHSENDED12/31/2017

ATTACHMENT CEN-3
 PAGE 66 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED	
	(A)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
			\$	\$	\$	\$	\$	\$	\$	\$	
1	SALES										
2	911	SUPERVISION	6	0	0	0	0	0	0	0	
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	
4	913	ADVERTISING	6	0	0	0	0	0	0	0	
5	916	MISC.	6	0	0	0	0	0	0	0	
6		TOTAL SALES		0	0	0	0	0	0	0	
7		TOTAL DISTRIBUTION EXPENSES		5,969,995	4,445,102	1,273,674	776	13,246	237,196	0	0
8	ADMINISTRATIVE & GENERAL										
9	920	SALARIES	12CUST	1,229,993	915,816	262,419	160	2,731	48,868	0	0
10	921	OFFICE SUPPLIES & EXPENSES	12CUST	0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12CUST	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	12CUST	3,569	2,657	761	0	8	142	0	0
13	924	PROPERTY INSURANCE	12CUST	0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES	12CUST	0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12CUST	0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12CUST	0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12CUST	0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL	12CUST	0	0	0	0	0	0	0	0
19	931	RENTS	12CUST	0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12CUST	0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
22		FURNITURE & EQUIPMENT	12CUST	0	0	0	0	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12CUST	0	0	0	0	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		<u>1,233,562</u>	<u>918,473</u>	<u>263,180</u>	<u>160</u>	<u>2,739</u>	<u>49,010</u>	<u>0</u>	<u>0</u>
25		TOTAL O & M EXPENSE - LABOR		7,203,557	5,363,575	1,536,854	936	15,985	286,206	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 67 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	11CUST	453,576	328,480	84,229	82	1,279	39,506	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14CUST	3,179,883	2,440,942	479,304	477	64	259,097	0	0
5	875	M & R - GENERAL	18CUST	38,370	21,635	8,276	16	2	8,441	0	0
6	876	M & R - INDUSTRIAL	8	29,602	0	6,146	7	5,944	17,505	0	0
7	878	METERS & HOUSE REGULATORS	16	485,057	348,960	133,934	63	0	2,100	0	0
8	879	CUSTOMER INSTALLATION	16	655,941	471,897	181,118	85	0	2,840	0	0
9	880	OTHER	11CUST	701,369	507,931	130,244	126	1,978	61,089	0	0
10	881	RENTS	11CUST	<u>47,563</u>	<u>34,445</u>	<u>8,832</u>	<u>9</u>	<u>134</u>	<u>4,143</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		5,591,361	4,154,290	1,032,083	865	9,401	394,721	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11CUST	1,488	1,078	276	0	4	130	0	0
14	886	STRUCTURES & IMPROVEMENTS	18CUST	81,627	46,025	17,606	33	4	17,958	0	0
15	887	MAINS	18CUST	713,748	402,447	153,948	293	36	157,025	0	0
16	889	M & R - GENERAL	18CUST	46,913	26,452	10,119	19	2	10,321	0	0
17	890	M & R - INDUSTRIAL	8	51,880	0	10,771	12	10,418	30,679	0	0
18	892	SERVICES	15	431,251	380,484	49,240	4	0	1,522	0	0
19	893	METERS & HOUSE REGULATORS	16	118,176	85,018	32,631	15	0	512	0	0
20	894	OTHER EQUIPMENT	11CUST	<u>115,539</u>	<u>83,673</u>	<u>21,456</u>	<u>21</u>	<u>326</u>	<u>10,063</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,560,622	1,025,177	296,047	397	10,790	228,210	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 68 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT		ALLOC	TOTAL		IUS	DS-ML	DS/IS	NOT USED	NOT USED	
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER					
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION	6	0	0	0	0	0	0	0	0
3	902	METER READING	6	399,502	358,186	41,065	4	16	232	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	3,252,912	2,916,496	334,367	33	130	1,887	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	1,027,585	891,707	135,035	21	62	760	0	0
6	905	MISC.	6	1,073	962	110	0	0	1	0	0
7	920	SALARIES	6	0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	253	227	26	0	0	0	0	0
9	931	RENTS	6	0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		4,681,325	4,167,578	510,603	58	208	2,880	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION	6	(2,789)	(2,501)	(287)	0	0	(2)	0	0
14	908	CUSTOMER ASSISTANCE	6	1,198,971	1,074,973	123,242	12	48	695	0	0
15	909	INFO. & INSTRUCTIONAL	6	65,932	59,113	6,777	1	3	38	0	0
16	910	MISCELLANEOUS	6	257,797	231,136	26,499	3	10	150	0	0
17	920	SALARIES	6	0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	13,868	12,434	1,425	0	1	8	0	0
19	931	RENTS	6	0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		1,533,779	1,375,155	157,656	16	62	889	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 69 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	37,477	33,601	3,852	0	1	22	0	0
4	913	ADVERTISING	6	138,706	124,361	14,258	1	6	80	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		<u>176,183</u>	<u>157,962</u>	<u>18,110</u>	<u>1</u>	<u>7</u>	<u>102</u>	<u>0</u>	<u>0</u>
7		TOTAL DISTRIBUTION EXPENSES		13,543,270	10,880,162	2,014,499	1,337	20,468	626,802	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13CUST	2,053,456	1,638,802	308,367	226	3,347	102,714	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13CUST	619,576	494,465	93,042	68	1,010	30,991	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13CUST	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13CUST	4,919,885	3,926,413	738,819	541	8,019	246,093	0	0
13	924	PROPERTY INSURANCE	13CUST	56,648	45,209	8,507	6	92	2,834	0	0
14	925	INJURIES AND DAMAGES	12CUST	723,399	538,621	154,337	94	1,606	28,741	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12CUST	2,322,440	1,729,219	495,493	302	5,156	92,271	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13CUST	137,041	109,368	20,579	15	223	6,855	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13CUST	122,092	97,438	18,335	13	199	6,107	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13CUST	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13CUST	(43,049)	(34,356)	(6,465)	(5)	(70)	(2,153)	0	0
21	931	RENTS	13CUST	445,003	355,144	66,826	49	725	22,259	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13CUST	90	72	14	0	0	5	0	0
23	935.23	MAINT. - GEN'L OFFICE									
24		FURNITURE & EQUIPMENT	13CUST	0	0	0	0	0	0	0	0
25	932	MAINT.-MISCELLANEOUS	13CUST	<u>179,561</u>	<u>143,302</u>	<u>26,965</u>	<u>20</u>	<u>293</u>	<u>8,982</u>	<u>0</u>	<u>0</u>
26		TOTAL ADMIN & GENERAL - M & E		<u>11,536,142</u>	<u>9,043,697</u>	<u>1,924,819</u>	<u>1,329</u>	<u>20,600</u>	<u>545,699</u>	<u>0</u>	<u>0</u>
27		TOTAL O & M EXPENSE - M & E		25,079,412	19,923,859	3,939,318	2,666	41,068	1,172,501	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 70 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	4,309,839	3,115,707	1,041,141	601	9,038	143,353	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	789,287	548,592	143,017	166	4,172	93,337	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	857,887	769,164	88,182	9	35	498	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	12,982	11,639	1,334	0	1	8	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>1,233,562</u>	<u>918,473</u>	<u>263,180</u>	<u>160</u>	<u>2,739</u>	<u>49,010</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			7,203,557	5,363,575	1,536,854	936	15,985	286,206	0	0
10	M & E										
11	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	5,591,361	4,154,290	1,032,083	865	9,401	394,721	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	1,560,622	1,025,177	296,047	397	10,790	228,210	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	4,681,325	4,167,578	510,603	58	208	2,880	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	1,533,779	1,375,155	157,656	16	62	889	0	0
16	SALES		PAGE 19	176,183	157,962	18,110	1	7	102	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>11,536,142</u>	<u>9,043,697</u>	<u>1,924,819</u>	<u>1,329</u>	<u>20,600</u>	<u>545,699</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>25,079,412</u>	<u>19,923,859</u>	<u>3,939,318</u>	<u>2,666</u>	<u>41,068</u>	<u>1,172,501</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			32,282,969	25,287,434	5,476,172	3,602	57,053	1,458,707	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 71 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7CUST	2,510,855	1,870,411	434,981	402	7,056	198,006	0	0
2	408	TAXES BASED ON PAYROLL	12CUST	503,473	374,871	107,416	65	1,118	20,003	0	0
3	408	OTHER TAXES	12CUST	0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		3,014,328	2,245,282	542,397	467	8,174	218,009	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 72 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		(1,396,419)	(7,168,891)	4,205,704	9,250	222,111	1,335,401	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		3,100,006	2,220,764	568,738	581	12,136	297,787	0	0
4		TAX ACCELERATED DEPRECIATION	19CUST	8,859,024	6,599,353	1,534,737	1,417	24,894	698,623	0	0
5		BOOK DEPRECIATION		<u>10,581,166</u>	<u>8,281,951</u>	<u>1,699,727</u>	<u>1,137</u>	<u>14,865</u>	<u>583,489</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		(1,722,142)	(1,682,598)	(164,990)	280	10,029	115,134	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12CUST	<u>(3,818)</u>	<u>(2,843)</u>	<u>(815)</u>	<u>0</u>	<u>(8)</u>	<u>(152)</u>	<u>0</u>	<u>0</u>
8		TOTAL RECONCILING ITEMS		<u>1,374,046</u>	<u>535,323</u>	<u>402,933</u>	<u>861</u>	<u>22,157</u>	<u>412,769</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(2,770,465)	(7,704,214)	3,802,771	8,389	199,954	922,632	0	0
10		STATE INCOME TAX @ 6.00%		(166,227)	(462,250)	228,165	503	11,997	55,358	0	0
11		PLUS: FOREIGN TAX PAYMENTS	19CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(166,227)	(462,250)	228,165	503	11,997	55,358	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 73 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE	19CUST	(10,323)	(7,690)	(1,788)	(2)	(29)	(814)	0	0
4		TOTAL DEFERRED INCOME TAX		(10,323)	(7,690)	(1,788)	(2)	(29)	(814)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(176,550)	(469,940)	226,377	501	11,968	54,544	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 74 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		45,255,368	29,221,848	12,057,971	14,579	304,376	3,656,591	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>46,651,787</u>	<u>36,390,739</u>	<u>7,852,267</u>	<u>5,329</u>	<u>82,265</u>	<u>2,321,190</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		(1,396,419)	(7,168,891)	4,205,704	9,250	222,111	1,335,401	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		3,100,006	2,220,764	568,738	581	12,136	297,787	0	0
6		EXCESS OF BOOK OVER TAX S/L	19CUST	8,859,024	6,599,353	1,534,737	1,417	24,894	698,623	0	0
7		BOOK DEPRECIATION		<u>10,581,166</u>	<u>8,281,951</u>	<u>1,699,727</u>	<u>1,137</u>	<u>14,865</u>	<u>583,489</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		(1,722,142)	(1,682,598)	(164,990)	280	10,029	115,134	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12CUST	(3,818)	(2,843)	(815)	0	(8)	(152)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(166,227)</u>	<u>(462,250)</u>	<u>228,165</u>	<u>503</u>	<u>11,997</u>	<u>55,358</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		1,207,819	73,073	631,098	1,364	34,154	468,127	0	0
12		TAXABLE INCOME		(2,604,238)	(7,241,964)	3,574,606	7,886	187,957	867,274	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(885,441)	(2,462,268)	1,215,366	2,681	63,905	294,873	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(885,441)	(2,462,268)	1,215,366	2,681	63,905	294,873	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 75 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC	19CUST	21,705	16,169	3,760	3	61	1,712	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19CUST	<u>(33,095)</u>	<u>(24,653)</u>	<u>(5,733)</u>	<u>(5)</u>	<u>(93)</u>	<u>(2,610)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(33,095)</u>	<u>(24,653)</u>	<u>(5,733)</u>	<u>(5)</u>	<u>(93)</u>	<u>(2,610)</u>	<u>0</u>	<u>0</u>
6		TOTAL DEFERRED INCOME TAX		<u>(54,800)</u>	<u>(40,822)</u>	<u>(9,493)</u>	<u>(8)</u>	<u>(154)</u>	<u>(4,322)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		(940,241)	(2,503,090)	1,205,873	2,673	63,751	290,551	0	0

CUSTOMER RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE BASE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 76 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL CUSTOMER	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		265,781,137	197,988,638	46,044,307	41,698	745,998	20,960,523	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>103,735,997</u>	<u>80,801,654</u>	<u>16,749,050</u>	<u>12,330</u>	<u>156,317</u>	<u>6,016,654</u>	<u>0</u>	<u>0</u>
3		NET PLANT		162,045,140	117,186,984	29,295,257	29,368	589,681	14,943,869	0	0
4	190.00	ACCUMULATED DEF INCOME TAX	19CUST	3,269,065	2,435,225	566,333	523	9,186	257,798	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES	20	0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19CUST	0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19CUST	52,300,253	38,960,027	9,060,496	8,368	146,964	4,124,398	0	0
8	283.00	ACCUMULATED DEF INCOME TAX	19CUST	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		113,013,952	80,662,182	20,801,094	21,523	451,903	11,077,269	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		4,035,371	3,160,929	684,522	450	7,132	182,338	0	0
13	151.00	FUEL STOCK	2	0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7CUST	49,777	37,080	8,623	8	140	3,925	0	0
15	165.00	PREPAYMENTS	13CUST	325,358	259,658	48,859	36	530	16,274	0	0
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
17		RATE BASE		117,424,458	84,119,849	21,543,098	22,017	459,705	11,279,806	0	0
		REFERENCES: [1] PAGE 57, [2] PAGE 59,									
		[3] TOTAL O & M EXPENSE		32,282,969	25,287,434	5,476,172	3,602	57,053	1,458,707	0	0
		LESS: COST OF GAS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		O & M EXCL. GAS COST		32,282,969	25,287,434	5,476,172	3,602	57,053	1,458,707	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT CEN-3

ALLOCATION FACTORS

PAGE 77 OF 129

CUSTOMER RELATED
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	TOTAL CUSTOMER (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (K)
1	DESIGN DAY EXCL. DS-ML	1	100.000%	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
4	THROUGHPUT EXCL MLS	4	100.000%	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
5	COMPOSIT OF ALLOC #1 & #4	5	100.000%	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
6	AVERAGE NO. OF CUSTOMERS	6	100.000%	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387	7CUST	100.000%	74.493%	17.324%	0.016%	0.281%	7.886%	0.000%	0.000%
8	TOTAL PLANT ACCOUNT 385	8	100.000%	0.000%	20.761%	0.023%	20.081%	59.135%	0.000%	0.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
10	OTHER DIST. EXP - LABOR	10CUST	100.000%	71.861%	23.223%	0.015%	0.259%	4.642%	0.000%	0.000%
11	OTHER DIST. EXP EXCL - M & E	11CUST	100.000%	72.420%	18.570%	0.018%	0.282%	8.710%	0.000%	0.000%
12	O & M EXCL A & G - LABOR	12CUST	100.000%	74.457%	21.335%	0.013%	0.222%	3.973%	0.000%	0.000%
13	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	13CUST	100.000%	79.807%	15.017%	0.011%	0.163%	5.002%	0.000%	0.000%
14	ACCT 376/380 - MAINS/SERVICES	14CUST	100.000%	76.762%	15.073%	0.015%	0.002%	8.148%	0.000%	0.000%
15	DIRECT PLANT ACCT 380	15	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
16	DIRECT PLANT ACCTS 381	16	100.000%	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
17	DIRECT PLANT ACCT 385	17	100.000%	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
18	ACCOUNT 376 MAINS - COMPOSITE/PLANT	18CUST	100.000%	56.385%	21.569%	0.041%	0.005%	22.000%	0.000%	0.000%
19	TOTAL PLANT	19CUST	100.000%	74.493%	17.324%	0.016%	0.281%	7.886%	0.000%	0.000%
20	AVG DEM/COM #5 & CUS/DEM #3	20	100.000%	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
21	UNCOLLECTIBLES	21	100.000%	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 78 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		29,879,484	19,190,060	9,919,419	27,725	57,041	685,240	0	0
2		PROPOSED INCREASE		<u>3,019,237</u>	<u>1,960,649</u>	<u>803,537</u>	<u>1,001</u>	<u>300</u>	<u>253,750</u>	<u>0</u>	<u>0</u>
3		TOTAL PROPOSED REVENUES		32,898,721	21,150,709	10,722,956	28,726	57,341	938,990	0	0
4		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
5		OPERATING & MAINTENANCE EXPENSE		4,953,608	2,798,295	1,150,175	2,440	218	1,002,480	0	0
6		DEPRECIATION & AMORTIZATION		1,696,054	956,201	365,777	694	298	373,084	0	0
7		FEDERAL INCOME TAX		839,909	763,476	353,022	(98)	17,954	(294,445)	0	0
8		KENTUCKY STATE INCOME TAX		152,401	139,904	64,870	(21)	3,370	(55,722)	0	0
9		TAXES OTHER THAN INCOME		<u>661,123</u>	<u>371,253</u>	<u>142,737</u>	<u>272</u>	<u>147</u>	<u>146,714</u>	<u>0</u>	<u>0</u>
10		TOTAL EXPENSES & TAXES		29,779,045	18,836,224	9,720,428	28,296	21,987	1,172,111	0	0
11		OPERATING INCOME		3,119,676	2,314,485	1,002,528	430	35,354	(233,121)	0	0
12		INTEREST EXPENSE		<u>920,041</u>	<u>518,674</u>	<u>198,691</u>	<u>379</u>	<u>248</u>	<u>202,049</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		2,199,635	1,795,811	803,837	51	35,106	(435,170)	0	0
14		RATE BASE		34,849,993	19,646,743	7,526,177	14,339	9,382	7,653,353	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.95%	11.78%	13.32%	3.00%	376.83%	-3.05%	0.00%	0.00%
16		UNITIZED RETURN		1.00	1.40	1.58	0.36	44.81	(0.36)	0.00	0.00

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 79 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		32,586,266	20,054,720	10,111,274	30,011	132	2,390,121	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		4,950,131	2,786,093	1,143,364	2,454	(418)	1,018,638	0	0
4		DEPRECIATION & AMORTIZATION		1,696,059	956,201	365,777	694	298	373,084	0	0
5		FEDERAL INCOME TAX		738,252	406,911	154,019	320	(659)	177,661	0	0
6		KENTUCKY STATE INCOME TAX		133,863	74,877	28,578	56	(25)	30,377	0	0
7		TAXES OTHER THAN INCOME		<u>661,123</u>	<u>371,253</u>	<u>142,737</u>	<u>272</u>	<u>147</u>	<u>146,714</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		29,655,378	18,402,430	9,478,322	28,805	(657)	1,746,474	0	0
9		OPERATING INCOME		2,930,887	1,652,290	632,952	1,206	789	643,647	0	0
10		INTEREST EXPENSE		<u>920,041</u>	<u>518,674</u>	<u>198,691</u>	<u>379</u>	<u>248</u>	<u>202,049</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		2,010,846	1,133,616	434,261	827	541	441,598	0	0
12		RATE BASE		34,849,993	19,646,743	7,526,177	14,339	9,382	7,653,353	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.41%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 80 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total COMMODITY (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		2,706,782	864,661	191,855	2,286	(56,909)	1,704,881	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		24,993	7,984	1,771	21	(525)	15,742	0	0
4	LESS: PSC FEES @ 0.00190100		<u>5,146</u>	<u>1,644</u>	<u>365</u>	<u>4</u>	<u>(108)</u>	<u>3,241</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		2,676,643	855,033	189,719	2,261	(56,276)	1,685,898	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>160,599</u>	<u>51,302</u>	<u>11,383</u>	<u>136</u>	<u>(3,377)</u>	<u>101,154</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		2,516,044	803,731	178,336	2,125	(52,899)	1,584,744	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>880,612</u>	<u>281,306</u>	<u>62,417</u>	<u>744</u>	<u>(18,515)</u>	<u>554,660</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		1,635,432	522,425	115,919	1,381	(34,384)	1,030,084	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 81 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		29,879,484	19,190,060	9,919,419	27,725	57,041	685,240	0	0
2		COST OF GAS		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		4,919,993	2,776,465	1,141,228	2,429	215	999,655	0	0
4		DEPRECIATION & AMORTIZATION [3]		1,696,059	956,201	365,777	694	298	373,084	0	0
5		FEDERAL INCOME TAX [4]		(142,361)	125,605	91,602	(424)	17,856	(376,999)	0	0
6		KENTUCKY STATE INCOME TAX [5]		(26,735)	23,575	17,195	(80)	3,352	(70,777)	0	0
7		TAXES OTHER THAN INCOME [6]		<u>661,123</u>	<u>371,253</u>	<u>142,737</u>	<u>272</u>	<u>147</u>	<u>146,714</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		28,584,029	18,060,194	9,402,386	27,900	21,868	1,071,677	0	0
9		OPERATING INCOME		1,295,455	1,129,866	517,033	(175)	35,173	(386,437)	0	0
10		INTEREST EXPENSE [7]		<u>920,040</u>	<u>518,674</u>	<u>198,691</u>	<u>379</u>	<u>248</u>	<u>202,049</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		375,415	611,192	318,342	(554)	34,925	(588,486)	0	0
12		RATE BASE [8]		34,849,993	19,646,743	7,526,177	14,339	9,382	7,653,353	0	0
13		RATE OF RETURN EARNED ON RATE BASE		3.72%	5.75%	6.87%	-1.22%	374.90%	-5.05%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.55	1.85	(0.33)	100.78	(1.36)	0.00	0.00

REFERENCES: [1] PAGE 88, [2] PAGE 96, [3] PAGE 87, [4] PAGE 101, [5] PAGE 99, [6] PAGE 97, [7] PAGE 100, [8] PAGE 102.

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 83 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS	16	0	0	0	0	0	0	0	0
3	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
4	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
6	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
8	387.20	ODORIZATION	7COMM	0	0	0	0	0	0	0	0
9	387.41	TELEPHONE	7COMM	106,968	60,302	23,068	44	26	23,529	0	0
10	387.42	RADIO	7COMM	115,606	65,172	24,930	47	28	25,429	0	0
11	387.44	OTHER COMMUNICATION	7COMM	19,422	10,949	4,188	8	5	4,272	0	0
12	387.45	TELEMETERING	7COMM	549,485	309,767	118,496	225	132	120,865	0	0
13	387.46	CIS	7COMM	<u>16,522</u>	<u>9,314</u>	<u>3,563</u>	<u>7</u>	<u>4</u>	<u>3,634</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		61,569,680	34,709,455	13,277,352	25,236	14,983	13,542,655	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC	7COMM	106,896	60,262	23,052	44	26	23,513	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND	7COMM	2,736	1,542	590	1	1	602	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7COMM	182,839	103,074	39,429	75	44	40,217	0	0
19	392.20	TR EQ - TRAILER > \$1,000	7COMM	13,924	7,850	3,003	6	3	3,063	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7COMM	3,556	2,005	767	1	1	782	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7COMM	3,524	1,987	760	1	1	775	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7COMM	0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7COMM	473,805	267,103	102,176	194	114	104,218	0	0
26	395.00	LABORATORY EQUIPMENT	7COMM	1,346	759	290	1	0	296	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7COMM	36,801	20,746	7,936	15	9	8,095	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7COMM	0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7COMM	<u>42,751</u>	<u>24,100</u>	<u>9,219</u>	<u>18</u>	<u>10</u>	<u>9,404</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>868,178</u>	<u>489,428</u>	<u>187,222</u>	<u>356</u>	<u>209</u>	<u>190,965</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		63,661,423	35,888,655	13,728,435	26,093	15,486	14,002,756	0	0

COMMODITY RELATED			COLUMBIA GAS OF KENTUCKY, INC.							ATTACHMENT CEN-3	
AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY			GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC							PAGE 85 OF 129	
FORECASTED TEST YEAR - ORIGINAL FILING			FOR THE TWELVE MONTHS ENDED 12/31/2017							WITNESS: C. NOTESTONE	
LINE	ACCT		ALLOC	TOTAL							
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7COMM	(8,710)	(4,910)	(1,878)	(4)	(2)	(1,916)	0	0
8	387.41	TELEPHONE	7COMM	58,126	32,768	12,535	24	14	12,785	0	0
9	387.42	RADIO	7COMM	82,492	46,504	17,789	34	20	18,145	0	0
10	387.44	OTHER COMMUNICATION	7COMM	7,364	4,151	1,588	3	2	1,620	0	0
11	387.45	TELEMETERING	7COMM	76,982	43,398	16,601	32	18	16,933	0	0
12	387.46	CIS	7COMM	<u>16,625</u>	<u>9,372</u>	<u>3,585</u>	<u>7</u>	<u>4</u>	<u>3,657</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		16,898,201	9,526,799	3,644,271	6,928	3,114	3,717,091	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7COMM	(4,834)	(2,725)	(1,042)	(2)	(1)	(1,063)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7COMM	(1,651)	(931)	(356)	(1)	0	(363)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7COMM	109,056	61,479	23,518	45	26	23,988	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7COMM	3,930	2,215	848	2	1	864	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7COMM	917	517	198	0	0	202	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7COMM	2,195	1,237	473	1	1	483	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7COMM	5,515	3,109	1,189	2	1	1,213	0	0
22	393.00	STORES EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7COMM	27	15	6	0	0	6	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7COMM	193,795	109,250	41,792	79	47	42,627	0	0
25	395.00	LABORATORY EQUIPMENT	7COMM	1,129	636	243	0	0	248	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7COMM	29,454	16,604	6,352	12	7	6,479	0	0
27		RETIREMENT WORK IN PROGRESS	7COMM	0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7COMM	<u>1,758</u>	<u>991</u>	<u>379</u>	<u>1</u>	<u>0</u>	<u>387</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>341,291</u>	<u>192,397</u>	<u>73,600</u>	<u>139</u>	<u>82</u>	<u>75,071</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		17,744,498	10,003,889	3,826,776	7,274	3,317	3,903,243	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 87 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7COMM	0	0	0	0	0	0	0	0
8	387.41	TELEPHONE	7COMM	4,000	2,255	863	2	1	880	0	0
9	387.42	RADIO	7COMM	4,323	2,437	932	2	1	951	0	0
10	387.44	OTHER COMMUNICATION	7COMM	726	409	157	0	0	160	0	0
11	387.45	TELEMETERING	7COMM	20,474	11,542	4,415	8	5	4,503	0	0
12	387.46	CIS	7COMM	<u>618</u>	<u>348</u>	<u>133</u>	<u>0</u>	<u>0</u>	<u>136</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		1,444,029	814,123	311,427	591	238	317,648	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7COMM	5,315	2,996	1,146	2	1	1,169	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7COMM	183	103	39	0	0	40	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7COMM	36,839	20,768	7,944	15	9	8,103	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7COMM	1,274	718	275	1	0	280	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7COMM	326	184	70	0	0	72	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7COMM	141	79	30	0	0	31	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7COMM	0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7COMM	0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7COMM	18,850	10,626	4,065	8	5	4,146	0	0
25	395.00	LABORATORY EQUIPMENT	7COMM	68	38	15	0	0	15	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7COMM	953	537	206	0	0	210	0	0
27	398.00	MISCELLANEOUS EQUIPMENT	7COMM	<u>2,850</u>	<u>1,607</u>	<u>615</u>	<u>1</u>	<u>1</u>	<u>627</u>	<u>0</u>	<u>0</u>
28		TOTAL GENERAL PLANT		66,799	37,656	14,405	27	16	14,693	0	0
29		TOTAL DEPRECIATION EXPENSE		1,696,059	956,201	365,777	694	298	373,084	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 88 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		18,078,959	18,078,959	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		8,461,783	0	8,461,783	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		672,355	0	644,630	27,725	0	0	0	0
5		TOTAL SALES REVENUE		27,213,096	18,078,959	9,106,413	27,725	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		70,693	36,367	34,326	0	0	0	0	0
7	488.00	MISC. SERVICE REVENUE	6	0	0	0	0	0	0	0	0
8	489.00	REVENUE FROM TRANSPORTATION - GS - Residential		2,595,695	1,074,734	778,680	0	57,041	685,240	0	0
9	495.00	OTHER	6	0	0	0	0	0	0	0	0
10		TOTAL OTHER GAS DEPT REVENUE		2,666,388	1,111,101	813,006	0	57,041	685,240	0	0
11		TOTAL OPERATING REVENUE		29,879,484	19,190,060	9,919,419	27,725	57,041	685,240	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 PRODUCTION EXPENSE ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 89 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING EXPENSES									
2		PRODUCTION EXPENSES - OPERATION									
3	717	LIQUE PETRO GAS EXP - LABOR	2	0	0	0	0	0	0	0	0
4	717	LIQUE PETRO GAS EXP - M&E	2	0	0	0	0	0	0	0	0
5	723	LIQUIFIED PETROLEUM GAS PROCESS	2	0	0	0	0	0	0	0	0
6	728	LIQUIFIED PETROLEUM GAS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7		TOTAL OPERATION		0	0	0	0	0	0	0	0
8		PRODUCTION EXPENSES - MAINTENANCE									
9	741	STRUCTURES & IMPROV - LABOR	2	0	0	0	0	0	0	0	0
10	741	STRUCTURES & IMPROV - M&E	2	0	0	0	0	0	0	0	0
11	742	PRODUCTION EQUIPMENT - LABOR	2	0	0	0	0	0	0	0	0
12	742	PRODUCTION EQUIPMENT - M&E	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13		TOTAL MAINTENANCE		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
14		TOTAL MANUFACTURED GAS		0	0	0	0	0	0	0	0
15		OTHER GAS SUPPLIES EXPENSE									
16	803 - 806										
17	& 808	COST OF GAS @ CITY GATE		21,475,950	13,807,095	7,643,847	25,009	0	0	0	0
18	807	OTHER PURCHASED GAS - LABOR	9	0	0	0	0	0	0	0	0
19	807	OTHER PURCHASED GAS - M & E	9	341,557	219,590	121,570	396	0	0	0	0
20	812	GAS USED IN OPERATIONS	9	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL OTHER GAS SUPPLIES EXP		<u>21,817,507</u>	<u>14,026,685</u>	<u>7,765,417</u>	<u>25,405</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22		TOTAL PRODUCTION EXPENSE		21,817,507	14,026,685	7,765,417	25,405	0	0	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 90 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	10COMM	10,022	5,407	2,189	4	1	2,422	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	66,644	22,273	16,093	32	0	28,246	0	0
4	874	MAINS & SERVICES	14COMM	273,886	154,431	59,074	112	14	60,255	0	0
5	875	M & R - GENERAL	18COMM	20,587	11,608	4,440	8	1	4,529	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	0	0	0	0	0	0	0	0
9	880	OTHER	10COMM	56,348	30,399	12,308	24	3	13,615	0	0
10	881	RENTS	10COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		427,487	224,118	94,104	180	19	109,067	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	10COMM	889	480	194	0	0	215	0	0
14	886	STRUCTURES & IMPROVEMENTS	18COMM	627	354	135	0	0	138	0	0
15	887	MAINS	18COMM	231,589	130,581	49,951	95	12	50,950	0	0
16	889	M & R - GENERAL	18COMM	34,649	19,537	7,473	14	2	7,623	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	10COMM	<u>12,769</u>	<u>6,889</u>	<u>2,789</u>	<u>5</u>	<u>1</u>	<u>3,085</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		280,523	157,841	60,542	114	15	62,011	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVEMONTHSENDED12/31/2017

ATTACHMENT CEN-3
 PAGE 92 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		708,010	381,959	154,646	294	34	171,078	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	12COMM	145,871	78,694	31,861	61	7	35,247	0	0
10	921	OFFICE SUPPLIES & EXPENSES	12COMM	0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12COMM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	12COMM	423	228	92	0	0	102	0	0
13	924	PROPERTY INSURANCE	12COMM	0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES	12COMM	0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12COMM	0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12COMM	0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12COMM	0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL	12COMM	0	0	0	0	0	0	0	0
19	931	RENTS	12COMM	0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12COMM	0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
22		FURNITURE & EQUIPMENT	12COMM	0	0	0	0	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12COMM	0	0	0	0	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		146,294	78,922	31,953	61	7	35,349	0	0
25		TOTAL O & M EXPENSE - LABOR		854,304	460,881	186,599	355	41	206,427	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 93 OF 129
 WITNESS: C. NOTESTONE

LINE	ACCT	ALLOC	TOTAL								
NO.	NO.	ACCOUNT TITLE	FACTOR	COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	11COMM	122,901	68,978	26,544	50	6	27,322	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	17,885	5,977	4,319	9	0	7,580	0	0
4	874	MAINS & SERVICES	14COMM	883,217	498,002	190,501	362	44	194,308	0	0
5	875	M & R - GENERAL	18COMM	29,595	16,687	6,383	12	1	6,511	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	0	0	0	0	0	0	0	0
9	880	OTHER	11COMM	190,043	106,662	41,045	78	10	42,248	0	0
10	881	RENTS	11COMM	<u>12,888</u>	<u>7,233</u>	<u>2,784</u>	<u>5</u>	<u>1</u>	<u>2,865</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		1,256,529	703,539	271,576	516	62	280,834	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11COMM	403	226	87	0	0	90	0	0
14	886	STRUCTURES & IMPROVEMENTS	18COMM	62,960	35,500	13,580	26	3	13,851	0	0
15	887	MAINS	18COMM	550,519	310,410	118,741	226	28	121,114	0	0
16	889	M & R - GENERAL	18COMM	36,184	20,402	7,805	15	2	7,960	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	11COMM	<u>31,307</u>	<u>17,571</u>	<u>6,762</u>	<u>13</u>	<u>2</u>	<u>6,960</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		681,373	384,109	146,975	280	35	149,975	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 95 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		1,937,902	1,087,648	418,551	796	97	430,809	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13COMM	317,953	182,343	75,339	165	13	60,093	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13COMM	95,934	55,017	22,732	50	4	18,132	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13COMM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13COMM	761,784	436,876	180,505	396	30	143,977	0	0
13	924	PROPERTY INSURANCE	13COMM	8,771	5,030	2,078	5	0	1,658	0	0
14	925	INJURIES AND DAMAGES	12COMM	112,010	60,427	24,465	47	6	27,065	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12COMM	359,601	193,998	78,544	151	18	86,890	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13COMM	21,219	12,169	5,028	11	1	4,010	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13COMM	18,904	10,841	4,479	10	1	3,573	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13COMM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13COMM	(6,666)	(3,823)	(1,580)	(3)	0	(1,260)	0	0
21	931	RENTS	13COMM	68,903	39,515	16,327	36	3	13,023	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13COMM	14	8	3	0	0	3	0	0
23	935.23	MAINT. - GEN'L OFFICE									
24		FURNITURE & EQUIPMENT	13COMM	0	0	0	0	0	0	0	0
25	932	MAINT.-MISCELLANEOUS	13COMM	27,803	15,945	6,588	14	1	5,255	0	0
26		TOTAL ADMIN & GENERAL - M & E		1,786,230	1,008,346	414,508	882	77	362,419	0	0
27		TOTAL O & M EXPENSE - M & E		4,065,689	2,315,584	954,629	2,074	174	793,228	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 96 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	427,487	224,118	94,104	180	19	109,067	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	280,523	157,841	60,542	114	15	62,011	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	0	0	0	0	0	0	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	0	0	0	0	0	0	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>146,294</u>	<u>78,922</u>	<u>31,953</u>	<u>61</u>	<u>7</u>	<u>35,349</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			854,304	460,881	186,599	355	41	206,427	0	0
10	M & E										
11	PRODUCTION		PAGE 13	341,557	219,590	121,570	396	0	0	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	1,256,529	703,539	271,576	516	62	280,834	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	681,373	384,109	146,975	280	35	149,975	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	0	0	0	0	0	0	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	0	0	0	0	0	0	0	0
16	SALES		PAGE 19	0	0	0	0	0	0	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>1,786,230</u>	<u>1,008,346</u>	<u>414,508</u>	<u>882</u>	<u>77</u>	<u>362,419</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>4,065,689</u>	<u>2,315,584</u>	<u>954,629</u>	<u>2,074</u>	<u>174</u>	<u>793,228</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			4,919,993	2,776,465	1,141,228	2,429	215	999,655	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 97 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7COMM	601,414	339,041	129,695	247	144	132,287	0	0
2	408	TAXES BASED ON PAYROLL	12COMM	59,709	32,212	13,042	25	3	14,427	0	0
3	408	OTHER TAXES	12COMM	0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		661,123	371,253	142,737	272	147	146,714	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 98 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		1,126,359	1,279,046	625,830	(679)	56,381	(834,213)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		920,040	518,674	198,691	379	248	202,049	0	0
4		TAX ACCELERATED DEPRECIATION	19COMM	2,121,964	1,196,236	457,602	870	509	466,747	0	0
5		BOOK DEPRECIATION		<u>1,510,828</u>	<u>851,779</u>	<u>325,832</u>	<u>618</u>	<u>254</u>	<u>332,341</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		611,136	344,457	131,770	252	255	134,406	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12COMM	<u>(453)</u>	<u>(244)</u>	<u>(99)</u>	<u>0</u>	<u>0</u>	<u>(109)</u>	<u>0</u>	<u>0</u>
8		TOTAL RECONCILING ITEMS		<u>1,530,723</u>	<u>862,887</u>	<u>330,362</u>	<u>631</u>	<u>503</u>	<u>336,346</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		(404,364)	416,159	295,468	(1,310)	55,878	(1,170,559)	0	0
10		STATE INCOME TAX @ 6.00%		(24,262)	24,969	17,728	(79)	3,353	(70,233)	0	0
11		PLUS: FOREIGN TAX PAYMENTS	19COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		(24,262)	24,969	17,728	(79)	3,353	(70,233)	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 99 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE	19COMM	(2,473)	(1,394)	(533)	(1)	(1)	(544)	0	0
4		TOTAL DEFERRED INCOME TAX		(2,473)	(1,394)	(533)	(1)	(1)	(544)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		(26,735)	23,575	17,195	(80)	3,352	(70,777)	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 100 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		29,879,484	19,190,060	9,919,419	27,725	57,041	685,240	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>28,753,125</u>	<u>17,911,014</u>	<u>9,293,589</u>	<u>28,404</u>	<u>660</u>	<u>1,519,453</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		1,126,359	1,279,046	625,830	(679)	56,381	(834,213)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		920,040	518,674	198,691	379	248	202,049	0	0
6		EXCESS OF BOOK OVER TAX S/L	19COMM	2,121,964	1,196,236	457,602	870	509	466,747	0	0
7		BOOK DEPRECIATION		<u>1,510,828</u>	<u>851,779</u>	<u>325,832</u>	<u>618</u>	<u>254</u>	<u>332,341</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		611,136	344,457	131,770	252	255	134,406	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12COMM	(453)	(244)	(99)	0	0	(109)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>(24,262)</u>	<u>24,969</u>	<u>17,728</u>	<u>(79)</u>	<u>3,353</u>	<u>(70,233)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		1,506,461	887,856	348,090	552	3,856	266,113	0	0
12		TAXABLE INCOME		(380,102)	391,190	277,740	(1,231)	52,525	(1,100,326)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		(129,235)	133,005	94,432	(419)	17,859	(374,111)	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		(129,235)	133,005	94,432	(419)	17,859	(374,111)	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 101 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC	19COMM	5,199	2,931	1,121	2	1	1,144	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19COMM	<u>(7,927)</u>	<u>(4,469)</u>	<u>(1,709)</u>	<u>(3)</u>	<u>(2)</u>	<u>(1,744)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(7,927)</u>	<u>(4,469)</u>	<u>(1,709)</u>	<u>(3)</u>	<u>(2)</u>	<u>(1,744)</u>	<u>0</u>	<u>0</u>
6		TOTAL DEFERRED INCOME TAX		<u>(13,126)</u>	<u>(7,400)</u>	<u>(2,830)</u>	<u>(5)</u>	<u>(3)</u>	<u>(2,888)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		(142,361)	125,605	91,602	(424)	17,856	(376,999)	0	0

COMMODITY RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE BASE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 102 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL COMMODITY	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED (J)	NOT USED (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		63,661,423	35,888,655	13,728,435	26,093	15,486	14,002,756	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>17,744,498</u>	<u>10,003,889</u>	<u>3,826,776</u>	<u>7,274</u>	<u>3,317</u>	<u>3,903,243</u>	<u>0</u>	<u>0</u>
3		NET PLANT		45,916,925	25,884,766	9,901,659	18,819	12,169	10,099,513	0	0
4	190.00	ACCUMULATED DEF INCOME TAX	19COMM	783,025	441,423	168,859	321	188	172,234	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES	20	0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19COMM	0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19COMM	12,527,257	7,062,116	2,701,503	5,136	3,007	2,755,495	0	0
8	283.00	ACCUMULATED DEF INCOME TAX	19COMM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		34,172,693	19,264,073	7,369,015	14,004	9,350	7,516,252	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		614,999	347,058	142,654	304	27	124,957	0	0
13	151.00	FUEL STOCK	2	0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7COMM	11,923	6,721	2,571	5	3	2,623	0	0
15	165.00	PREPAYMENTS	13COMM	50,378	28,891	11,937	26	2	9,521	0	0
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
17		RATE BASE		34,849,993	19,646,743	7,526,177	14,339	9,382	7,653,353	0	0
		REFERENCES: [1] PAGE 83, [2] PAGE 85,									
		[3] TOTAL O & M EXPENSE		26,395,943	16,583,560	8,785,075	27,438	215	999,655	0	0
		LESS: COST OF GAS		<u>21,475,950</u>	<u>13,807,095</u>	<u>7,643,847</u>	<u>25,009</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		O & M EXCL. GAS COST		4,919,993	2,776,465	1,141,228	2,429	215	999,655	0	0

COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT CEN-3

ALLOCATION FACTORS

PAGE 103 OF 129

COMMODITY RELATED
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	TOTAL COMMODITY (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (K)
1	DESIGN DAY EXCL. DS-ML	1	100.000%	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
4	THROUGHPUT EXCL MLS	4	100.000%	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
5	COMPOSIT OF ALLOC #1 & #4	5	100.000%	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
6	AVERAGE NO. OF CUSTOMERS	6	100.000%	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387	7COMM	100.000%	56.374%	21.565%	0.041%	0.024%	21.996%	0.000%	0.000%
8	TOTAL PLANT ACCOUNT 385	8	100.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	64.291%	35.593%	0.116%	0.000%	0.000%	0.000%	0.000%
10	OTHER DIST. EXP - LABOR	10COMM	100.000%	53.948%	21.842%	0.042%	0.005%	24.163%	0.000%	0.000%
11	OTHER DIST. EXP EXCL - M & E	11COMM	100.000%	56.125%	21.598%	0.041%	0.005%	22.231%	0.000%	0.000%
12	O & M EXCL A & G - LABOR	12COMM	100.000%	53.948%	21.842%	0.042%	0.005%	24.163%	0.000%	0.000%
13	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	13COMM	100.000%	57.349%	23.695%	0.052%	0.004%	18.900%	0.000%	0.000%
14	ACCT 376/380 - MAINS/SERVICES	14COMM	100.000%	56.385%	21.569%	0.041%	0.005%	22.000%	0.000%	0.000%
15	DIRECT PLANT ACCT 380	15	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
16	DIRECT PLANT ACCTS 381	16	100.000%	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
17	DIRECT PLANT ACCT 385	17	100.000%	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
18	ACCOUNT 376 MAINS - COMPOSITE/PLANT	18COMM	100.000%	56.385%	21.569%	0.041%	0.005%	22.000%	0.000%	0.000%
19	TOTAL PLANT	19COMM	100.000%	56.374%	21.565%	0.041%	0.024%	21.996%	0.000%	0.000%
20	AVG DEM/COM #5 & CUS/DEM #3	20	100.000%	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
21	UNCOLLECTIBLES	21	100.000%	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ PROPOSED RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 104 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		17,547,315	11,267,914	4,707,895	5,777	120,318	1,445,411	0	0
2		PROPOSED INCREASE		<u>6,602,443</u>	<u>4,343,133</u>	<u>1,737,464</u>	<u>2,001</u>	<u>(288)</u>	<u>520,132</u>	<u>0</u>	<u>0</u>
3		TOTAL PROPOSED REVENUES		24,149,757	15,611,047	6,445,359	7,778	120,030	1,965,543	0	0
4		COST OF GAS		0	0	0	0	0	0	0	0
5		OPERATING & MAINTENANCE EXPENSE		7,965,582	4,498,472	1,722,168	3,257	391	1,741,294	0	0
6		DEPRECIATION & AMORTIZATION		2,889,236	1,628,893	623,100	1,183	509	635,551	0	0
7		FEDERAL INCOME TAX		2,746,168	2,173,459	933,976	274	37,712	(399,253)	0	0
8		KENTUCKY STATE INCOME TAX		504,015	400,446	172,305	48	7,080	(75,864)	0	0
9		TAXES OTHER THAN INCOME		<u>1,115,430</u>	<u>628,822</u>	<u>240,547</u>	<u>457</u>	<u>251</u>	<u>245,353</u>	<u>0</u>	<u>0</u>
10		TOTAL EXPENSES & TAXES		15,220,431	9,330,092	3,692,096	5,219	45,943	2,147,081	0	0
11		OPERATING INCOME		8,929,326	6,280,955	2,753,264	2,559	74,087	(181,538)	0	0
12		INTEREST EXPENSE		<u>2,668,680</u>	<u>1,554,790</u>	<u>748,342</u>	<u>1,623</u>	<u>422</u>	<u>363,503</u>	<u>0</u>	<u>0</u>
13		INCOME AVAILABLE FOR COMMON EQUITY		6,260,646	4,726,165	2,004,922	936	73,665	(545,041)	0	0
14		RATE BASE		101,086,329	58,893,543	28,346,269	61,488	15,985	13,769,041	0	0
15		RATE OF RETURN AUTHORIZED ON RATE BASE		8.83%	10.66%	9.71%	4.16%	463.47%	-1.32%	0.00%	0.00%
16		UNITIZED RETURN		1.00	1.27	1.15	0.49	55.11	(0.16)	0.00	0.00

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY RATE SCHEDULE - @ AUTHORIZED RETURN
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 105 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES		23,441,435	13,413,075	5,834,065	12,101	(366)	4,182,560	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE		7,957,696	4,473,999	1,715,362	3,305	(949)	1,765,979	0	0
4		DEPRECIATION & AMORTIZATION		2,889,238	1,628,893	623,100	1,183	509	635,551	0	0
5		FEDERAL INCOME TAX		2,515,726	1,458,378	735,100	1,681	(1,457)	322,024	0	0
6		KENTUCKY STATE INCOME TAX		461,990	270,037	136,036	304	(63)	55,676	0	0
7		TAXES OTHER THAN INCOME		<u>1,115,430</u>	<u>628,822</u>	<u>240,547</u>	<u>457</u>	<u>251</u>	<u>245,353</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		14,940,080	8,460,129	3,450,145	6,930	(1,709)	3,024,583	0	0
9		OPERATING INCOME		8,501,355	4,952,947	2,383,921	5,171	1,343	1,157,977	0	0
10		INTEREST EXPENSE		<u>2,668,680</u>	<u>1,554,790</u>	<u>748,342</u>	<u>1,623</u>	<u>422</u>	<u>363,503</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		5,832,675	3,398,157	1,635,579	3,548	921	794,474	0	0
12		RATE BASE		101,086,329	58,893,543	28,346,269	61,488	15,985	13,769,041	0	0
13		RATE OF RETURN AUTHORIZED ON RATE BASE		8.41%	8.41%	8.41%	8.41%	8.40%	8.41%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DEVELOPMENT OF PROFORMA ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 106 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	Total DEMAND (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (J)
1	OPERATING REVENUE		5,894,120	2,145,162	1,126,170	6,325	(120,684)	2,737,149	0	0
2	LESS: GAS COST @ CITY GATE CHANGE		0	0	0	0	0	0	0	0
3	LESS: UNCOLLECTIBLES @ 0.00923329		54,422	19,807	10,398	58	(1,114)	25,273	0	0
4	LESS: PSC FEES @ 0.00190100		<u>11,205</u>	<u>4,078</u>	<u>2,141</u>	<u>12</u>	<u>(229)</u>	<u>5,203</u>	<u>0</u>	<u>0</u>
5	TAXABLE INCOME FOR STATE INCOME TAX		5,828,493	2,121,277	1,113,631	6,255	(119,341)	2,706,673	0	0
6	LESS: KENTUCKY STATE INCOME TAX @ 0.0600		<u>349,710</u>	<u>127,277</u>	<u>66,818</u>	<u>375</u>	<u>(7,160)</u>	<u>162,400</u>	<u>0</u>	<u>0</u>
7	TAXABLE INCOME FOR FEDERAL INCOME TAX		5,478,783	1,994,000	1,046,813	5,880	(112,181)	2,544,273	0	0
8	LESS: FEDERAL INCOME TAX @ 0.35000000		<u>1,917,575</u>	<u>697,900</u>	<u>366,385</u>	<u>2,058</u>	<u>(39,263)</u>	<u>890,495</u>	<u>0</u>	<u>0</u>
9	OPERATING INCOME		3,561,208	1,296,100	680,428	3,822	(72,918)	1,653,778	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE OF RETURN BY CLASS - @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 107 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		TOTAL REVENUES [1]		17,547,315	11,267,914	4,707,895	5,777	120,318	1,445,411	0	0
2		COST OF GAS		0	0	0	0	0	0	0	0
3		OPERATING & MAINTENANCE EXPENSE [2]		7,892,067	4,450,114	1,702,823	3,235	394	1,735,503	0	0
4		DEPRECIATION & AMORTIZATION [3]		2,889,238	1,628,893	623,100	1,183	509	635,551	0	0
5		FEDERAL INCOME TAX [4]		598,151	760,478	368,715	(377)	37,806	(568,471)	0	0
6		KENTUCKY STATE INCOME TAX [5]		112,279	142,760	69,218	(71)	7,097	(106,724)	0	0
7		TAXES OTHER THAN INCOME [6]		<u>1,115,430</u>	<u>628,822</u>	<u>240,547</u>	<u>457</u>	<u>251</u>	<u>245,353</u>	<u>0</u>	<u>0</u>
8		TOTAL EXPENSES & TAXES		12,607,164	7,611,067	3,004,403	4,427	46,057	1,941,212	0	0
9		OPERATING INCOME		4,940,151	3,656,847	1,703,492	1,350	74,261	(495,801)	0	0
10		INTEREST EXPENSE [7]		<u>2,668,679</u>	<u>1,554,790</u>	<u>748,342</u>	<u>1,623</u>	<u>422</u>	<u>363,503</u>	<u>0</u>	<u>0</u>
11		INCOME AVAILABLE FOR COMMON EQUITY		2,271,472	2,102,057	955,150	(273)	73,839	(859,304)	0	0
12		RATE BASE [8]		101,086,329	58,893,543	28,346,269	61,488	15,985	13,769,041	0	0
13		RATE OF RETURN EARNED ON RATE BASE		4.89%	6.21%	6.01%	2.20%	464.55%	-3.60%	0.00%	0.00%
14		UNITIZED RETURN		1.00	1.27	1.23	0.45	95.00	(0.74)	0.00	0.00

REFERENCES: [1] PAGE 114, [2] PAGE 122, [3] PAGE 113, [4] PAGE 127, [5] PAGE 125, [6] PAGE 123, [7] PAGE 126, [8] PAGE 128.

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 109 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	380.00	DIRECT SERVICES		0	0	0	0	0	0	0	0
2	381.00	METERS	16	0	0	0	0	0	0	0	0
3	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
4	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
5	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
6	385.00	IND M&R EQUIPMENT	17	0	0	0	0	0	0	0	0
7	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
8	387.20	ODORIZATION	7DEM	0	0	0	0	0	0	0	0
9	387.41	TELEPHONE	7DEM	182,220	102,725	39,296	75	44	40,081	0	0
10	387.42	RADIO	7DEM	196,935	111,020	42,469	81	47	43,318	0	0
11	387.44	OTHER COMMUNICATION	7DEM	33,084	18,651	7,135	14	8	7,277	0	0
12	387.45	TELEMETERING	7DEM	936,047	527,687	201,859	384	225	205,893	0	0
13	387.46	CIS	7DEM	<u>28,145</u>	<u>15,866</u>	<u>6,069</u>	<u>12</u>	<u>7</u>	<u>6,191</u>	<u>0</u>	<u>0</u>
14		TOTAL DISTRIBUTION PLANT		104,883,941	59,127,548	22,617,967	42,994	25,523	23,069,910	0	0
15		GENERAL PLANT									
16	391.10	OFF FURN & EQUIP - UNSPEC	7DEM	182,098	102,656	39,269	75	44	40,054	0	0
17	391.11	OFF FURN & EQUIP - DATA HAND	7DEM	4,659	2,626	1,005	2	1	1,025	0	0
18	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DEM	311,465	175,585	67,167	128	75	68,510	0	0
19	392.20	TR EQ - TRAILER > \$1,000	7DEM	23,721	13,372	5,115	10	6	5,218	0	0
20	392.21	TR EQ - TRAILER < \$1,000	7DEM	6,059	3,416	1,307	2	1	1,333	0	0
21	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DEM	6,004	3,385	1,295	2	1	1,321	0	0
22	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DEM	0	0	0	0	0	0	0	0
23	393.00	STORES EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
24	394.20	SHOP EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
25	394.30	TOOLS & OTHER EQUIPMENT	7DEM	807,127	455,010	174,057	331	194	177,536	0	0
26	395.00	LABORATORY EQUIPMENT	7DEM	2,293	1,293	494	1	1	504	0	0
27	396.00	POWER OP EQUIP-GEN TOOLS	7DEM	62,691	35,341	13,519	26	15	13,790	0	0
28	397.50	COMMUNICATION EQUIP - TELEMETERING	7DEM	0	0	0	0	0	0	0	0
29	398.00	MISCELLANEOUS EQUIPMENT	7DEM	<u>72,827</u>	<u>41,055</u>	<u>15,705</u>	<u>30</u>	<u>17</u>	<u>16,019</u>	<u>0</u>	<u>0</u>
30		TOTAL GENERAL PLANT		<u>1,478,944</u>	<u>833,739</u>	<u>318,933</u>	<u>607</u>	<u>355</u>	<u>325,310</u>	<u>0</u>	<u>0</u>
31		TOTAL PLANT IN SERVICE (101 - 106)		108,447,227	61,136,314	23,386,389	44,456	26,378	23,853,691	0	0

DEMAND RELATED			COLUMBIA GAS OF KENTUCKY, INC.							ATTACHMENT CEN-3	
AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY			GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION RESERVE ALLOC							PAGE 111 OF 129	
FORECASTED TEST YEAR - ORIGINAL FILING			FOR THE TWELVE MONTHS ENDED 12/31/2017							WITNESS: C. NOTESTONE	
LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	(0)	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7DEM	(14,838)	(8,365)	(3,200)	(6)	(4)	(3,264)	0	0
8	387.41	TELEPHONE	7DEM	99,018	55,820	21,353	41	24	21,780	0	0
9	387.42	RADIO	7DEM	140,525	79,220	30,304	58	34	30,910	0	0
10	387.44	OTHER COMMUNICATION	7DEM	12,544	7,072	2,705	5	3	2,759	0	0
11	387.45	TELEMETERING	7DEM	131,138	73,928	28,280	54	31	28,845	0	0
12	387.46	CIS	7DEM	<u>28,322</u>	<u>15,966</u>	<u>6,108</u>	<u>12</u>	<u>7</u>	<u>6,230</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		28,786,083	16,228,900	6,208,015	11,801	5,303	6,332,064	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7DEM	(8,233)	(4,641)	(1,775)	(3)	(2)	(1,811)	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7DEM	(2,812)	(1,585)	(606)	(1)	(1)	(619)	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DEM	185,777	104,730	40,063	76	45	40,864	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7DEM	6,696	3,775	1,444	3	2	1,473	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7DEM	1,563	881	337	1	0	344	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DEM	3,738	2,107	806	2	1	822	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DEM	9,396	5,297	2,026	4	2	2,067	0	0
22	393.00	STORES EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7DEM	46	26	10	0	0	10	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7DEM	330,131	186,108	71,193	135	79	72,616	0	0
25	395.00	LABORATORY EQUIPMENT	7DEM	1,923	1,084	415	1	0	423	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7DEM	50,175	28,286	10,820	21	12	11,036	0	0
27		RETIREMENT WORK IN PROGRESS	7DEM	0	0	0	0	0	0	0	0
28	398.00	MISCELLANEOUS EQUIPMENT	7DEM	<u>2,995</u>	<u>1,688</u>	<u>646</u>	<u>1</u>	<u>1</u>	<u>659</u>	<u>0</u>	<u>0</u>
29		TOTAL GENERAL PLANT		<u>581,395</u>	<u>327,756</u>	<u>125,379</u>	<u>240</u>	<u>139</u>	<u>127,884</u>	<u>0</u>	<u>0</u>
30		TOTAL PLANT RESERVE		30,227,756	17,041,629	6,518,913	12,394	5,649	6,649,175	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 GROSS DISTRIBUTION & GENERAL PLANT DEPRECIATION EXPENSE
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 113 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	381.00	METERS	16	0	0	0	0	0	0	0	0
2	382.00	METER INSTALLATIONS	16	0	0	0	0	0	0	0	0
3	383.00	HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
4	384.00	HOUSE REG INSTALLATIONS	16	0	0	0	0	0	0	0	0
5	385.00	IND M&R EQUIPMENT	17	(0)	0	0	0	0	0	0	0
6	385.00	DIRECT IND M&R EQUIPMENT		0	0	0	0	0	0	0	0
7	387.20	ODORIZATION	7DEM	0	0	0	0	0	0	0	0
8	387.41	TELEPHONE	7DEM	6,815	3,842	1,470	3	2	1,499	0	0
9	387.42	RADIO	7DEM	7,364	4,151	1,588	3	2	1,620	0	0
10	387.44	OTHER COMMUNICATION	7DEM	1,236	697	267	1	0	272	0	0
11	387.45	TELEMETERING	7DEM	34,879	19,663	7,522	14	8	7,672	0	0
12	387.46	CIS	7DEM	<u>1,052</u>	<u>593</u>	<u>227</u>	<u>0</u>	<u>0</u>	<u>231</u>	<u>0</u>	<u>0</u>
13		TOTAL DISTRIBUTION PLANT		2,459,904	1,386,861	530,514	1,007	406	541,114	0	0
14		GENERAL PLANT									
15	391.10	OFF FURN & EQUIP - UNSPEC	7DEM	9,055	5,105	1,953	4	2	1,992	0	0
16	391.11	OFF FURN & EQUIP - DATA HAND	7DEM	312	176	67	0	0	69	0	0
17	391.12	OFF FURN & EQUIP - INFO SYSTEM	7DEM	62,756	35,378	13,533	26	15	13,804	0	0
18	392.20	TR EQ - TRAILER > \$1,000	7DEM	2,169	1,223	468	1	1	477	0	0
19	392.21	TR EQ - TRAILER < \$1,000	7DEM	556	313	120	0	0	122	0	0
20	394.10	TOOLS,SHOP, & GAR EQ-GARAGE & SERV	7DEM	241	136	52	0	0	53	0	0
21	394.13	TOOLS,SHOP, & GAR EQ-UND TANK CLEANUP	7DEM	0	0	0	0	0	0	0	0
22	393.00	STORES EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
23	394.20	SHOP EQUIPMENT	7DEM	0	0	0	0	0	0	0	0
24	394.30	TOOLS & OTHER EQUIPMENT	7DEM	32,111	18,102	6,925	13	8	7,063	0	0
25	395.00	LABORATORY EQUIPMENT	7DEM	116	65	25	0	0	26	0	0
26	396.00	POWER OP EQUIP-GEN TOOLS	7DEM	1,622	914	350	1	0	357	0	0
27	398.00	MISCELLANEOUS EQUIPMENT	7DEM	<u>4,855</u>	<u>2,737</u>	<u>1,047</u>	<u>2</u>	<u>1</u>	<u>1,068</u>	<u>0</u>	<u>0</u>
28		TOTAL GENERAL PLANT		113,793	64,149	24,540	47	27	25,031	0	0
29		TOTAL DEPRECIATION EXPENSE		2,889,238	1,628,893	623,100	1,183	509	635,551	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATING REVENUE @ CURRENT RATES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 114 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE									
2	480.00	RESIDENTIAL SALES		8,942,095	8,942,095	0	0	0	0	0	0
3	481.10	COMMERCIAL SALES		2,844,801	0	2,844,801	0	0	0	0	0
4	481.20	INDUSTRIAL SALES		<u>222,405</u>	<u>0</u>	<u>216,721</u>	<u>5,685</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5		TOTAL SALES REVENUE		12,009,301	8,942,095	3,061,522	5,685	0	0	0	0
6	487.00	FORFEITED DISCOUNTS		104,566	76,127	16,398	92	918	11,031	0	0
7	488.00	MISC. SERVICE REVENUE	6	0	0	0	0	0	0	0	0
8	489.00	REVENUE FROM TRANSPORTATION		5,433,447	2,249,692	1,629,975	0	119,400	1,434,380	0	0
9	495.00	OTHER	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
10		TOTAL OTHER GAS DEPT REVENUE		<u>5,538,013</u>	<u>2,325,819</u>	<u>1,646,373</u>	<u>92</u>	<u>120,318</u>	<u>1,445,411</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATING REVENUE		17,547,315	11,267,914	4,707,895	5,777	120,318	1,445,411	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 PRODUCTION EXPENSE ALLOCATION
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 115 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING EXPENSES									
2		PRODUCTION EXPENSES - OPERATION									
3	717	LIQUE PETRO GAS EXP - LABOR	2	0	0	0	0	0	0	0	0
4	717	LIQUE PETRO GAS EXP - M&E	2	2,139	1,304	797	2	0	37	0	0
5	723	LIQUIFIED PETROLEUM GAS PROCESS	2	0	0	0	0	0	0	0	0
6	728	LIQUIFIED PETROLEUM GAS	2	0	0	0	0	0	0	0	0
7		TOTAL OPERATION		2,139	1,304	797	2	0	37	0	0
8		PRODUCTION EXPENSES - MAINTENANCE									
9	741	STRUCTURES & IMPROV - LABOR	2	0	0	0	0	0	0	0	0
10	741	STRUCTURES & IMPROV - M&E	2	0	0	0	0	0	0	0	0
11	742	PRODUCTION EQUIPMENT - LABOR	2	0	0	0	0	0	0	0	0
12	742	PRODUCTION EQUIPMENT - M&E	2	0	0	0	0	0	0	0	0
13		TOTAL MAINTENANCE		0	0	0	0	0	0	0	0
14		TOTAL MANUFACTURED GAS		2,139	1,304	797	2	0	37	0	0
15		OTHER GAS SUPPLIES EXPENSE									
16	803 - 806										
17	& 808	COST OF GAS @ CITY GATE		0	0	0	0	0	0	0	0
18	807	OTHER PURCHASED GAS - LABOR	9	0	0	0	0	0	0	0	0
19	807	OTHER PURCHASED GAS - M & E	9	0	0	0	0	0	0	0	0
20	812	GAS USED IN OPERATIONS	9	0	0	0	0	0	0	0	0
21		TOTAL OTHER GAS SUPPLIES EXP		0	0	0	0	0	0	0	0
22		TOTAL PRODUCTION EXPENSE		2,139	1,304	797	2	0	37	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - LABOR
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 116 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)		(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	10DEM	15,261	8,605	3,292	6	1	3,357	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14DEM	466,566	263,073	100,634	191	23	102,645	0	0
5	875	M & R - GENERAL	18DEM	35,069	19,774	7,564	14	2	7,715	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	0	0	0	0	0	0	0	0
9	880	OTHER	10DEM	85,802	48,379	18,507	35	4	18,876	0	0
10	881	RENTS	10DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		602,698	339,831	129,997	246	30	132,593	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	10DEM	1,355	764	292	1	0	298	0	0
14	886	STRUCTURES & IMPROVEMENTS	18DEM	1,069	603	231	0	0	235	0	0
15	887	MAINS	18DEM	394,511	222,445	85,092	162	20	86,792	0	0
16	889	M & R - GENERAL	18DEM	59,023	33,280	12,731	24	3	12,985	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	10DEM	<u>19,445</u>	<u>10,964</u>	<u>4,194</u>	<u>8</u>	<u>1</u>	<u>4,278</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		475,403	268,056	102,540	195	24	104,588	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION AND A&G EXPENSE ALLOCATION - LABOR
 FORTHE TWELVEMONTHSENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 118 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		1,078,101	607,887	232,537	441	54	237,181	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	12DEM	222,120	125,242	47,909	91	11	48,866	0	0
10	921	OFFICE SUPPLIES & EXPENSES	12DEM	0	0	0	0	0	0	0	0
11	922	ADMIN. EXPENSES TRANSFERED	12DEM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	12DEM	644	363	139	0	0	142	0	0
13	924	PROPERTY INSURANCE	12DEM	0	0	0	0	0	0	0	0
14	925	INJURIES AND DAMAGES	12DEM	0	0	0	0	0	0	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12DEM	0	0	0	0	0	0	0	0
16	928	REG COMMISSION EXP - GENERAL	12DEM	0	0	0	0	0	0	0	0
17	930.10	MISC. - INSTITUT & GOODWILL ADV	12DEM	0	0	0	0	0	0	0	0
18	930.20	MISC. - GENERAL	12DEM	0	0	0	0	0	0	0	0
19	931	RENTS	12DEM	0	0	0	0	0	0	0	0
20	935.13	MAINT. STRUCTURES & IMPROV.	12DEM	0	0	0	0	0	0	0	0
21	935.23	MAINT. - GEN'L OFFICE									
22		FURNITURE & EQUIPMENT	12DEM	0	0	0	0	0	0	0	0
23	932	MAINT.-MISCELLANEOUS	12DEM	0	0	0	0	0	0	0	0
24		TOTAL ADMIN & GENERAL - LABOR		222,764	125,605	48,048	91	11	49,008	0	0
25		TOTAL O & M EXPENSE - LABOR		1,300,865	733,492	280,585	532	65	286,189	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 119 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DISTRIBUTION EXPENSES									
2	870	SUPERVISION & ENGINEERING	11DEM	206,993	116,713	44,646	85	10	45,538	0	0
3	871	DISTRIBUTION LOAD DISPATCH	4	0	0	0	0	0	0	0	0
4	874	MAINS & SERVICES	14DEM	1,504,560	848,346	324,519	617	75	331,003	0	0
5	875	M & R - GENERAL	18DEM	50,414	28,426	10,874	21	3	11,091	0	0
6	876	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
7	878	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
8	879	CUSTOMER INSTALLATION	16	(0)	0	0	0	0	0	0	0
9	880	OTHER	11DEM	320,075	180,474	69,037	131	16	70,417	0	0
10	881	RENTS	11DEM	<u>21,706</u>	<u>12,239</u>	<u>4,682</u>	<u>9</u>	<u>1</u>	<u>4,775</u>	<u>0</u>	<u>0</u>
11		TOTAL OPERATION		2,103,748	1,186,198	453,758	863	105	462,824	0	0
12		MAINTENANCE									
13	885	SUPERVISION & ENGINEERING	11DEM	680	383	147	0	0	150	0	0
14	886	STRUCTURES & IMPROVEMENTS	18DEM	107,251	60,474	23,133	44	5	23,595	0	0
15	887	MAINS	18DEM	937,809	528,784	202,276	385	47	206,318	0	0
16	889	M & R - GENERAL	18DEM	61,639	34,755	13,295	25	3	13,561	0	0
17	890	M & R - INDUSTRIAL	8	0	0	0	0	0	0	0	0
18	892	SERVICES	15	0	0	0	0	0	0	0	0
19	893	METERS & HOUSE REGULATORS	16	0	0	0	0	0	0	0	0
20	894	OTHER EQUIPMENT	11DEM	<u>52,727</u>	<u>29,730</u>	<u>11,373</u>	<u>22</u>	<u>3</u>	<u>11,600</u>	<u>0</u>	<u>0</u>
21		TOTAL MAINTENANCE		1,160,106	654,126	250,224	476	58	255,224	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 120 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		CUSTOMER ACCOUNTS									
2	901	SUPERVISION	6	0	0	0	0	0	0	0	0
3	902	METER READING	6	0	0	0	0	0	0	0	0
4	903	CUSTOMER RECORDS & COLLECTIONS	6	0	0	0	0	0	0	0	0
5	904	UNCOLLECTIBLE ACCOUNTS	21	0	0	0	0	0	0	0	0
6	905	MISC.	6	0	0	0	0	0	0	0	0
7	920	SALARIES	6	0	0	0	0	0	0	0	0
8	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
9	931	RENTS	6	0	0	0	0	0	0	0	0
10	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11		TOTAL CUSTOMER ACCT.		0	0	0	0	0	0	0	0
12		CUSTOMER SERVICE & INFORMATIONAL									
13	907	SUPERVISION	6	0	0	0	0	0	0	0	0
14	908	CUSTOMER ASSISTANCE	6	(0)	0	0	0	0	0	0	0
15	909	INFO. & INSTRUCTIONAL	6	0	0	0	0	0	0	0	0
16	910	MISCELLANEOUS	6	0	0	0	0	0	0	0	0
17	920	SALARIES	6	0	0	0	0	0	0	0	0
18	921	OFFICE SUPPLIES AND EXPENSE	6	0	0	0	0	0	0	0	0
19	931	RENTS	6	0	0	0	0	0	0	0	0
20	935	GENERAL PLANT MAINTENANCE	6	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
21		TOTAL CUSTOMER SERVICE & INFO.		(0)	0	0	0	0	0	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 DISTRIBUTION EXPENSE ALLOCATION - M & E
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 121 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		SALES									
2	911	SUPERVISION	6	0	0	0	0	0	0	0	0
3	912	DEMONSTRATION & SELLING	6	0	0	0	0	0	0	0	0
4	913	ADVERTISING	6	0	0	0	0	0	0	0	0
5	916	MISC.	6	0	0	0	0	0	0	0	0
6		TOTAL SALES		0	0	0	0	0	0	0	0
7		TOTAL DISTRIBUTION EXPENSES		3,263,854	1,840,324	703,982	1,339	163	718,048	0	0
8		ADMINISTRATIVE & GENERAL									
9	920	SALARIES	13DEM	591,893	333,757	127,725	243	30	130,140	0	0
10	921	OFFICE SUPPLIES & EXPENSES	13DEM	178,588	100,702	38,538	73	9	39,266	0	0
11	922	ADMIN. EXPENSES TRANSFERED	13DEM	0	0	0	0	0	0	0	0
12	923	OUTSIDE SERVICES	13DEM	1,418,120	799,650	306,016	581	71	311,802	0	0
13	924	PROPERTY INSURANCE	13DEM	16,329	9,208	3,524	7	1	3,590	0	0
14	925	INJURIES AND DAMAGES	12DEM	208,514	117,571	44,974	85	10	45,873	0	0
15	926	EMPLOYEE PENSIONS & BENEFITS	12DEM	669,426	377,456	144,388	274	33	147,274	0	0
16	926	DIRECT EMPLOYEE PENSIONS & BENEFITS		0	0	0	0	0	0	0	0
17	928	REG COMMISSION EXP - GENERAL	13DEM	39,501	22,274	8,524	16	2	8,685	0	0
18	928	REGULATORY COMMISSION EXP - PSC @ 0.001901	13DEM	35,193	19,845	7,594	14	2	7,738	0	0
19	930.10	MISC. - INSTITUT & GOODWILL ADV	13DEM	0	0	0	0	0	0	0	0
20	930.20	MISC. - GENERAL	13DEM	(12,408)	(6,997)	(2,678)	(5)	(1)	(2,728)	0	0
21	931	RENTS	13DEM	128,269	72,328	27,679	53	6	28,203	0	0
22	935.13	MAINT. STRUCTURES & IMPROV.	13DEM	26	15	6	0	0	6	0	0
23	935.23	MAINT. - GEN'L OFFICE									
24		FURNITURE & EQUIPMENT	13DEM	0	0	0	0	0	0	0	0
25	932	MAINT.-MISCELLANEOUS	13DEM	51,757	29,185	11,169	21	3	11,380	0	0
26		TOTAL ADMIN & GENERAL - M & E		3,325,208	1,874,994	717,459	1,362	166	731,229	0	0
27		TOTAL O & M EXPENSE - M & E		6,591,201	3,716,622	1,422,238	2,703	329	1,449,314	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 OPERATION & MAINTENANCE EXPENSE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 122 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	LABOR										
2	PRODUCTION		PAGE 13	0	0	0	0	0	0	0	0
3	DISTRIBUTION - O&M OPERATION		PAGE 14	602,698	339,831	129,997	246	30	132,593	0	0
4	DISTRIBUTION - O&M MAINT.		PAGE 14	475,403	268,056	102,540	195	24	104,588	0	0
5	CUSTOMER ACCOUNTS		PAGE 15	0	0	0	0	0	0	0	0
6	CUSTOMER SERVICE & INFOR.		PAGE 15	0	0	0	0	0	0	0	0
7	SALES		PAGE 16	0	0	0	0	0	0	0	0
8	ADMINISTRATIVE & GENERAL		PAGE 16	<u>222,764</u>	<u>125,605</u>	<u>48,048</u>	<u>91</u>	<u>11</u>	<u>49,008</u>	<u>0</u>	<u>0</u>
9	TOTAL LABOR EXPENSE			1,300,865	733,492	280,585	532	65	286,189	0	0
10	M & E										
11	PRODUCTION		PAGE 13	2,139	1,304	797	2	0	37	0	0
12	DISTRIBUTION - O&M OPERATION		PAGE 17	2,103,748	1,186,198	453,758	863	105	462,824	0	0
13	DISTRIBUTION - O&M MAINT.		PAGE 17	1,160,106	654,126	250,224	476	58	255,224	0	0
14	CUSTOMER ACCOUNTS		PAGE 18	0	0	0	0	0	0	0	0
15	CUSTOMER SERVICE & INFOR.		PAGE 18	(0)	0	0	0	0	0	0	0
16	SALES		PAGE 19	0	0	0	0	0	0	0	0
17	ADMINISTRATIVE & GENERAL		PAGE 19	<u>3,325,208</u>	<u>1,874,994</u>	<u>717,459</u>	<u>1,362</u>	<u>166</u>	<u>731,229</u>	<u>0</u>	<u>0</u>
18	TOTAL M & E EXPENSE			<u>6,591,201</u>	<u>3,716,622</u>	<u>1,422,238</u>	<u>2,703</u>	<u>329</u>	<u>1,449,314</u>	<u>0</u>	<u>0</u>
19	TOTAL O & M EXPENSES			7,892,067	4,450,114	1,702,823	3,235	394	1,735,503	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 TAXES OTHER THAN INCOME
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 123 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	408	TAXES BASED ON PROPERTY	7DEM	1,024,510	577,557	220,936	420	246	225,351	0	0
2	408	TAXES BASED ON PAYROLL	12DEM	90,920	51,265	19,611	37	5	20,002	0	0
3	408	OTHER TAXES	12DEM	0	0	0	0	0	0	0	0
4		TOTAL TAXES OTHER THAN FIT		1,115,430	628,822	240,547	457	251	245,353	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 124 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING INCOME BEFORE TAXES (PAGE 24, LINE 3)		5,650,580	4,560,085	2,141,425	902	119,164	(1,170,996)	0	0
2		LESS: RECONCILING ITEMS:									
3		IMPUTED INTEREST		2,668,679	1,554,790	748,342	1,623	422	363,503	0	0
4		TAX ACCELERATED DEPRECIATION	19DEM	3,614,766	2,037,788	779,524	1,482	868	795,104	0	0
5		BOOK DEPRECIATION		<u>2,573,697</u>	<u>1,451,010</u>	<u>555,054</u>	<u>1,054</u>	<u>433</u>	<u>566,145</u>	<u>0</u>	<u>0</u>
6		EXCESS OF BOOK OVER TAX DEPRECIATION		1,041,069	586,778	224,470	428	435	228,959	0	0
7		NON DEDUCTIBLE EMPLOYEE EXPENSE	12DEM	(689)	<u>(388)</u>	<u>(149)</u>	<u>0</u>	<u>0</u>	<u>(152)</u>	<u>0</u>	<u>0</u>
8		TOTAL RECONCILING ITEMS		<u>3,709,059</u>	<u>2,141,180</u>	<u>972,663</u>	<u>2,051</u>	<u>857</u>	<u>592,310</u>	<u>0</u>	<u>0</u>
9		TAXABLE INCOME		1,941,521	2,418,905	1,168,762	(1,149)	118,307	(1,763,306)	0	0
10		STATE INCOME TAX @ 6.00%		116,491	145,134	70,126	(69)	7,098	(105,798)	0	0
11		PLUS: FOREIGN TAX PAYMENTS	19DEM	0	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12		KENTUCKY STATE INCOME TAX - CURRENT		116,491	145,134	70,126	(69)	7,098	(105,798)	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 KENTUCKY STATE INCOME TAX
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 125 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED TAXES									
2		RECONCILIATION ITEMS:									
3		AMORTIZATION OF EXCESS ADIT-STATE	19DEM	(4,212)	(2,374)	(908)	(2)	(1)	(926)	0	0
4		TOTAL DEFERRED INCOME TAX		(4,212)	(2,374)	(908)	(2)	(1)	(926)	0	0
5		TOTAL KENTUCKY STATE INCOME TAX EXPENSE		112,279	142,760	69,218	(71)	7,097	(106,724)	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 126 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		OPERATING REVENUE		17,547,315	11,267,914	4,707,895	5,777	120,318	1,445,411	0	0
2		LESS: EXPENSES OTHER THAN FIT		<u>11,896,734</u>	<u>6,707,829</u>	<u>2,566,470</u>	<u>4,875</u>	<u>1,154</u>	<u>2,616,407</u>	<u>0</u>	<u>0</u>
3		OPERATING INCOME BEFORE TAXES		5,650,580	4,560,085	2,141,425	902	119,164	(1,170,996)	0	0
4		LESS: RECONCILING ITEMS:									
5		IMPUTED INTEREST		2,668,679	1,554,790	748,342	1,623	422	363,503	0	0
6		EXCESS OF BOOK OVER TAX S/L	19DEM	3,614,766	2,037,788	779,524	1,482	868	795,104	0	0
7		BOOK DEPRECIATION		<u>2,573,697</u>	<u>1,451,010</u>	<u>555,054</u>	<u>1,054</u>	<u>433</u>	<u>566,145</u>	<u>0</u>	<u>0</u>
8		EXCESS OF BOOK OVER TAX DEPRECIATION		1,041,069	586,778	224,470	428	435	228,959	0	0
9		NON DEDUCTIBLE EMPLOYEE EXPENSE	12DEM	(689)	(388)	(149)	0	0	(152)	0	0
10		KENTUCKY STATE INCOME TAX DEDUCTION		<u>116,491</u>	<u>145,134</u>	<u>70,126</u>	<u>(69)</u>	<u>7,098</u>	<u>(105,798)</u>	<u>0</u>	<u>0</u>
11		TOTAL RECONCILING ITEMS		3,825,550	2,286,314	1,042,789	1,982	7,956	486,512	0	0
12		TAXABLE INCOME		1,825,030	2,273,771	1,098,636	(1,080)	111,209	(1,657,508)	0	0
13		CURRENT FEDERAL INCOME TAX @ 35%		620,511	773,083	373,537	(367)	37,811	(563,553)	0	0
14		PLUS: DIRECT ADJUSTMENT TO F.I.T.	19DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15		CURRENT FEDERAL INCOME TAX @ 35%		620,511	773,083	373,537	(367)	37,811	(563,553)	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 FEDERAL INCOME TAXES
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 127 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1		DEFERRED INCOME TAXES									
2		LESS: AMORT. OF PRIOR YEARS ITC	19DEM	8,856	4,992	1,910	4	2	1,948	0	0
3		OTHER TAX DEFERRALS									
4		AMORTIZATION OF EXCESS ADIT-FEDERAL	19DEM	<u>(13,504)</u>	<u>(7,613)</u>	<u>(2,912)</u>	<u>(6)</u>	<u>(3)</u>	<u>(2,970)</u>	<u>0</u>	<u>0</u>
5		TOTAL OTHER TAX DEFERRALS		<u>(13,504)</u>	<u>(7,613)</u>	<u>(2,912)</u>	<u>(6)</u>	<u>(3)</u>	<u>(2,970)</u>	<u>0</u>	<u>0</u>
6		TOTAL DEFERRED INCOME TAX		<u>(22,360)</u>	<u>(12,605)</u>	<u>(4,822)</u>	<u>(10)</u>	<u>(5)</u>	<u>(4,918)</u>	<u>0</u>	<u>0</u>
7		TOTAL FEDERAL INCOME TAX		598,151	760,478	368,715	(377)	37,806	(568,471)	0	0

DEMAND RELATED
 AVERAGE OF CUSTOMER-DEMAND & DEMAND-COMMODITY
 FORECASTED TEST YEAR - ORIGINAL FILING

COLUMBIA GAS OF KENTUCKY, INC.
 RATE BASE SUMMARY
 FOR THE TWELVE MONTHS ENDED 12/31/2017

ATTACHMENT CEN-3
 PAGE 128 OF 129
 WITNESS: C. NOTESTONE

LINE NO.	ACCT NO.	ACCOUNT TITLE	ALLOC FACTOR	TOTAL DEMAND	GS-RESIDENTIAL	GS-OTHER	IUS	DS-ML	DS/IS	NOT USED	NOT USED
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
				\$	\$	\$	\$	\$	\$	\$	\$
1	101 & 106	GROSS PLANT [1]		108,447,227	61,136,314	23,386,389	44,456	26,378	23,853,691	0	0
		LESS:									
2	108-111	DEPRECIATION RESERVE [2]		<u>30,227,756</u>	<u>17,041,629</u>	<u>6,518,913</u>	<u>12,394</u>	<u>5,649</u>	<u>6,649,175</u>	<u>0</u>	<u>0</u>
3		NET PLANT		78,219,471	44,094,685	16,867,476	32,062	20,728	17,204,516	0	0
4	190.00	ACCUMULATED DEF INCOME TAX	19DEM	1,333,883	751,963	287,652	547	320	293,401	0	0
		LESS:									
5	252.00	CUSTOMER ADVANCES	20	0	0	0	0	0	0	0	0
6	255.00	(1962 - 69) INVESTMENT TAX CREDIT	19DEM	0	0	0	0	0	0	0	0
7	282.00	ACCUMULATED DEF INCOME TAX	19DEM	21,340,177	12,030,311	4,602,009	8,749	5,122	4,693,985	0	0
8	283.00	ACCUMULATED DEF INCOME TAX	19DEM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9		NET RATE BASE		58,213,177	32,816,337	12,553,119	23,860	15,926	12,803,932	0	0
10		PLUS WORKING CAPITAL:									
11		CASH WORKING CAPITAL @ 1/8 OF									
12		O & M EXCLUDING GAS COST [3]		986,508	556,264	212,853	404	49	216,938	0	0
13	151.00	FUEL STOCK	2	0	0	0	0	0	0	0	0
14	154.00	MATERIALS & SUPPLIES	7DEM	20,311	11,450	4,380	8	5	4,468	0	0
15	165.00	PREPAYMENTS	13DEM	93,782	52,882	20,237	38	5	20,620	0	0
16	164.00	GAS STORED UNDERGROUND - FSS	2	<u>41,772,551</u>	<u>25,456,610</u>	<u>15,555,680</u>	<u>37,178</u>	<u>0</u>	<u>723,083</u>	<u>0</u>	<u>0</u>
17		RATE BASE		101,086,329	58,893,543	28,346,269	61,488	15,985	13,769,041	0	0
		REFERENCES: [1] PAGE 109, [2] PAGE 111,									
		[3] TOTAL O & M EXPENSE		7,892,067	4,450,114	1,702,823	3,235	394	1,735,503	0	0
		LESS: COST OF GAS		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		O & M EXCL. GAS COST		7,892,067	4,450,114	1,702,823	3,235	394	1,735,503	0	0

COLUMBIA GAS OF KENTUCKY, INC.
ALLOCATION FACTORS

ATTACHMENT CEN-3

PAGE 129 OF 129

DEMAND RELATED
FORECASTED TEST YEAR - ORIGINAL FILING

FOR THE TWELVE MONTHS ENDED 12/31/2017

WITNESS: C. NOTESTONE

LINE NO.	DESCRIPTION (A)	ALLOC FACTOR (B)	TOTAL DEMAND (C)	GS-RESIDENTIAL (D)	GS-OTHER (E)	IUS (F)	DS-ML (G)	DS/IS (H)	NOT USED (I)	NOT USED (K)
1	DESIGN DAY EXCL. DS-ML	1	100.000%	44.549%	28.650%	0.065%	0.000%	26.736%	0.000%	0.000%
2	DESIGN DAY EXCL. INTERR DEMAND (MCF)	2	100.000%	60.941%	37.239%	0.089%	0.000%	1.731%	0.000%	0.000%
3	MINIMUM SYSTEM MAINS	3	100.000%	73.793%	16.741%	0.024%	0.000%	9.442%	0.000%	0.000%
4	THROUGHPUT EXCL MLS	4	100.000%	33.421%	24.147%	0.048%	0.000%	42.384%	0.000%	0.000%
5	COMPOSIT OF ALLOC #1 & #4	5	100.000%	38.984%	26.399%	0.057%	0.000%	34.560%	0.000%	0.000%
6	AVERAGE NO. OF CUSTOMERS	6	100.000%	89.658%	10.279%	0.001%	0.004%	0.058%	0.000%	0.000%
7	DIST. PLANT EXCL. ACCTS 375.70,375.71,387	7DEM	100.000%	56.374%	21.565%	0.041%	0.024%	21.996%	0.000%	0.000%
8	TOTAL PLANT ACCOUNT 385	8	100.000%	0.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%
9	GAS PURCHASE EXPENSE EX OFF SYST	9	100.000%	100.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
10	OTHER DIST. EXP - LABOR	10DEM	100.000%	56.385%	21.569%	0.041%	0.005%	22.000%	0.000%	0.000%
11	OTHER DIST. EXP EXCL - M & E	11DEM	100.000%	56.385%	21.569%	0.041%	0.005%	22.000%	0.000%	0.000%
12	O & M EXCL A & G - LABOR	12DEM	100.000%	56.385%	21.569%	0.041%	0.005%	22.000%	0.000%	0.000%
13	O & M EXCL GAS PUR, UNCOL, AND A & G - M&E	13DEM	100.000%	56.388%	21.579%	0.041%	0.005%	21.987%	0.000%	0.000%
14	ACCT 376/380 - MAINS/SERVICES	14DEM	100.000%	56.385%	21.569%	0.041%	0.005%	22.000%	0.000%	0.000%
15	DIRECT PLANT ACCT 380	15	100.000%	88.228%	11.418%	0.001%	0.000%	0.353%	0.000%	0.000%
16	DIRECT PLANT ACCTS 381	16	100.000%	71.942%	27.612%	0.013%	0.000%	0.433%	0.000%	0.000%
17	DIRECT PLANT ACCT 385	17	100.000%	0.000%	25.977%	0.029%	0.000%	73.995%	0.000%	0.000%
18	ACCOUNT 376 MAINS - COMPOSITE/PLANT	18DEM	100.000%	56.385%	21.569%	0.041%	0.005%	22.000%	0.000%	0.000%
19	TOTAL PLANT	19DEM	100.000%	56.374%	21.565%	0.041%	0.024%	21.996%	0.000%	0.000%
20	AVG DEM/COM #5 & CUS/DEM #3	20	100.000%	56.388%	21.570%	0.041%	0.000%	22.001%	0.000%	0.000%
21	UNCOLLECTIBLES	21	100.000%	86.777%	13.141%	0.002%	0.006%	0.074%	0.000%	0.000%

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

17. Refer to the response to Staff's Second Request, Item 37.a. Provide a similar weather normalization analysis using ten years of weather data to estimate the relative predictive value of using a shorter time period.

Response:

This table shows results similar to the table provided in Staff's Second Request, Item 37.a. The 20-year average has lower sums of differences and therefore better represents the actual data in 65% of all the three year periods and 80% in the last ten years. The 20-year average also has lower mean absolute errors.

HDD Averages v Actual HDD in Rolling Three Year Periods

	Annual Heating Degree Days			Three Year Sum of Differences		Lowest Sum	
	Actual	20-yr Average	10-yr Average	20-yr Average	10-yr Average	20-yr Average	10-yr Average
1980	5006	4822	4760				
1981	4900	4822	4785				
1982	4658	4809	4785	95	294	x	
1983	4489	4789	4820	-418	-232		x
1984	5023	4798	4881	-297	-184		x
1985	4377	4780	4881	-537	-465		x
1986	4517	4753	4836	-449	-544	x	
1987	4462	4744	4798	-1037	-1287	x	
1988	4959	4745	4746	-401	-704	x	
1989	4673	4732	4706	-164	-413	x	
1990	4164	4691	4622	-435	-598	x	
1991	4120	4664	4544	-1278	-1280	x	
1992	4398	4651	4518	-1513	-1437		x
1993	4627	4676	4532	-928	-722		x
1994	4642	4687	4494	-326	34		x
1995	4668	4702	4523	-17	382	x	
1996	5193	4713	4591	475	907	x	
1997	4844	4713	4629	643	1223	x	
1998	3936	4636	4527	-133	404	x	
1999	4210	4593	4480	-1150	-782		x
2000	4525	4569	4516	-1469	-1215		x
2001	4507	4550	4555	-666	-338		x
2002	4555	4544	4571	-193	146		x
2003	4643	4552	4572	-3	156	x	
2004	4326	4517	4541	-125	-141	x	
2005	4498	4523	4524	-166	-245	x	
2006	4325	4514	4437	-507	-568	x	
2007	4215	4501	4374	-514	-584	x	
2008	4690	4488	4449	-340	-341	x	
2009	4588	4484	4487	-48	182	x	
2010	4753	4513	4510	527	909	x	
2011	4606	4537	4520	483	599	x	
2012	3869	4511	4451	-223	-234	x	
2013	4644	4512	4451	-420	-411		x
2014	4939	4527	4513	-160	-108		x
2015	4535	4520	4516	585	764	x	
				Mean Absolute Error		Frequency of Lowest Error	
	1982-2015			492	554	22	12
	2006-2015			381	470	8	2
				Relative Frequency of Lowest Error			
				1985-2015		65%	35%
				2006-2015		80%	20%

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

18. Refer to the response to Staff's Second Request, Item 38.
- a. State whether the allowed Return on Equity ("ROE") shown in the table for Alabama and Missouri in the Laclede Group, Inc. are the most current, or whether they have been reduced since they were approved to earn at the levels shown.
- b. The Authorized ROE column indicates that all the ROE awards granted by a state regulatory agency during 2014 and 2015 were at or below 10.25 percent. All other things being equal, state what impact this information would have on investors' expectations of Columbia's ROE award from this Commission in 2016.

Response:

- a. They were the latest stated returns reported by RRA when the investigation was performed. There has been more recent rate case activity in both Alabama and Missouri. Subsequent reports indicate that Alabama Gas has

since been operating under a Rate Stabilization and Equalization (RSE) framework since July 1981 when the return was established as revealed by the response to Staff DR 2-38. The most recent modifications to the RSE plan became effective in 2014, and have been extended through 9/30/18. The authorized ROE range is 10.5% to 10.95%, with a 10.8% adjusting point for the extension period.

In Missouri, the Company's most recent rate decision that specified rate case parameters was issued in 1999. In the 2013 General Rate Case, which was settled, a 10.5% ROE and a \$542.5 million rate base were adopted there.

- b. If all other things were equal, their expectations would be lower.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

19. Refer to the response to Staff's Second Request. Item 39.

a. The response references the increase in nominal Gross Domestic Product ("GDP") between 2014 and 2017.

(1) Confirm that the difference between nominal and real GDP is that real GDP removes the effect of inflation.

(2) Explain why it is more appropriate to use nominal GDP when comparing GDP of differing years instead of comparing real GDP.

(3) Provide the real GDP for years 2014 and 2015 and the forecasted real GDP for years 2016 and 2017.

b. The response references the decrease in the national unemployment rate since the last rate case. Explain whether the decrease in the unemployment rate can be overstated due to a decline in the labor participation rate and/or a decline in the number of those considered unemployed.

c. Confirm that the 2014 Kentucky Gross State Product increases of 1 percent and the 2017 forecast of 2.7 percent are based on real rather than nominal data. If not, provide the Kentucky Gross State Product changes for 2014 and 2015 and the forecast for 2016 and 2017 based on real data.

d. On July 27, 2016, the Federal Reserve ("FED") announced that, although economic risks have diminished, they are still present and interest rates would be left unchanged. Given this current status of unchanged interest rates, explain why a projected growth rate that is larger than the analysts' projected growth rate is justified.

Response:

a. (1) Yes.

(2) Nominal GDP reflects all factors that affect the economy including those related to inflation. Investors realize their returns in nominal, not just on an inflation adjusted basis.

(3) The actual real GDP growth rates were 2.4% in 2014 and 2.6% in 2015. The forecast of real GDP growth rates are 1.5% in 2016 and 2.2% in 2017. The source used for this information is the Blue Chip Economic Indicators, August 10, 2016 publication, and a copy is provided as Staff 3-19 Attachment A.

b. Both of these factors can impact the employment rate. They could add to or detract from the unemployment rate.

c. The historical real growth rates in Kentucky Gross State Product was 1.09% in 2014 and 1.10% in 2015. I have not reviewed forecasts of Kentucky Gross State Product.

d. The July 27, 2016 FOMC press release indicated that the committee will consider gradual increases in the federal funds rate, which would be dependent upon evolving economic conditions in the near term. The cost of equity takes a longer-term horizon considering economic conditions and monetary policy, as well as company-specific factors that contribute to profitability and growth. For example, Blue Chip publishes forecasts monthly for the next six quarters, as well as longer five- and ten-year forecasts biannually. When viewing all these forecasts, a projected rate should fall within these expectations.

Blue Chip Economic Indicators®

Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead
Vol. 41, No. 8, August 10, 2016

BLUE CHIP ECONOMIC INDICATORS®

**EXECUTIVE EDITOR:
RANDELL E. MOORE**

3663 Madison Ave.
Kansas City, MO 64111
Phone (816) 931-0131
Fax (816) 931-0430
E-mail: randy.moore@wolterskluwer.com

Robert J. Eggert
Founder

Publisher: Dom Cervi

Blue Chip Economic Indicators® (ISSN: 0193-4600) is published monthly by CCH Incorporated, 76 Ninth Avenue, New York, NY 10011. Printed in the U.S.A.

Subscriptions: \$1379 per year for print, e-mail or online delivery of 12 monthly issues. \$1655 per year for both print and e-mail delivery of 12 monthly issues. \$2225 for email or online and Excel package. For multiple-copy rates and site-license agreements call Tom Bader in the U.S. toll free at 877-347-6108. You may also contact him at: tom.bader@wolterskluwer.com

Permission requests: For information on how to obtain permission to reproduce content, please visit the Wolters Kluwer website at: <http://www.wklawbusiness.com/footer-pages/permissions>

Purchasing reprints: For customized article reprints, please contact *Wright's Media* at 1-877-652-5295 or go to the *Wright's Media* website at www.wrightsmmedia.com.

Customer Service: 1-800-234-1660

To Order: 1-800-638-8437

Customer Service Fax: 1-800-901-9075

Email: customer.service@wolterskluwer.com

Web Site:

<http://www.wklawbusiness.com/bluechip.asp?pro-moid=WEBBLUECHIPPUBS>

Blue Chip Economic Indicators® is a general circulation news monthly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice. The editor and Aspen Publishers, while considering the contents to be accurate and reliable, take no responsibility for the information contained herein.

Copyright © 2016 CCH Incorporated. All Rights Reserved. This material may not be used, published, broadcast, rewritten, copied, redistributed or used to create any derivative works without prior written permission from the publisher.

TABLE OF CONTENTS

Summary -- Highlights of latest survey results	p. 1
2016 Blue Chip Forecasts -- Individual and consensus forecasts of annual change in 15 key U.S. economic variables	p. 2
2017 Blue Chip Forecasts -- Individual and consensus forecasts of annual change in 15 key U.S. economic variables	p. 3
History of Annual Consensus Forecasts -- Annual forecasts from January 2015 to present and selected graphs	p. 3
Quarterly Blue Chip Forecasts -- Consensus forecasts of quarterly change in 12 U.S. economic variables through the end of 2017	p. 5
Blue Chip International Forecasts -- 2016 and 2017 consensus forecasts of economic growth, inflation, current account, exchange rate and short-term interest rate for 15 of America's largest trading partners	p. 6-7
Recent Developments -- Graphs and analysis of economic trends	p. 8-9
Quarterly U.S. Forecasts -- Graphs and analysis of latest quarterly consensus forecasts of key U.S. economic variables	p. 10-11
International Forecasts -- Graphs and analysis of selected international consensus forecasts	p. 12
Databank -- Monthly historical data on many key indicators of economic activity	p. 13
Special Questions -- Results of special questions posed to panel members about the economy, financial markets and government policy	p. 14
Viewpoints -- A sampling of views on the economy and government policy excerpted from recent reports issued by our panel members	p. 15
Calendar -- Release dates for important upcoming economic data releases, FOMC meetings, etc.	p. 16

Real GDP Forecast For 2016 Tumbles On Weaker-Than-Expected First-Half Growth

Domestic Commentary The advance estimate from the Bureau of Economic Analysis (BEA) that in Q2 the economy grew considerably slower than predicted by last month's consensus forecast, coupled with BEA's downward revision in Q1's estimated growth rate, knocked this month's consensus forecast of 2016's year-over-year (y/y) change in real (inflation-adjusted) GDP growth for a loop. The drop would have been even larger was it not for an upward revision in this month's consensus estimate of real GDP growth in the second half of the year. Nonetheless, the consensus now forecasts that y/y real GDP growth in 2016 will be the slowest since 2009, while its fourth quarter-over-fourth quarter (q4/q4) change will be the weakest since 2012. The consensus forecast of y/y real GDP growth in 2017, however, went unchanged from a month ago, and its forecasted change on a q4/q4 basis unaltered for a fourth consecutive month. Also unchanged this month was consensus forecasts of the average unemployment rate this year and next and the y/y changes in the Consumer Price Index (CPI) and the GDP price index.

According to our August 4th-5th survey, the consensus predicts real GDP will increase 1.5% (y/y) in 2016, 0.4 of a percentage point less than last month. On a q4/q4 basis, it is forecast to increase 1.8%, 0.2 of a percentage point less than a month ago. Nominal (current dollar) GDP is forecast to increase 2.9% (y/y) this year, 0.3 of a percentage point slower than forecast a month earlier. The consensus now predicts real GDP will grow 2.8% (saar) in the current quarter and 2.3% in Q4 of this year. The Q3 forecast rose 0.6 of a percentage point this month, while the Q4 estimate inched up 0.1 of a point. In 2017, the consensus continued to predict that real GDP will increase 2.2% both y/y and q4/q4. Nominal GDP still is forecast to register a y/y increase of 4.3% next year. For a fifth consecutive month the unemployment rate was predicted to average 4.8% in 2016. The forecast of its 2017 average remained at 4.6% for a second straight month. For a third straight month the CPI was projected to increase 1.3% (y/y), but now is forecast to increase 1.8% on a q4/q4 basis, up 0.2 of a percentage point from a month ago. For an eight consecutive month the CPI is forecast to increase 2.3% in 2017, but the estimate of its q4/q4 change rose to 2.4%. The GDP price index was forecast for a third consecutive month to increase 1.3% on a y/y basis, but be up by 1.6% q4/q4, the latter estimate 0.1 of a percentage point more than last month. For an eight straight month, the GDP price index was forecast to increase 2.0% (y/y) and its estimated q4/q4 change remained at 2.1%.

Real GDP grew at a seasonally-adjusted annual rate (saar) of 1.2% in Q2, according to the advance estimate from BEA. This was 1.3 percentage points slower than last month's consensus forecast. Moreover, BEA's annual revision to the National Income and Product Accounts (NIPA) included a downward revision in Q1 real GDP growth to 0.8%, 0.3 of a percentage point less than earlier estimated by BEA. All told, the softer-than-expected growth in Q2, combined with revisions to prior quarters, left real GDP up only 1.2% over the past year, marking the slowest four-quarter-growth rate since Q3 2013.

Consumer spending in Q2 actually was even more robust than expected by the consensus and rather than subtracting from GDP real net exports contributed the most since Q3 2014. However, business investment, residential investment, and government spending were all much weaker than expected by the consensus. Moreover, the pull-back in inventory investment was substantially greater than anticipated by our panelists. Real personal consumption expenditures (PCE) in Q2 grew 4.2% (saar), marking one of the strongest quarters of the current expansion, bested only by the increase in Q4 2014 and tied with the increase in Q4 2010. Real net exports contributed about one quarter of a percentage point to real GDP's rate of growth in Q2 as exports grew 1.4% (saar), while imports slipped 0.4% (saar). Real nonresidential fixed investment tumbled for a third consecutive quarter, falling 2.2% (saar). Business investment in equipment contracted 3.5% (saar), the fifth decline in the past seven quarters, while investment in business structures dropped 7.9% (saar), the fifth decline in the last six quarters.

Business investment in intellectual property products bucked the trend, increasing 3.5% (saar). Real residential investment contracted 6.1% (saar) in Q2, the first decline since Q1 2014. Real government spending and investment slipped 0.9% (saar) during the quarter, its first contraction since Q4 2014. Lastly, real inventories pulled back for a fifth straight quarter, falling by \$8.1 billion and leaving inventory investment slicing a whopping 1.16 percentage points from real GDP's growth rate in Q2.

The consensus expectation that real GDP growth in the second half of this year will average a bit more than 2.5% (saar) versus its first-half average of only 1.0% (saar) presumes that PCE growth remains healthy, that residential and nonresidential investment rebounds, that government spending and investment turns around, and that we see an end to the drag on GDP from inventories, if not net exports.

For all of 2016, the consensus predicts that real disposable personal income (DPI) and real PCE will register respective y/y increases of 2.4% and 2.6%. The former fell 0.5 of a percentage point this month, the drop accounted for by slower-than-earlier estimated growth during the first half of this year. Real nonresidential fixed investment is forecast to contract 1.0% this year, 0.6 of a percentage point worse than estimated last month due to its greater than expected fall in Q2. That would mark the worst y/y performance since 2009, but mostly represents the sharp downturn in equipment and business structure investment that resulted from the plunge in oil and gas prices. Sales of autos and light trucks still are forecast to total 17.2 million units this year. The forecast of total housing starts put in place this year slipped by 10,000 units to 1.19 million units, but still up about 7.2% from 2015's total. The real net export deficit is expected to hit -\$569.4 billion in 2016, a deterioration over last month's estimate and \$29.4 billion worse than 2015's deficit. Total industrial production is projected to contract -0.9% y/y in 2016, but to expand by 0.1% if measured q4/q4. All of the weakness is concentrated in the first half of the year. Pre-tax corporate profits now are forecast to contract -0.9% in 2016 versus 1.8% a month ago. The forecast of average 3-month Treasury bill rates in 2016 remained at 0.3%, but the forecast of average 10-year Treasury note yields dropped to 1.7%.

For 2017, the consensus forecast of the y/y change in real DPI slipped 0.1 of a percentage point to 2.3% but estimated y/y growth in real PCE remained at 2.5% for an eighth month. Sales of autos and light trucks still are projected to total 17.2 million units next year. However, the forecast of total housing starts put in place next year eased by another 10,000 units to 1.31 million units. Real nonresidential fixed investment is projected to grow 2.7% in 2017, 0.4 of a percentage point less than forecast a month earlier. The consensus predicts total industrial production will increase 2.0% y/y in 2017, 0.1 of a percentage point less than last month. However, it still is forecast to expand by 2.4% if measured q4/q4. The real net export deficit will widen to \$615.5 billion in 2017. Pre-tax corporate profits still are projected to increase 3.1% y/y in 2017. Three-month Treasury bill rates are forecast to average 0.9% in 2017, while the 10-year Treasury note yield is expected to average 2.1%, both estimates lower than a month ago.

International Commentary There were few changes this month in consensus forecasts of 2016 real GDP growth in many of America's major trading partners, but forecasts of growth in 2017 tended to fall. Indeed, y/y growth in the Eurozone and the U.K. are now projected to be slower than that registered in 2016, and growth in Japan little better than that seen this year (*see pages 6-7*).

Special Questions Almost three-quarters of the panelists see only one 25 basis point interest rate hike from the Federal Reserve this year and that most likely not until December. Odds of a recession in 2017 remain around one-in-four, according to the consensus. Nearly 69% of our panelists deemed the negative interest rate policies adopted by some major central banks as either "not effective" or outright "detrimental" to the economy (*see page 14*).

GREEN indicates the Blue Chip consensus forecast of real GDP growth over the next four quarters is 3.0 percent or more.

YELLOW cautions that the consensus forecast of real GDP growth over the next four quarters is between 1.5 percent and 2.9 percent.

RED warns that the consensus forecast of real GDP growth over the next four quarters is less than 1.5 percent.

2016 Real GDP Forecast Dropped To 1.5%

AUGUST 2016 Forecast For 2016 SOURCE:	----- Percent Change 2016 From 2015 (Full Year-Over-Prior Year) -----									- Average For 2016 ----			- Total Units-2016 ----		-2016--
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Real GDP (Chained) (2009\$)	GDP Price Index	Nominal GDP (Cur.\$)	Consumer Price Index	Indust. Prod. (Total)	Dis. Pers. Income (2009\$)	Personal Cons. Exp. (2009\$)	Non-Res. Fix. Inv. (2009\$)	Corp. Profits (Cur.\$)	Treas. Bills 3-mo.	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto&Light Truck Sales (Mil.)	Net Exports (2009\$)
Ford Motor Company*	2.0 H	1.4	3.4 H	1.5 H	-0.2	2.3	3.1	-0.5	na	na	1.6	4.6 L	1.17	na	-568.0
Inforum - Univ. of Maryland	1.7	1.4	3.0	1.3	-1.0	2.4	2.6	-0.8	-1.5	0.3	1.8	4.8	1.20	17.2	-569.0
Swiss Re	1.7	1.3	3.0	1.4	-0.7	2.5	2.8	-1.0	-0.8	0.3	1.7	4.8	1.18	16.9	-566.8
Amherst Pierpont Securities	1.6	1.3	3.0	1.3	-0.8	2.5	2.7	-1.4	-2.0	0.3	1.8	4.8	1.19	17.1	-570.0
Economist Intelligence Unit	1.6	1.4	3.0	1.3	-0.2	2.2	3.2 H	-1.7	na	0.3	1.7	4.8	1.20	17.2	-580.0
IHSMarkit	1.6	1.4	2.9	1.2	-1.5	2.4	2.7	-0.4	-0.6	0.3	1.7	4.8	1.18	17.5	-577.0
Naroff Economic Advisors*	1.6	1.6 H	3.0	1.3	-0.7	2.9	2.7	-0.7	3.6 H	0.3	1.7	4.8	1.21	17.4	-572.0
RBS Securities	1.6	1.3	2.9	1.2	-0.8	2.3	2.6	-0.9	-1.0	0.3	1.7	4.8	1.20	17.2	-561.0
Societe Generale	1.6	1.4	3.0	1.3	na	2.4	2.6	-0.8	na	0.2 L	1.6	4.8	1.19	17.5	-580.0
Turning Points (Micrometrics)	1.6	1.4	3.0	1.3	-2.1 L	2.1	2.6	-0.4	-1.5	0.3	1.8	4.9 H	1.16	17.1	-562.1
Oxford Economics	1.5	1.2 L	2.7 L	1.2	-0.8	2.3	2.6	-0.8	-1.6	0.4 H	1.8	4.8	1.22	17.4	-569.9
ACT Research	1.5	1.3	2.9	1.2	-1.0	1.8 L	2.5	-1.1	na	0.3	1.7	4.8	1.21	17.3	-574.8
Action Economics	1.5	1.3	2.9	1.2	-1.0	2.3	2.7	-1.0	-0.9	0.3	1.7	4.8	1.17	17.1	-568.2
Bank of America Merrill Lynch	1.5	1.3	2.8	1.4	-1.1	na	2.6	-1.1	na	0.4 H	1.5	4.8	1.18	17.3	-568.1
BMO Capital Markets*	1.5	1.3	2.8	1.3	-0.8	2.3	2.6	-1.2	-1.2	0.3	1.7	4.9 H	1.20	17.1	-565.5
BNP Paribas North America	1.5	1.5	3.0	1.2	-0.1 H	na	2.5	-0.9	na	0.3	1.6	4.9 H	na	na	-574.5
Comerica*	1.5	1.4	2.8	1.2	-1.1	2.6	2.5	-1.5	na	0.3	1.6	4.9 H	1.18	17.3	-564.3
Credit Suisse	1.5	1.2 L	2.7 L	1.2	-1.0	na	2.6	-1.1	-0.2	na	1.5 L	4.8	1.20	17.3	-564.5
Daiwa Capital Markets America	1.5	1.3	2.8	1.2	-0.9	2.4	2.6	-1.4	-1.3	0.3	1.7	4.8	1.16	17.2	-565.0
DS Economics	1.5	1.4	2.9	1.2	-1.2	2.3	2.7	-1.1	0.3	0.3	1.8	4.8	1.18	17.2	-569.6
Eaton Corporation	1.5	1.2 L	2.7 L	1.4	-1.0	2.9 H	2.8	-0.7	na	0.3	1.7	4.8	1.20	17.3	-561.3
Econoclast	1.5	1.4	2.9	1.2	-0.8	2.4	2.5	-1.0	-0.8	0.3	1.6	4.8	1.20	17.1	-562.0
Fannie Mae	1.5	1.3	2.8	1.2	-1.0	2.4	2.6	-1.1	0.4	0.3	1.7	4.9 H	1.19	17.3	-570.1
FedEx Corporation	1.5	1.3	2.8	1.3	-0.9	2.4	2.6	-1.0	-1.0	0.3	1.7	4.8	1.20	17.3	-573.7
General Motors	1.5	1.3	2.8	1.2	-1.1	2.4	2.7	-1.0	0.6	0.3	1.7	4.8	1.19	na	-570.8
Georgia State University*	1.5	1.4	2.9	1.2	-1.2	2.4	2.7	-1.1	0.6	0.3	1.8	4.9 H	1.16	17.0	-571.6
Goldman Sachs & Co. **	1.5	1.3	2.8	1.3	-0.9	2.5	2.6	-1.0	na	0.3	1.7	4.8	1.18	na	-577.3
High Frequency Economics	1.5	1.4	2.9	1.3	-1.0	2.4	2.6	-1.0	-1.0	0.2 L	1.9 H	4.8	1.20	17.5	-564.8
Macroeconomic Advisers, LLC**	1.5	1.3	2.8	1.2	-1.1	2.4	2.7	-1.0	0.3	0.3	1.7	4.8	1.18	17.2	-572.1
MacroFin Analytics	1.5	1.4	2.8	1.2	-0.9	2.4	1.7 L	-0.8	-1.1	0.3	1.7	4.8	1.17	17.3	-563.7
Moody's Capital Markets*	1.5	1.3	2.8	1.2	-0.5	2.3	2.7	-0.9	1.0	0.3	1.8	4.8	1.20	17.2	-570.4
MUFG Union Bank	1.5	1.2 L	2.7 L	1.4	-0.7	na	2.7	-1.2	-2.4	0.4 H	1.8	4.8	1.25 H	17.2	-560.0
National Assn. of Home Builders	1.5	1.3	2.8	1.2	-1.1	2.3	2.5	-0.7	na	0.3	1.8	4.8	1.18	17.0	-564.0
National Assn. of Realtors	1.5	1.4	2.9	1.3	-0.9	2.4	2.7	0.0 H	-2.0	0.3	1.8	4.8	1.21	17.2	-565.0
Northern Trust Company*	1.5	1.3	2.8	1.2	na	na	2.5	-0.9	na	0.3	1.7	4.8	1.15 L	17.3	-568.6
PNC Financial Services Group	1.5	1.3	2.8	1.2	-0.9	2.4	2.4	-0.6	na	0.3	1.8	4.8	1.17	17.3	-568.4
Point72 Asset Management	1.5	1.4	2.9	1.3	-0.6	2.3	2.7	-0.8	-1.4	0.3	1.7	4.8	1.20	17.3	-569.4
RDQ Economics	1.5	1.4	2.9	1.3	-1.0	2.6	2.6	-1.2	-0.4	0.3	1.8	4.8	1.15 L	17.5	-568.5
Regions Financial Corporation	1.5	1.3	2.8	1.3	-1.0	2.1	2.6	-1.2	-3.4	0.3	1.6	4.8	1.16	17.1	-567.1
U.S. Chamber of Commerce	1.5	1.3	2.8	1.1 L	-1.2	2.7	2.6	-1.8	-1.0	0.4 H	1.8	4.8	1.17	na	-560.2
UCLA Business Forecasting Proj.*	1.5	1.4	2.9	1.2	-1.1	2.5	2.7	-0.5	0.2	0.3	1.7	4.8	1.23	17.8 H	-581.5
Wells Capital Management	1.5	1.4	2.9	1.2	-0.8	2.4	2.6	-1.3	-1.3	0.3	1.7	4.8	1.17	16.7 L	-546.4 H
Barclays*	1.4 L	1.4	2.8	1.3	na	na	2.6	-1.0	na	na	1.6	4.8	1.20	na	-576.4
Conference Board*	1.4 L	1.4	2.8	1.3	-0.8	2.3	2.5	-1.3	-7.5 L	0.3	1.7	4.8	1.19	17.2	-574.1
J P MorganChase	1.4 L	1.4	2.8	1.3	-0.9	2.3	2.6	-2.6 L	-0.3	na	1.7	4.8	1.19	17.3	-573.8
Morgan Stanley*	1.4 L	1.3	2.7 L	1.2	-1.4	na	2.7	-1.2	na	0.3	1.6	4.9 H	1.17	na	-584.0 L
Nomura Securities	1.4 L	1.3	2.7 L	1.2	-0.8	2.4	2.6	-0.8	na	na	1.7	4.9 H	1.18	17.2	-573.7
UBS	1.4 L	1.4	2.9	1.3	-0.8	2.4	2.6	-1.1	na	0.3	1.6	4.8	1.15 L	na	-573.0
Wells Fargo	1.4 L	1.3	2.7 L	1.2	-0.8	2.5	2.6	-1.0	-1.1	0.3	1.6	4.8	1.22	17.2	-578.0
2016 Consensus: August Avg.	1.5	1.3	2.9	1.3	-0.9	2.4	2.6	-1.0	-0.9	0.3	1.7	4.8	1.19	17.2	-569.4
Top 10 Avg.	1.7	1.4	3.0	1.4	-0.5	2.6	2.8	-0.5	0.7	0.3	1.8	4.9	1.22	17.5	-560.9
Bottom 10 Avg.	1.4	1.3	2.7	1.2	-1.3	2.2	2.4	-1.5	-2.5	0.3	1.6	4.8	1.16	17.0	-578.4
July Avg.	1.9	1.3	3.2	1.3	-0.8	2.9	2.6	-0.4	-1.8	0.3	1.8	4.8	1.20	17.2	-561.7
Historical data 2012	2.2	1.8	4.1	2.1	2.8	3.2	1.5	9.0	10.0	0.1	1.8	8.1	0.78	14.4	-447.1
Data for past three years reflects 2013	1.7	1.6	3.3	1.5	1.9	-1.4	1.5	3.5	1.7	0.1	2.4	7.4	0.92	15.5	-404.9
annual revision to NIPA 2014	2.4	1.6	4.2	1.6	3.7	3.5	2.9	6.0	5.9	0.0	2.5	6.2	1.00	16.4	-425.7
that was released July 29th 2015	2.6	1.0	3.7	0.1	1.3	3.5	3.2	2.1	-3.0	0.1	2.2	5.3	1.11	17.4	-540.0
Number Of Forecasts Changed From A Month Ago:															
Down	44	13	42	19	20	35	15	41	8	14	18	7	16	6	32
Same	0	11	1	21	12	3	17	0	4	26	23	35	23	20	1
Up	3	23	4	7	13	2	15	5	20	2	6	5	7	13	14
August Median	1.5	1.3	2.8	1.2	-0.9	2.4	2.6	-1.0	-1.0	0.3	1.7	4.8	1.19	17.2	-569.4
August Diffusion Index	6 %	61 %	10 %	37 %	42 %	9 %	50 %	11 %	69 %	36 %	37 %	48 %	40 %	59 %	31 %

*Former winner of annual Lawrence R. Klein Award for Blue Chip Forecast Accuracy. **Denotes two-time winner. ***Denotes three-time winner.

2017 Real GDP Forecast Remained At 2.2%

AUGUST 2016 Forecast For 2017 SOURCE:	----- Percent Change 2017 From 2016 (Full Year-Over-Prior Year) -----										- Average For 2017 ----			- Total Units-2017 ----		--2017--
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	Real GDP (Chained) (2009\$)	GDP Price Index	Nominal GDP (Cur.\$)	Consumer Price Index	Indust. Prod. (Total)	Dis. Pers. Income (2009\$)	Personal Cons. Exp. (2009\$)	Non-Res. Fix. Inv. (2009\$)	Corp. Profits (Cur.\$)	Treas. Bills 3-mo.	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto&Light Truck Sales (Mil.)	Net Exports (2009\$)	
UCLA Business Forecasting Proj.*	2.7 H	2.6 H	5.4 H	2.9	2.9	2.9	2.8	4.5	5.4	1.1	2.4	4.7	1.42	18.1 H	-666.0	
Amherst Pierpont Securities	2.6	2.2	4.8	3.0 H	1.8	2.5	2.8	2.1	3.5	1.1	2.8 H	4.5	1.30	17.0	-600.0	
Turning Points (Micrometrics)	2.6	2.0	4.6	2.5	1.8	1.5 L	2.6	3.2	3.2	0.6	1.7	5.1 H	1.19	17.5	-580.2	
Naroff Economic Advisors*	2.5	2.5	5.0	2.7	3.1 H	2.4	2.6	4.6 H	7.0 H	1.3	2.8 H	4.5	1.40	17.2	-632.0	
ACT Research	2.4	2.0	4.5	2.0	1.8	2.2	2.3	2.6	na	0.8	1.7	4.6	1.33	17.2	-626.4	
Comerica*	2.4	2.0	4.4	2.1	1.8	3.2	2.2	2.3	na	0.7	1.9	4.6	1.26	16.6	-591.2	
Economist Intelligence Unit	2.4	2.0	4.4	2.2	2.5	2.4	2.8	2.0	na	1.0	2.1	4.6	1.35	17.3	-615.0	
Ford Motor Company*	2.4	2.5	4.9	2.9	2.6	2.3	2.9	3.4	na	na	2.1	4.0 L	1.43	na	-641.3	
Georgia State University*	2.4	1.8	4.2	2.4	1.9	2.6	2.9	3.5	2.1	0.6	2.4	4.9	1.25	16.7	-659.8	
Inforum - Univ. of Maryland	2.4	2.0	4.5	2.2	2.1	2.4	2.5	3.1	3.5	0.9	2.2	4.6	1.34	17.3	-614.8	
MUFG Union Bank	2.4	1.4 L	3.8	2.8	2.5	na	2.7	4.5	7.0	1.4 H	2.5	4.4	1.50 H	17.4	-600.0	
National Assn. of Home Builders	2.4	1.8	4.2	2.1	1.1	1.9	2.5	2.6	na	1.1	2.4	4.7	1.28	16.6	-590.0	
Point72 Asset Management	2.4	2.0	4.5	2.3	3.1 H	2.2	2.6	4.1	3.0	1.1	2.3	4.1	1.40	17.6	-619.2	
UBS	2.4	2.3	4.7	2.2	1.1	3.4 H	2.7	3.5	na	1.3	1.5 L	4.6	1.35	na	-688.0 L	
Action Economics	2.3	2.0	4.3	2.1	2.0	2.4	2.7	2.4	4.1	0.8	2.0	4.7	1.26	17.2	-611.3	
Credit Suisse	2.3	1.9	4.2	2.0	na	na	2.7	1.9	2.3	na	na	4.5	1.30	16.9	-608.6	
Daiwa Capital Markets America	2.3	1.9	4.3	2.2	1.8	2.3	2.6	1.7	0.2	0.8	2.0	4.6	1.18 L	17.1	-612.0	
FedEx Corporation	2.3	2.0	4.6	2.3	2.1	2.5	2.6	2.4	4.2	1.0	2.3	4.5	1.33	17.3	-627.6	
General Motors	2.3	2.1	4.4	2.2	1.9	2.5	2.6	3.7	4.6	0.8	2.5	4.5	1.33	na	-633.3	
High Frequency Economics	2.3	2.6 H	4.9	2.6	1.8	2.2	2.4	2.9	3.0	1.1	2.5	4.5	1.33	17.7	-583.4	
IHSMarkit	2.3	2.1	4.5	2.4	1.5	2.4	2.6	3.8	2.7	0.9	2.3	4.7	1.36	17.9	-638.6	
Macroeconomic Advisers, LLC**	2.3	2.1	4.4	2.2	1.9	2.3	2.5	3.8	4.4	0.8	2.4	4.4	1.34	17.3	-643.5	
PNC Financial Services Group	2.3	1.8	4.1	2.2	1.8	2.3	2.3	2.8	na	0.8	2.2	4.6	1.21	17.2	-604.4	
RBS Securities	2.3	1.9	4.2	2.4	1.9	2.0	2.4	3.0	2.0	0.4	1.6	4.7	1.30	16.8	-585.0	
Swiss Re	2.3	1.9	4.2	2.6	2.7	2.9	2.9	3.4	5.0	0.7	2.2	4.5	1.26	16.2 L	-651.8	
Wells Capital Management	2.3	2.1	4.5	2.0	2.5	1.9	2.2	1.3	3.6	0.8	2.0	4.6	1.22	16.8	-491.5 H	
Oxford Economics	2.3	2.0	4.3	2.2	2.2	1.9	2.6	2.9	0.2	0.9	2.2	4.6	1.42	17.7	-602.1	
Barclays*	2.2	2.2	4.5	2.7	na	na	2.6	3.6	na	na	na	4.1	na	na	-635.1	
BMO Capital Markets*	2.2	2.0	4.2	2.4	2.1	1.8	2.4	1.7	4.2	0.7	1.9	4.6	1.37	16.8	-582.1	
Fannie Mae	2.2	1.9	4.1	2.2	1.9	2.3	2.3	1.3	4.3	0.6	1.6	4.7	1.34	17.6	-581.2	
MacroFin Analytics	2.2	1.9	4.2	2.1	2.1	2.3	2.6	3.0	4.2	1.2	2.5	4.6	1.35	17.0	-582.3	
Societe Generale	2.2	2.1	4.4	2.4	na	2.4	2.5	4.2	na	0.5	2.0	4.4	1.28	17.5	-680.0	
U.S. Chamber of Commerce	2.2	1.9	4.0	1.7 L	1.3	2.4	2.5	0.3 L	1.6	0.9	2.2	4.7	1.26	na	-584.9	
Bank of America Merrill Lynch	2.1	1.9	4.0	2.4	1.4	na	2.5	1.7	na	na	na	4.6	1.33	17.7	-626.4	
DS Economics	2.1	2.2	4.3	2.2	1.4	2.2	2.4	2.5	4.0	0.6	2.4	4.6	1.29	16.6	-613.2	
Eaton Corporation	2.1	2.1	4.2	2.3	2.1	2.2	2.7	3.3	na	0.8	2.2	4.6	1.37	17.4	-628.5	
Econoclast	2.1	1.9	4.0	2.3	2.2	2.5	2.4	1.6	2.1	0.7	1.8	4.7	1.24	16.7	-576.0	
Goldman Sachs & Co.**	2.1	1.9	4.1	2.3	1.8	2.4	2.4	2.7	na	0.9	2.3	4.5	1.28	na	-643.9	
Moody's Capital Markets*	2.1	1.8	3.9	1.9	2.9	1.9	2.5	1.2	2.0	0.8	1.8	4.6	1.27	16.9	-613.4	
National Assn. of Realtors	2.1	2.0	4.2	2.2	2.1	2.3	2.9	3.5	3.0	0.9	2.4	4.6	1.29	17.0	-575.0	
Northern Trust Company*	2.1	1.9	4.1	1.8	na	na	3.2 H	2.1	na	0.8	2.4	4.6	1.20	17.3	-540.0	
Regions Financial Corporation	2.1	1.8	3.9	2.0	1.8	1.6	2.2	2.0	2.7	0.7	1.8	4.7	1.24	16.3	-592.7	
Wells Fargo	2.0	2.1	4.1	2.2	2.3	2.6	2.6	2.0	1.7	0.8	1.7	4.6	1.27	16.8	-667.4	
J P Morgan Chase	1.9	2.1	4.0	2.4	1.9	2.0	2.2	2.0	2.6	na	na	4.4	1.27	17.3	-633.3	
Nomura Securities	1.9	1.6	3.5	2.1	1.9	2.5	2.2	3.5	na	na	2.0	4.8	1.36	17.4	-629.4	
RDQ Economics	1.9	2.2	4.2	2.5	1.9	2.2	2.2	2.6	3.9	1.2	2.5	4.3	1.20	18.0	-614.3	
Conference Board*	1.8	2.0	3.9	2.4	1.8	2.0	2.2	1.2	-5.4 L	1.0	2.1	4.6	1.29	16.8	-645.5	
BNP Paribas North America	1.6	2.3	3.9	2.1	1.9	na	2.1 L	1.7	na	0.9	1.6	5.1 H	na	na	-645.0	
Morgan Stanley*	1.5 L	1.6	3.1 L	1.9	0.5 L	na	2.1 L	1.2	na	0.3 L	na	4.8	1.20	na	-654.2	
2017 Consensus: August Avg.	2.2	2.0	4.3	2.3	2.0	2.3	2.5	2.7	3.1	0.9	2.1	4.6	1.31	17.2	-615.5	
Top 10 Avg.	2.5	2.4	4.8	2.7	2.7	2.8	2.9	4.0	5.0	1.2	2.5	4.8	1.40	17.7	-567.7	
Bottom 10 Avg.	1.9	1.7	3.8	2.0	1.4	1.9	2.2	1.3	0.9	0.6	1.7	4.3	1.21	16.6	-660.2	
July Avg.	2.2	2.0	4.3	2.3	2.1	2.4	2.5	3.1	3.1	1.0	2.3	4.6	1.32	17.2	-607.4	
Number Of Forecasts Changed From A Month Ago:																
Down	17	10	10	19	21	23	11	38	15	13	13	6	17	8	25	
Same	15	24	18	23	16	8	18	3	13	26	27	32	22	23	4	
Up	16	14	20	6	8	10	19	6	4	2	3	10	7	9	19	
August Median	2.3	2.0	4.2	2.2	1.9	2.3	2.5	2.6	3.2	0.8	2.2	4.6	1.30	17.2	-614.8	
August Diffusion Index	49 %	54 %	60 %	36 %	36 %	34 %	58 %	16 %	33 %	37 %	38 %	54 %	39 %	51 %	44 %	

*Former winner of annual Lawrence R. Klein Award for Blue Chip Forecast Accuracy. **Denotes two-time winner. ***Denotes three-time winner.

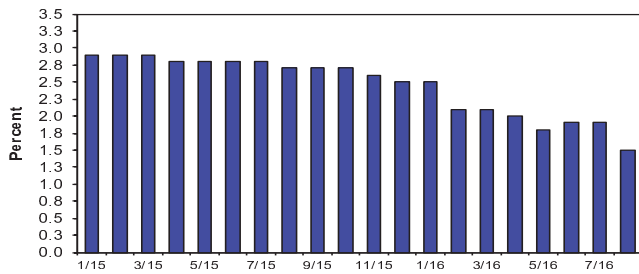
BASIC DATA SOURCES: ¹Gross Domestic Product (GDP), chained 2009\$, National Income and Product Accounts (NIPA), Bureau of Economic Analysis (BEA); ²GDP Chained Price Index, NIPA, BEA; ³GDP, current dollars, NIPA, BEA; ⁴Consumer Price Index-All Urban Consumers, Bureau of Labor Statistics (BLS); ⁵Total Industrial Production, Federal Reserve Board (FRB); ⁶Disposable Personal Income, 2009\$, NIPA, BEA; ⁷Personal Consumption Expenditures, 2009\$, NIPA, BEA; ⁸Nonresidential Fixed Investment, 2009\$, NIPA, BEA; ⁹Corporate Profits Before Taxes, current dollars, with inventory valuation and capital consumption adjustments, NIPA, BEA; ¹⁰Treasury Bill Rate, 3-month, secondary market, bank discount basis, FRB; ¹¹Treasury note yield, 10-year, constant maturity basis, FRB; ¹²Unemployment Rate, civilian work force, BLS; ¹³Housing Starts, Bureau of Census; ¹⁴Total U.S. Auto and Light Truck Sales (includes imports), BEA; ¹⁵Net Exports of Goods and Services, 2009\$, NIPA, BEA.

Previous Consensus Forecasts

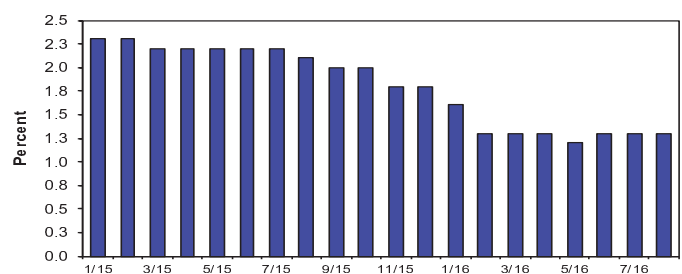
Consensus Forecasts For 2016	Real GDP	GDP	Nominal	Consumer	Indust.	Dis. Pers.	Personal	Non-Res.	Corp.	Treas.	Treas.	Unempl.	Housing	Auto/Truck	Net
	Chained ('2009\$)	Price Index	GDP (Cur. \$)	Price Index	Prod. (Total)	Income (2009\$)	Cons. Exp. (2009\$)	Fix. Inv. (2009\$)	Profits (Cur. \$)	Bills 3-mo.	Notes 10-Year	Rate (Civ.)	Starts (Mil.)	Sales (Mil.)	Exports (2009\$)
January 2015 Consensus	2.9	2.0	4.9	2.3	3.3	2.8	2.7	5.4	4.1	1.7	3.5	5.1	1.30	17.0	-480.4
February 2015 Consensus	2.9	2.0	4.9	2.3	3.3	2.8	2.8	5.2	4.1	1.6	3.2	5.0	1.30	17.1	-499.5
March 2015 Consensus	2.9	1.9	4.8	2.2	3.2	2.7	2.8	5.2	4.1	1.6	3.2	5.0	1.30	17.0	-523.7
April 2015 Consensus	2.8	1.9	4.8	2.2	3.1	2.6	2.8	5.2	4.0	1.4	3.1	5.0	1.28	17.0	-530.0
May 2015 Consensus	2.8	1.9	4.8	2.2	3.1	2.5	2.8	5.0	3.9	1.3	3.0	5.0	1.26	17.1	-544.4
June 2015 Consensus	2.8	1.9	4.8	2.2	3.0	2.5	2.8	5.0	4.4	1.2	3.0	4.9	1.26	17.1	-573.8
July 2015 Consensus	2.8	1.9	4.8	2.2	2.9	2.5	2.8	4.9	4.1	1.2	3.0	4.9	1.27	17.1	-578.5
August 2015 Consensus	2.7	1.9	4.7	2.1	2.7	2.6	2.9	4.7	4.0	1.1	2.9	4.9	1.27	17.1	-573.7
September 2015 Consensus	2.7	1.9	4.6	2.0	2.6	2.6	2.9	4.8	4.1	1.0	2.9	4.8	1.28	17.2	-569.1
October 2015 Consensus	2.7	1.8	4.5	2.0	2.3	2.6	2.9	4.8	4.2	0.8	2.7	4.8	1.28	17.3	-591.4
November 2015 Consensus	2.6	1.8	4.4	1.8	2.1	2.7	2.9	4.2	4.0	0.7	2.7	4.8	1.28	17.4	-588.2
December 2015 Consensus	2.5	1.7	4.3	1.8	1.9	2.9	2.8	4.3	4.0	0.8	2.7	4.8	1.25	17.6	-590.5
January 2016 Consensus	2.5	1.7	4.2	1.6	1.6	2.9	2.8	3.9	2.8	0.7	2.6	4.8	1.25	17.7	-593.6
February 2016 Consensus	2.1	1.5	3.7	1.3	0.8	2.9	2.7	2.6	1.5	0.6	2.4	4.8	1.25	17.6	-601.1
March 2016 Consensus	2.1	1.5	3.6	1.3	0.9	2.9	2.7	2.2	0.8	0.6	2.2	4.7	1.23	17.6	-549.9
April 2016 Consensus	2.0	1.5	3.5	1.3	0.3	2.8	2.6	1.6	-0.7	0.5	2.1	4.8	1.23	17.5	-611.0
May 2016 Consensus	1.8	1.4	3.2	1.2	-0.4	2.6	2.5	0.2	-1.2	0.4	2.0	4.8	1.21	17.3	-584.0
June 2016 Consensus	1.9	1.3	3.2	1.3	-0.5	2.9	2.6	-0.4	-2.5	0.4	2.0	4.8	1.20	17.3	-573.5
July 2016 Consensus	1.9	1.3	3.2	1.3	-0.8	2.9	2.6	-0.4	-1.8	0.3	1.8	4.8	1.20	17.2	-561.7
August 2016 Consensus	1.5	1.3	2.9	1.3	-0.9	2.4	2.6	-1.0	-0.9	0.3	1.7	4.8	1.19	17.2	-569.4
Difference From Jan. 2015 Forecast	-1.4	-0.7	-2.0	-1.0	-4.2	-0.4	-0.1	-6.4	-5.0	-1.4	-1.8	-0.3	-0.11	0.2	-89.0
Forecast High	2.9	2.0	4.9	2.3	3.3	2.9	2.9	5.4	4.4	1.7	3.5	5.1	1.30	17.7	-480.4
Forecast Low	1.5	1.3	2.9	1.2	-0.9	2.4	2.5	-1.0	-2.5	0.3	1.7	4.7	1.19	17.0	-611.0

Consensus Forecasts For 2017	Real GDP	GDP	Nominal	Consumer	Indust.	Dis. Pers.	Personal	Non-Res.	Corp.	Treas.	Treas.	Unempl.	Housing	Auto/Truck	Net
	Chained ('2009\$)	Price Index	GDP (Cur. \$)	Price Index	Prod. (Total)	Income (2009\$)	Cons. Exp. (2009\$)	Fix. Inv. (2009\$)	Profits (Cur. \$)	Bills 3-mo.	Notes 10-Year	Rate (Civ.)	Starts (Mil.)	Sales (Mil.)	Exports (2009\$)
January 2016 Consensus	2.5	2.0	4.5	2.3	2.5	2.6	2.5	4.2	3.5	1.7	3.2	4.6	1.37	17.5	-643.8
February 2016 Consensus	2.4	2.0	4.5	2.3	2.4	2.5	2.5	3.9	3.3	1.6	3.0	4.5	1.37	17.4	-652.8
March 2016 Consensus	2.4	2.0	4.4	2.3	2.4	2.5	2.5	3.8	3.1	1.5	2.9	4.5	1.35	17.4	-647.9
April 2016 Consensus	2.3	2.0	4.4	2.3	2.3	2.5	2.5	3.6	2.8	1.3	2.8	4.6	1.35	17.3	-643.4
May 2016 Consensus	2.3	2.0	4.3	2.3	2.3	2.5	2.5	3.7	3.0	1.2	2.7	4.6	1.34	17.2	-635.4
June 2016 Consensus	2.3	2.0	4.4	2.3	2.3	2.4	2.5	3.4	3.2	1.2	2.6	4.5	1.33	17.2	-621.9
July 2016 Consensus	2.2	2.0	4.3	2.3	2.1	2.4	2.5	3.1	3.1	1.0	2.3	4.6	1.32	17.2	-607.4
August 2016 Consensus	2.2	2.0	4.3	2.3	2.0	2.3	2.5	2.7	3.1	0.9	2.1	4.6	1.31	17.2	-615.5
Difference From Jan. 2016 Forecast	-0.3	0.0	-0.2	0.0	-0.5	-0.3	0.0	-1.5	-0.4	-0.8	-1.1	0.0	-0.06	-0.3	28.3
Forecast High	2.5	2.0	4.5	2.3	2.5	2.6	2.5	4.2	3.5	1.7	3.2	4.6	1.37	17.5	-607.4
Forecast Low	2.2	2.0	4.3	2.3	2.0	2.3	2.5	2.7	2.8	0.9	2.1	4.5	1.31	17.2	-652.8

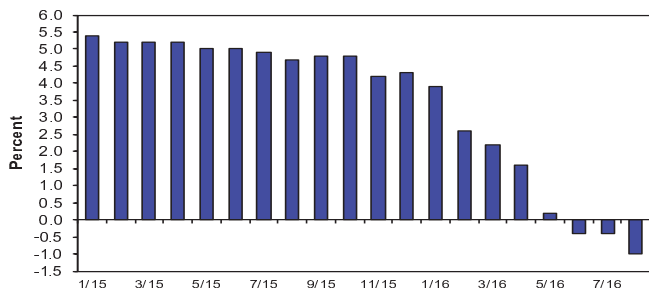
Consensus Forecasts Of Y/Y % Change In Real GDP In 2016



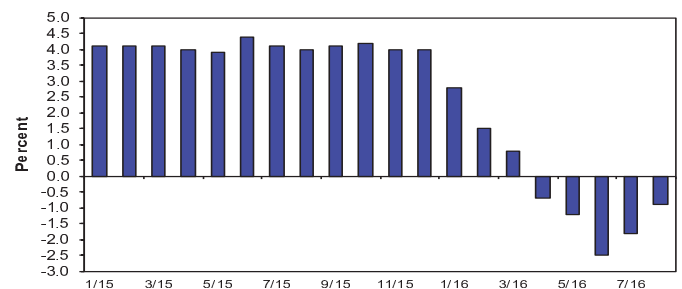
Consensus Forecasts Of Y/Y % Change In Consumer Price Index In 2016



Consensus Forecasts Of Y/Y % Change In Real Nonresidential Fixed Investment In 2016



Consensus Forecasts Of Y/Y % Change In Corporate Profits In 2016



3. Blue Chip Consensus: Percent Change From Prior Quarter At Annual Rate And Averages For Quarter.*

Actuals ¹	% Change From Prior Quarter At Annual Rate							Average For Quarter				
	Real GDP	GDP Price Index	Producer Price Index	Total Industrial Production	Disposable Personal Income	Personal Consump. Expend.	Unemployment Rate	3-Mo. Treas. Bills	10-Yr. Treas. Notes	Change in Business Inventories	Real Net Exports	
2015 1Q	2.0	-0.1	-2.9	-4.8	-1.9	2.0	2.4	5.6	0.0	2.0	114.4	-521.2
2Q	2.6	2.3	2.4	1.0	-2.7	3.9	2.9	5.4	0.0	2.2	93.8	-524.9
3Q	2.0	1.3	1.4	0.6	1.5	3.3	2.7	5.2	0.0	2.2	70.9	-547.1
4Q	0.9	0.8	0.8	-2.0	-3.3	3.0	2.3	5.0	0.1	2.2	56.9	-566.6
2016 1Q	0.8	0.5	-0.3	0.4	-1.8	2.2	1.6	4.9	0.3	1.9	40.7	-566.3
2Q	1.2	2.2	2.5	1.6	-1.0	1.2	4.2	4.9	0.3	1.8	-8.1	-556.3
Blue Chip Forecasts	% Change From Prior Quarter At Annual Rate							Average For Quarter				
3Q Consensus	2.8	1.8	2.0	2.4	1.8	2.2	2.7	4.8	0.3	1.6	26.1	-570.7
Top 10 Avg.	3.8	2.3	2.7	3.6	3.7	2.9	3.5	4.9	0.3	1.7	56.4	-557.8
Bot. 10 Avg.	2.1	1.2	1.4	1.6	-0.1	1.4	2.1	4.7	0.3	1.5	2.6	-583.5
4Q Consensus	2.3	1.9	2.2	2.0	1.9	2.3	2.5	4.7	0.4	1.7	34.0	-582.7
Top 10 Avg.	2.8	2.6	2.9	3.1	3.1	3.1	3.1	4.9	0.6	1.9	58.2	-560.7
Bot. 10 Avg.	1.8	1.3	1.5	0.8	0.4	1.7	2.0	4.6	0.3	1.5	11.1	-603.8
2017 1Q Consensus	2.2	2.0	2.3	2.2	2.4	2.6	2.3	4.7	0.6	1.9	36.0	-595.5
Top 10 Avg.	2.6	2.5	2.7	3.1	3.4	3.3	2.7	4.8	0.8	2.2	58.5	-565.9
Bot. 10 Avg.	1.7	1.5	1.8	1.3	1.6	1.9	2.0	4.4	0.4	1.5	14.1	-624.6
2Q Consensus	2.3	2.1	2.4	2.4	2.5	2.4	2.3	4.6	0.8	2.0	39.4	-610.1
Top 10 Avg.	2.6	2.6	3.0	3.2	3.4	3.0	2.7	4.8	1.1	2.4	60.8	-570.3
Bot. 10 Avg.	1.8	1.7	1.8	1.6	1.7	2.0	1.9	4.3	0.5	1.5	16.0	-648.7
3Q Consensus	2.2	2.1	2.4	2.5	2.4	2.4	2.2	4.6	0.9	2.2	39.2	-622.8
Top 10 Avg.	2.5	2.6	2.9	3.5	3.2	3.0	2.7	4.8	1.3	2.7	59.3	-575.2
Bot. 10 Avg.	1.7	1.8	1.9	1.7	1.8	2.0	1.8	4.2	0.6	1.7	17.4	-669.3
4Q Consensus	2.1	2.1	2.4	2.5	2.3	2.4	2.2	4.5	1.1	2.3	39.0	-635.2
Top 10 Avg.	2.6	2.7	3.1	3.6	3.0	3.0	2.6	4.9	1.6	3.0	58.8	-580.6
Bot. 10 Avg.	1.6	1.7	2.0	1.6	1.7	1.7	1.9	4.2	0.6	1.7	17.2	-692.8

4. Blue Chip Consensus: Quarterly Annualized Values And Percent Change From Same Quarter In Prior Year.*

Real Gross Domestic Product							GDP Chained Price Index						
Billions Of Chained 2009\$ (SAAR)		% Change From Same Quarter In Prior Year ²					Index 2009 = 100 (SAAR)		% Change From Same Quarter In Prior Year ²				
Actual	Forecast ¹	Actual	Forecast	Actual	Forecast	Actual	Forecast ¹	Actual	Forecast	Actual	Forecast		
Quarter	2015	2016	2017	2015	2016	2017	Quarter	2015	2016	2017	2015	2016	2017
1Q	16269.0	16525.0	16876.0	3.3	1.6	2.1	1Q	109.3	110.6	112.8	1.1	1.2	2.0
2Q	16374.2	16575.1	16970.4	3.0	1.2	2.4	2Q	109.9	111.2	113.4	1.1	1.2	2.0
3Q	16454.9	16689.1	17061.1	2.2	1.4	2.2	3Q	110.3	111.7	114.0	1.0	1.3	2.0
4Q	16490.7	16785.3	17149.0	1.9	1.8	2.2	4Q	110.5	112.3	114.6	1.1	1.6	2.1
Total Industrial Production							Consumer Price Index						
Index 2012 = 100 (SAAR)		% Change From Same Quarter In Prior Year ²					Index 1982-1984 = 100 (SAAR)		% Change From Same Quarter In Prior Year ²				
Actual	Forecast ¹	Actual	Forecast	Actual	Forecast	Actual	Forecast ¹	Actual	Forecast	Actual	Forecast		
Quarter	2015	2016	2017	2015	2016	2017	Quarter	2015	2016	2017	2015	2016	2017
1Q	105.8	104.1	105.4	2.4	-1.6	1.2	1Q	235.4	237.9	243.8	-0.1	1.1	2.5
2Q	105.1	103.8	106.0	0.4	-1.2	2.1	2Q	236.8	239.9	245.2	0.0	1.3	2.2
3Q	105.5	104.3	106.6	0.2	-1.2	2.3	3Q	237.6	241.1	246.7	0.1	1.5	2.3
4Q	104.6	104.7	107.2	-1.6	0.1	2.4	4Q	238.1	242.4	248.2	0.4	1.8	2.4

*See explanatory notes on inside of back cover for details of how this data is compiled.

BLUE CHIP INTERNATIONAL CONSENSUS FORECASTS

	-----ANNUAL DATA-----						-----END OF YEAR-----			
	Real Economic Growth % Change		Inflation % Change		Current Account In Billions Of U.S. Dollars		Exchange Rate ¹ Against U.S. \$		Interest Rates 3-Month	
	GDP	Consumer Prices	Consumer Prices	Consumer Prices						
CANADA	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
August Consensus	1.3	2.0	1.7	2.0	-45.6	-38.7	1.32	1.30	0.65	0.88
Top 3 Avg.	1.6	2.5	1.9	2.2	-45.1	-34.5	1.34	1.35	0.85	1.35
Bottom 3 Avg.	1.2	1.6	1.5	1.9	-51.5	-48.1	1.28	1.23	0.53	0.67
Last Month Avg.	1.3	2.3	1.6	2.1	-46.6	-39.0	1.33	1.30	0.69	1.05
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	2.5	1.1	1.9	1.1	-37.5	-52.4	1.31	1.32	0.82	0.67
MEXICO	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
August Consensus	2.3	2.5	2.9	3.3	-30.1	-30.3	18.55	18.13	4.24	4.60
Top 3 Avg.	2.7	3.0	3.2	3.6	-26.3	-26.1	19.23	18.82	4.48	5.00
Bottom 3 Avg.	1.9	2.1	2.7	2.7	-33.9	-34.8	17.77	17.39	3.95	4.17
Last Month Avg.	2.4	2.6	3.0	3.3	-31.5	-29.6	18.68	18.20	4.41	4.98
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	2.2	2.5	4.0	2.7	-25.0	-30.9	18.90	16.40	4.58	3.31
JAPAN	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
August Consensus	0.5	0.7	-0.2	0.6	158.2	131.1	102.8	108.7	-0.04	0.01
Top 3 Avg.	0.7	1.1	0.0	1.2	175.2	162.0	108.0	113.0	0.10	0.10
Bottom 3 Avg.	0.2	0.2	-0.3	0.2	140.9	100.2	94.7	102.0	-0.15	-0.13
Last Month Avg.	0.5	0.8	0.0	0.6	160.0	135.3	103.5	110.3	-0.07	-0.09
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	-0.1	0.6	2.7	0.7	24.4	120.0	101.0	125.0	-0.01	0.10
UNITED KINGDOM	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
August Consensus	1.5	0.3	0.7	2.2	-148.7	-100.8	1.28	1.29	0.32	0.38
Top 3 Avg.	1.8	1.3	0.9	3.0	-132.6	-84.7	1.32	1.35	0.46	0.58
Bottom 3 Avg.	1.2	-0.9	0.5	1.6	-164.8	-113.1	1.24	1.22	0.18	0.20
Last Month Avg.	1.5	0.3	0.6	2.0	-132.3	-100.7	1.29	1.28	0.41	0.54
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	2.9	2.3	1.5	0.0	-173.9	-134.2	1.33	1.56	0.53	0.57
SOUTH KOREA	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
August Consensus	2.6	2.6	1.0	1.6	96.1	91.9	1205	1213	1.39	1.55
Top 3 Avg.	2.7	2.9	1.3	2.0	100.3	96.4	1260	1260	1.48	1.91
Bottom 3 Avg.	2.4	2.2	0.9	1.0	92.5	87.9	1160	1171	1.30	1.20
Last Month Avg.	2.6	2.6	1.1	1.6	96.7	91.8	1216	1230	1.35	1.51
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	3.3	2.6	1.3	0.7	84.3	103.9	1118	1174	1.27	1.55
GERMANY	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
August Consensus	1.5	1.3	0.4	1.5	277.8	262.2	1.08	1.06	-0.19	0.00
Top 3 Avg.	1.6	1.7	0.6	2.0	289.4	271.3	1.14	1.09	0.00	0.15
Bottom 3 Avg.	1.4	1.0	0.2	0.8	264.0	253.0	1.02	1.03	-0.32	-0.15
Last Month Avg.	1.6	1.4	0.4	1.5	271.9	259.0	1.07	1.08	-0.27	-0.13
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	1.6	1.5	0.8	0.1	286.4	271.0	1.11	1.09	-0.30	-0.02
TAIWAN	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
August Consensus	1.0	1.7	1.1	1.2	71.9	68.7	33.18	32.96	0.69	0.79
Top 3 Avg.	1.7	2.1	1.3	1.6	74.5	74.6	34.35	34.07	0.99	1.16
Bottom 3 Avg.	0.4	1.3	1.0	0.8	69.3	62.6	32.26	31.94	0.39	0.41
Last Month Avg.	1.0	1.9	1.0	1.3	73.9	71.5	33.65	33.63	0.61	0.71
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	3.9	0.8	1.2	-0.3	62.0	71.4	31.80	31.70	0.66	0.94
NETHERLANDS	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
August Consensus	1.4	1.4	0.4	1.3	74.4	80.1	1.08	1.06	-0.19	0.00
Top 3 Avg.	1.6	1.8	0.8	1.8	77.2	86.9	1.14	1.09	0.00	0.15
Bottom 3 Avg.	1.1	0.8	0.1	0.8	72.0	71.5	1.02	1.03	-0.32	-0.15
Last Month Avg.	1.5	1.5	0.5	1.4	72.7	76.0	1.07	1.08	-0.27	-0.13
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	1.0	2.0	0.4	0.1	88.9	75.1	1.11	1.09	-0.30	-0.02

*Best estimates available. **In most cases, actual data for 2015 GDP, consumer prices and current account are not yet available. Where it is unavailable, figures are consensus forecasts from December 10, 2015 Blue Chip Economic Indicators. Figures are currency units per U.S. dollar except for U.K., Australia and the Euro.

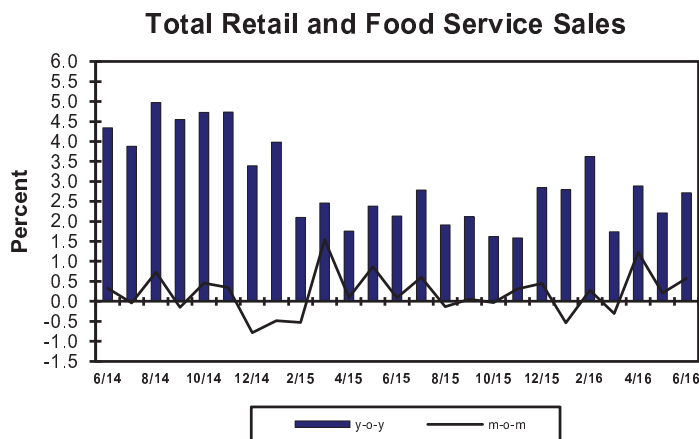
BLUE CHIP INTERNATIONAL CONSENSUS FORECASTS

	ANNUAL DATA						END OF YEAR			
	Real Economic Growth % Change GDP		Inflation % Change Consumer Prices		Current Account In Billions Of U.S. Dollars		Exchange Rate ¹ Against U.S. \$		Interest Rates 3-Month	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
RUSSIA										
August Consensus	-0.7	1.2	7.3	5.5	37.0	45.0	66.4	62.5	9.81	8.08
Top 3 Avg.	-0.2	1.8	7.9	6.4	43.2	51.5	70.6	68.2	10.33	8.62
Bottom 3 Avg.	-1.4	0.2	7.1	4.9	30.8	37.9	62.8	56.3	9.35	7.43
Last Month Avg.	-0.8	1.3	7.1	5.4	48.1	49.7	67.9	65.3	10.75	8.72
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	0.7	-3.7	7.8	15.5	59.5	60.7	66.7	63.5	11.50	13.00
FRANCE										
August Consensus	1.3	1.1	0.3	1.1	-12.8	-14.2	1.08	1.06	-0.19	0.00
Top 3 Avg.	1.4	1.5	0.4	1.5	-9.3	-11.3	1.14	1.09	0.00	0.15
Bottom 3 Avg.	1.2	0.7	0.1	0.7	-15.6	-16.6	1.02	1.03	-0.32	-0.15
Last Month Avg.	1.4	1.2	0.3	1.1	-13.9	-14.4	1.07	1.08	-0.27	-0.13
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	0.7	1.2	0.6	0.1	-26.2	-11.5	1.11	1.09	-0.30	-0.02
BRAZIL										
August Consensus	-3.5	0.5	8.5	5.7	-20.8	-22.2	3.51	3.66	13.48	11.09
Top 3 Avg.	-3.1	1.5	9.0	6.5	-14.5	-13.0	3.68	3.84	14.05	11.85
Bottom 3 Avg.	-3.8	-0.7	7.2	5.0	-27.1	-30.7	3.27	3.40	13.08	10.38
Last Month Avg.	-3.5	0.4	8.2	5.8	-15.7	-16.7	3.74	3.84	13.78	12.03
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	0.1	-3.8	6.3	9.0	-103.6	-65.5	3.28	3.49	14.10	14.20
HONG KONG										
August Consensus	1.1	1.6	2.4	2.0	8.7	7.5	7.78	7.79	0.99	1.37
Top 3 Avg.	1.7	2.1	2.6	3.0	10.4	10.0	7.82	7.82	1.38	1.71
Bottom 3 Avg.	0.4	0.8	2.1	0.4	6.7	4.5	7.76	7.76	0.61	1.04
Last Month Avg.	1.1	1.7	2.5	1.9	10.3	9.5	7.79	7.79	0.84	1.61
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	2.7	2.4	4.4	3.0	6.0	8.5	7.76	7.75	0.56	0.39
INDIA										
August Consensus	7.5	7.6	5.3	5.2	-23.7	-31.3	69.2	70.1	6.81	6.77
Top 3 Avg.	7.8	8.2	5.6	6.0	-16.5	-22.6	71.0	73.3	7.05	7.01
Bottom 3 Avg.	7.3	7.2	5.0	4.5	-30.7	-39.7	67.8	67.1	6.57	6.53
Last Month Avg.	7.5	7.6	5.2	5.1	-20.9	-32.1	69.3	69.2	6.97	7.05
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	7.3	7.6	6.0	4.9	-27.5	-24.1	67.0	63.7	6.57	7.42
CHINA										
August Consensus	6.5	6.2	2.1	2.1	313.5	321.0	6.82	6.95	3.11	3.11
Top 3 Avg.	6.6	6.6	2.5	2.6	368.9	394.5	7.00	7.17	3.45	3.44
Bottom 3 Avg.	6.4	5.8	1.8	1.5	262.6	257.7	6.69	6.78	2.73	2.72
Last Month Avg.	6.5	6.1	2.1	2.0	307.9	317.2	6.77	6.87	2.87	2.96
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	7.3	6.9	2.0	1.4	219.7	339.6	6.33	6.21	2.82	3.14
AUSTRALIA										
August Consensus	2.8	2.5	1.4	2.2	-53.7	-51.3	0.72	0.72	1.83	1.91
Top 3 Avg.	3.0	3.0	1.6	2.6	-49.9	-48.2	0.74	0.75	2.05	2.32
Bottom 3 Avg.	2.5	2.0	1.2	2.0	-57.6	-54.8	0.68	0.69	1.60	1.50
Last Month Avg.	2.8	2.7	1.5	2.3	-53.9	-51.5	0.71	0.72	2.05	2.84
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	2.7	2.5	2.5	1.5	-51.3	-59.3	0.76	0.74	2.12	2.35
EUROZONE										
August Consensus	1.6	1.3	0.2	1.2	381.0	364.9	1.08	1.06	-0.19	0.00
Top 3 Avg.	1.7	1.6	0.4	1.6	407.8	384.6	1.14	1.09	0.00	0.15
Bottom 3 Avg.	1.4	0.9	0.1	0.8	354.2	344.9	1.02	1.03	-0.32	-0.15
Last Month Avg.	1.6	1.4	0.3	1.2	368.2	369.1	1.07	1.08	-0.27	-0.13
	2014*	2015**	2014*	2015**	2014*	2015**	Latest	Year Ago	Latest	Year Ago
Actual	0.9	1.6	0.4	0.0	274.8	335.5	1.11	1.09	-0.30	-0.02

Contributors to Blue Chip International Survey: IHS Markit, US; Barclays, US; Federal Express Corporation, USA; Credit Suisse, US; JP Morgan, US; Economist Intelligence Unit, UK; BMO Capital Markets, Canada; UBS, US; AIG, New York, NY; Oxford Economics, US; Societe Generale, New York, NY; Bank of America-Merrill Lynch, US; Nomura Capital Markets America, US; Morgan Stanley, US; Moody's Capital Markets, US; Eaton, US; Wells Fargo, US; Moody's Analytics, US; Swisse Re, U.S.; BNP Paribas, US; General Motors Corp., US; and Grupo de Economistas y Asociados, Mexico.

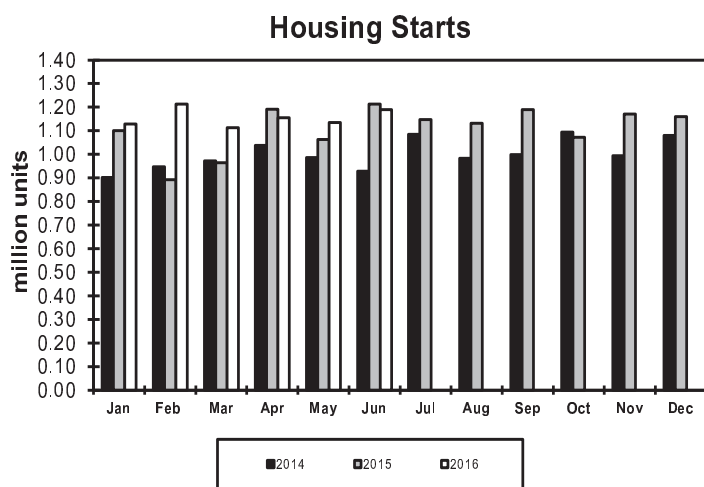
Recent Developments:

Total Retail Sales Posted Solid Increase In June



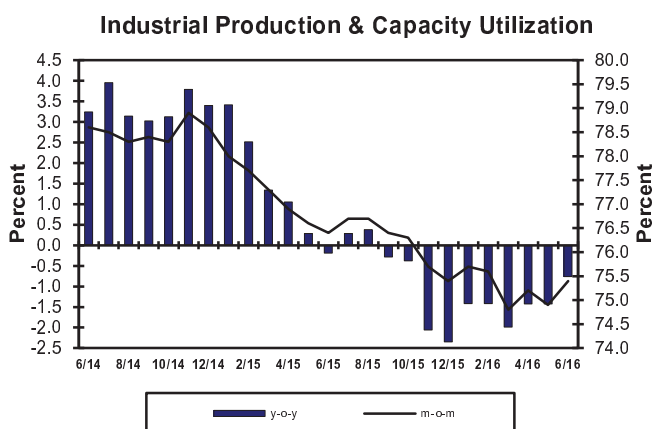
Total retail sales rose a better-than-expected 0.6% in June, but sales in May were revised from an increase of 0.5% to 0.2% and the April increase was revised to 1.2% from 1.3%. Core retail sales that excludes food, gasoline and building materials, increased 0.5% in June after an upwardly-revised increase of 0.4% in May and a downwardly-revised increase of 1.0% in April. On a y/y basis, total retail sales were up 2.7% in June while core retail sales increased 4.1%. Auto sales rose 0.1% in June despite a reported 4.5% decline in unit sales of autos and light trucks during the month. Total sales excluding autos and light trucks increased 0.5% in June. Sales at building material outlets jumped 3.9% in June after declines of 2.5% in May and 1.6% in April. Elsewhere, sales at apparel stores fell 1.0% in June, while sales at both furniture and food stores were up 0.5%. Sales at non-store retailers (includes e-commerce) rose 1.1% in June and were up 24.4% on a y/y basis. Total retail sales in July likely rose 0.4%, lifted by a 6.5% jump in unit sales of cars and light truck and Amazon Price Days, but hampered by a fall in sales at gasoline stations due to price declines.

Housing Starts And New And Existing Home Sales All Up In June



Total housing starts jumped 4.8% in June to an annual rate of 1.189 million units. Despite the June gain, total starts still were down 2.0% on a y/y basis. Single-family starts rose 4.4% and were up 13.4% y/y, while multi-family starts increased 5.4% in June, but were down a sizable 22.0% y/y. Total building permits increased 1.5% in June to an annual rate of 1.153 million units, but were down 13.6% y/y. Single-family permits increased 1.0% in June and were up 5.1% y/y. Multi-family permits rose 2.5% in June, but were down 34.3% y/y. New home sales rose 3.5% in June to an annual rate of 592,000 units, 25.4% above their year-ago level. The supply of new homes for sale rose 1.2% in June to 244,000 units, while the supply of homes compared to sales fell to 4.9 months. The median price of a new home sold in June was 6.1% above its June 2015 level. Existing home sales rose 1.1% in June to an annual rate of 5.57 million units, the highest level in more than nine years. Sales of existing single-family homes inched up 0.8% in June, while sales of condos/co-ops rose 3.2%. The share of distressed sales remained at 6.0% in June, while sales to first-time home buyers rose to a four-year high of 33% in June. The median price for an existing single-family home sold in June was 4.8% above its year-ago level.

Industrial Production Rose More Than Expected In June

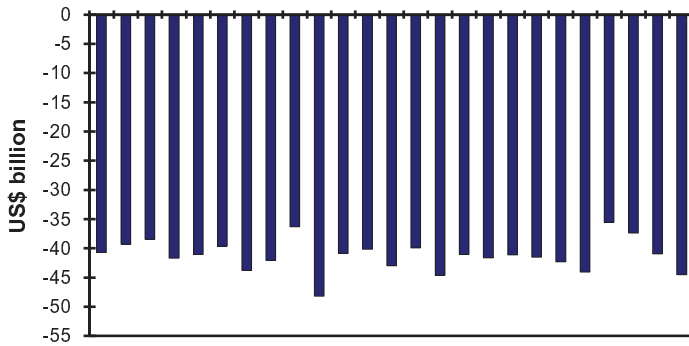


Total industrial production increased a larger-than-expected 0.6% in June, but was still down 0.7% on a y/y basis. Manufacturing output rose 0.4% in June, lifted especially by a 5.9% jump in vehicle production. Output of business equipment increased 0.7% and consumer goods production by 1.1%, but the production of construction supplies fell 0.8%. Utility output surged 2.4% in June as hot weather increased electrical demand, while mining output rose 0.2%. Oil and gas drilling increased 0.3%, but extraction fell 0.6%. On a y/y basis, utility output was up 0.5% in June, while mining output was still down 10.5%. The capacity utilization rate rose to 75.4% in June from 74.9% in May. Manufacturing's capacity utilization rate increased to 75.1% from 74.8%. The Institute of Supply Management's index of manufacturing activity in July slipped to 52.6 from 53.2 in June, but remained above the expansion/contraction level of 50 for a fifth straight month. The new orders index was basically unchanged at 56.9 versus 57.0 in June, while the production index rose to 55.4 from 54.7 in the prior month. The employment index fell to 49.4 in July from 50.4 in June.

Recent Developments:

Trade Deficit Widened By More Than Expected In June

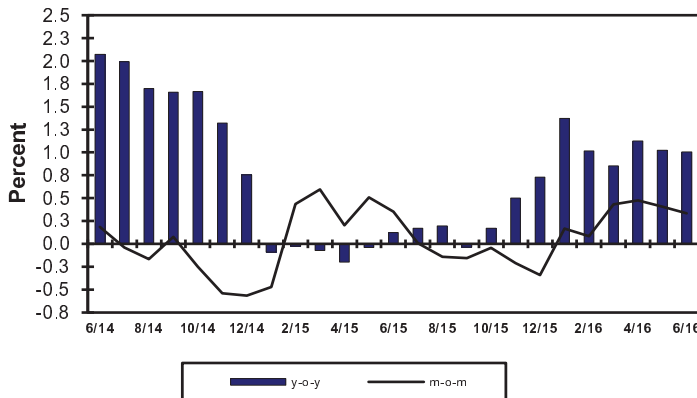
Goods & Services Trade Balance



The trade deficit widened to a larger-than-expected, 10-month-high of \$44.5 billion in June. Nominal (current dollar) imports increased 1.9%, while nominal exports rose only 0.3%. The real (inflation-adjusted) deficit increased to \$64.7 billion in June from \$60.9 billion the month prior. This was somewhat worse than assumed by BEA's advance estimate of Q2 GDP, suggesting net exports may not have added to GDP last quarter. Real exports actually fell 0.5%, while real imports increased by 1.8%. On a y/y basis, real imports were up 1.0% in June, but real exports were down 2.2%. Real imports of industrial supplies rose 2.4% in June and were up 7.2% y/y, while real imports of capital goods increased 2.3% and were up 1.7% y/y. Real imports of autos fell 1.9% in June and were down 4.4% y/y, while real imports of consumer goods jumped 4.1% in June, but were down 0.5% y/y. Real exports of industrial supplies fell 3.1% in June and down 3.3% y/y, while real exports of capital goods rose 0.8% in June and were off by 3.0% y/y. Real exports of autos dropped 3.4% in June and were down 3.5% y/y, while exports of consumer goods rose 3.0% in June, but still down 1.1% y/y.

Consumer Price Index A Bit Softer Than Expected In June, But Core CPI Increase Met Expectations

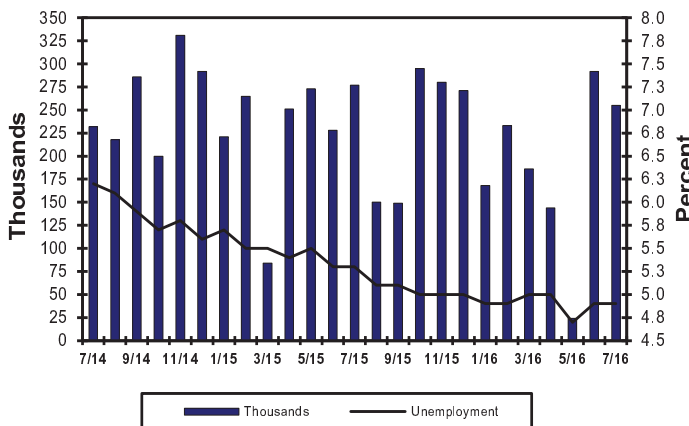
Consumer Price Index



The Consumer Price Index (CPI) rose a smaller-than-expected 0.2% in June, leaving its y/y change at 1.0%. The core CPI, that excludes food and energy prices, rose 0.2% in June, lifting its y/y change to 2.3%. The energy price index increased 1.3% in June, but its components were mixed. Gasoline and fuel oil prices both rose 3.3% in June, but natural gas prices declined 0.4% and electricity prices fell 0.5%. Food prices unexpectedly dropped 0.1% in June after suffering a 0.2% drop the month before, the declines resulting from lower prices for food at home. Indeed, the food at home index was down 1.3% in June on a y/y basis, the largest 12-month contraction since February 2010. Shelter prices (40% of the CPI) increased 0.3% in June and were up 3.5% on a y/y basis. Owners' equivalent rent rose 0.3% in June and rent of primary residence rose by 0.4%. They were up 3.2% and 3.8%, respectively, compared to a year earlier. Medical care and apparel prices both registered 0.4% increases in June and were up 3.6% and 0.4% y/y, respectively. The CPI is likely to be soft in July given a 16 cent monthly decline in gasoline prices.

Nonfarm Payroll Gain In July Beats Expectations

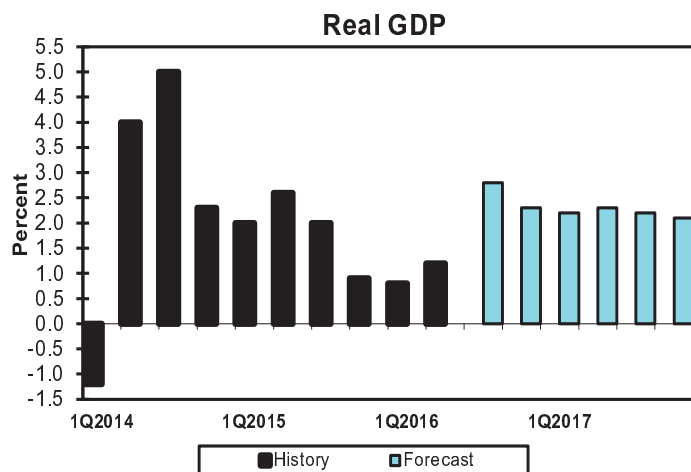
Unemployment Rate & Nonfarm Payrolls



Nonfarm payrolls grew by a larger-than-expected 255,000 in July with private payrolls up by 217,000. That compares with respective 12-month averages of 204,000 and 191,000. Revisions added 18,000 to reported nonfarm payroll increases over the prior two months, according to the establishment survey. Job growth was broad-based, with manufacturers, retailers, health care, temp agencies, and leisure and hospitality all posting increases. Government added 38,000 workers, mostly gains at schools. Private service-producing firms added 201,000 to payrolls, while good-producing firms added 16,000. Manufacturing payrolls rose by 9,000 in July and construction payrolls by 14,000. Average hourly earnings increased 0.3% leaving the y/y increase at 2.6%. The average workweek rose by 0.1 of an hour to 34.5 hours, while aggregate hours worked increased 0.5%. The household survey also showed a solid increase in July job growth, with a gain of 420,000 following average monthly increases of only 47,000 over the prior two months. The unemployment rate remained at 4.9% for a second month as the labor force participation rate increased to 63.7% from 61.8%. However, the U6 jobless rate rose to 9.7% from 9.6% in June.

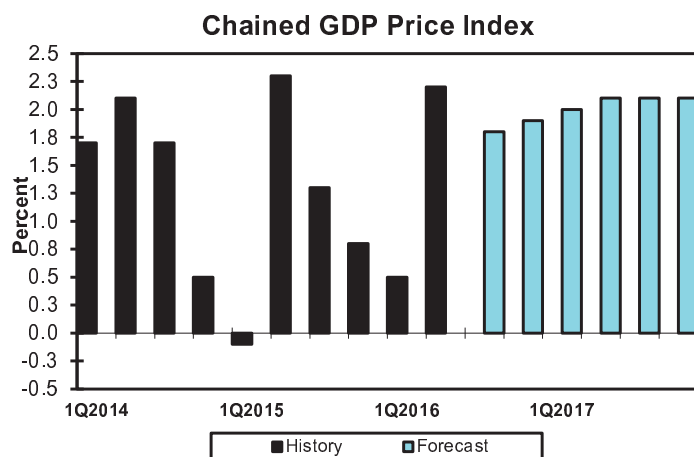
Quarterly U.S. Forecasts:

Real GDP



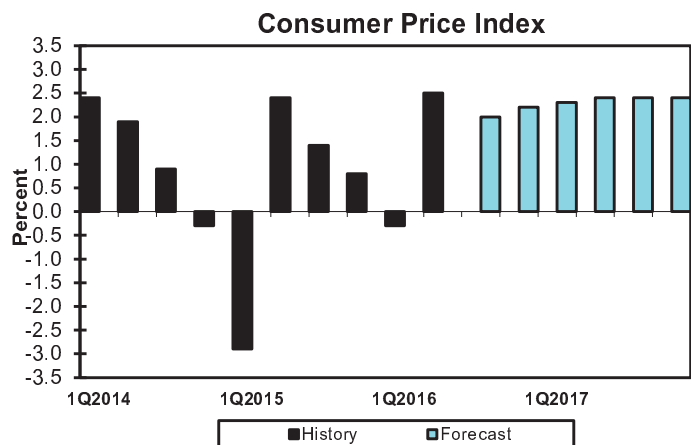
GDP growth in Q2 was a slower than expected 1.2% (saar), according to BEA's advance estimate. Moreover, BEA's annual revisions to the NIPA data revealed that it grew a downwardly revised 0.8% in Q1 of this year, 0.3 of a percentage point slower than previously estimated. Growth last quarter was supported by a robust gain of 4.2% (saar) in personal consumption expenditures, while net exports contributed 0.23 percentage points to real GDP's growth rate. However, nonresidential fixed business investment contracted 3.2% (saar) in Q2 and residential investment fell 6.1% (saar). Inventory investment fell nearly \$50 billion, subtracting a a whopping 1.2 percentage points from real GDP's rate of growth. Lastly, government spending and investment contracted 0.9% (saar) in Q2. The consensus now looks for real GDP to grow 2.8% this quarter and 2.3% in Q4, 0.3 of a percentage point and 0.1 of a point better, respectively, that last month's forecast. Due to the softer-than-expected growth in Q1 and Q2, consensus forecasts of annual and q4/q4 real GDP growth in 2016 fell his month, respectively, to 1.5% and 1.8%. In 2017, the consensus still predicts annual and q4/q4 real GDP growth of 2.2%.

Chained GDP Price Index



The GDP price index rose a larger-than-expected 2.2% (saar) in Q2, according to BEA's advance estimate, the fastest quarterly pace in exactly a year. The price index for personal consumption expenditures increased 1.9% (saar), the speediest quarterly pace in exactly two years. The price index for consumer goods increased 0.9% (saar) in Q2, the first increase in four quarters. The price index for consumer durable goods fell 2.3% (saar), but the decline was offset by a 2.5% (saar) increase in the price index for consumer nondurable goods as energy prices rebounded, coupled with a 2.5% (saar) increase in the price index for consumer services. The price index for nonresidential investment increased 1.1% (saar), the jump increase since Q3 2014, while the price index for residential investment rose 5.2% (saar), the biggest rise since Q4 2014. The price index for exports rose 3.9% (saar) in Q2, the first positive reading since Q1 2014, while the price index for imports increased 2.1%, also the first positive reading since Q1 2014. The consensus forecasts respective annual and q4/q4 changes in the GDP price index of 1.3% and 1.6% in 2016 and 2.0% and 2.1% in 2017.

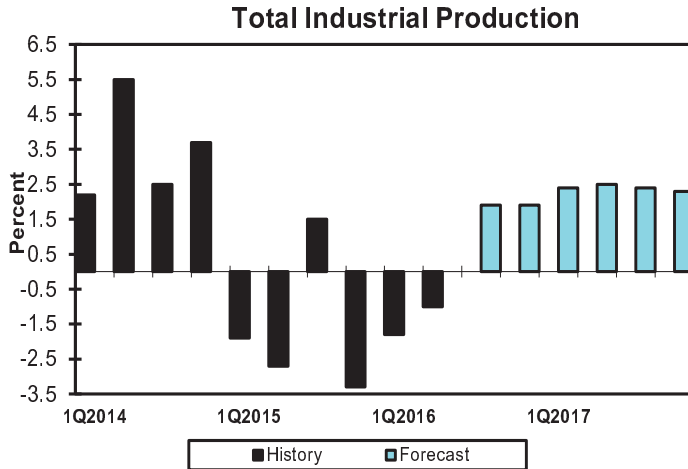
Consumer Price Index



The Consumer Price Index (CPI) increased an about-as-expected 2.5% (saar) in Q2 of this year, the fastest pace in more than three years. That was significantly faster than the -0.3% (saar) contraction in Q1 and respective increases of only 1.4% (saar) and 0.8% (saar) in Q3 and Q4 of 2015. Much of the acceleration in Q2 resulted from a surge in energy prices that increased at a compounded annual rate of 26.8% in the three months ending in June. Gasoline price alone increased at a compounded annual rate of 69.8% over the same period of time. Food prices, on the other hand, fell at a compound annual rate of -0.4% in the three-month period ending in June. The core CPI that excludes food and energy prices rose 2.1% (saar) in Q2. Accounting for about 40% of the core CPI, rent of primary residence and owners' equivalent rent, increased, respectively, at a compounded annual rate of 3.8% and 3.2% in the three months ending in June. On a 12-month rate-of-change basis, the CPI was up 1.0% through June of this year and the core CPI up 2.3%. The consensus still forecasts year-over-year increases in the CPI of 1.3% in 2016 and 2.3% in 2017.

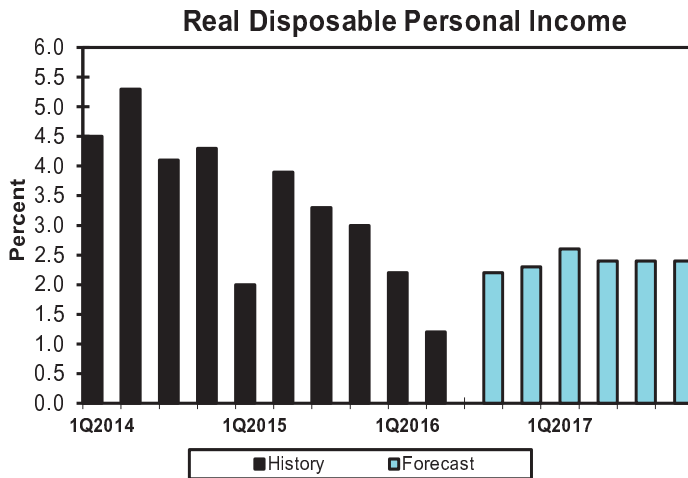
Quarterly U.S. Forecasts:

Industrial Production



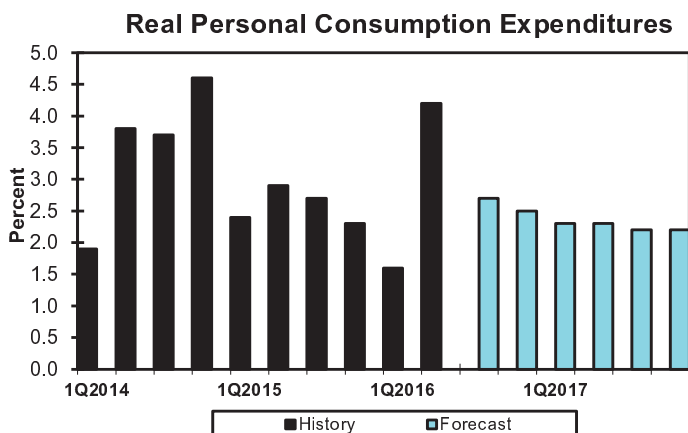
Total industrial production (IP) contracted an about as expected 1.0% (saar) in Q2. That marked its third consecutive quarterly decline and the fifth drop out of the last six. Manufacturing output contracted 1.0% (saar) in Q2, marking its third decline out of the last six quarters. Mining output fell 15.9% (saar), extending its long run of declines due to carnage in the energy sector inflicted by the plunge in oil and gas prices. Utility output rebounded by 12.9% (saar) as a return of more seasonable temperatures lifted electricity demand. The weakness in manufacturing activity over the past several quarters results from relatively subdued domestic demand, coupled with softness in exports due to weak growth abroad and a strong U.S. dollar. Moreover, heightened economic uncertainty prompted firms to sharply curtail inventory investment over the past year and a half. Indeed, the consensus suspects the current low level of inventories will underpin a pickup in manufacturing activity in the second half of this year. The consensus now forecasts an annual contraction in total industrial production of 0.9% in 2016 and a 0.1% increase on a q4/q4 basis. Total IP is projected to increase 2.0% y/y in 2017, with a q4/q4 gain of 2.4%.

Real Disposable Personal Income



Real disposable personal income (DPI) grew a slower-than-expected 1.2% (saar) in Q2, according to BEA's advance estimate. Moreover, real DPI growth in Q1 was revised down to 2.2% (saar) from 4.0% (saar). While nominal (current dollar) DPI increased a respectable 3.1% (saar) in Q2, the gain in real DPI was cut as the personal consumption expenditures deflator increased 1.9% (saar), the fastest pace since Q2 2014. Nominal personal income increased 2.9% (saar) in Q2, more than double its 1.4% (saar) pace in Q1. Compensation of employees grew 2.6% (saar) in Q2 following a slight 0.1% (saar) gain in Q1. Rental income grew 5.6% (saar) compared to the 9.5% (saar) gain in Q1. Lower inflation in the second half of this year, in large part resulting from a renewed downturn in energy prices, coupled with the continuation of moderate wage and salary growth, is expected by most of the panelists to produce a rebound in real DPI growth. Due to the report of softer-than-expected growth in real DPI during the first half of this year, the consensus forecast of its annual change in 2016 fell 0.5 of a percentage point this month to 2.4%. An annual increase in real DPI of 2.3% is forecast for 2017.

Real Personal Consumption Expenditures

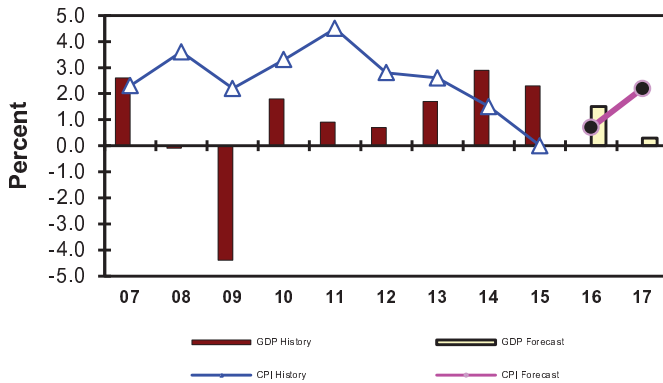


Real personal consumption expenditures (PCE) grew a stronger-than-predicted 4.2% (saar), according to BEA's advance estimate. That marked the fastest quarterly pace of growth since Q4 2014 and a considerable improvement over its upwardly-revised 1.6% (saar) growth rate in Q1. Real spending on consumer goods increased 6.8% (saar) in Q2 compared to 1.2% (saar) in Q1. Spending on consumer durable goods increased 8.4% (saar) in Q2, lifted especially by strong vehicle sales. That compares with a contraction of 0.6% in Q1. Spending on consumer nondurable goods increased 6.0% (saar) in Q2 versus 2.1% in the prior quarter. Real spending on consumer services grew 3.0% (saar) in Q2 versus 1.9% (saar) in Q2. The consensus forecasts that consumer spending will growth at a somewhat softer, but still solid pace of 2.7% (saar) in Q3 and 2.5% (saar) in Q4 of this year. The consensus forecasts of annual real PCE growth in 2016 and 2017 remained this month at 2.6% and 2.5%. That compares with revised annual increases of 2.9% in 2014 and 3.2% in 2015.

International Forecasts:

United Kingdom

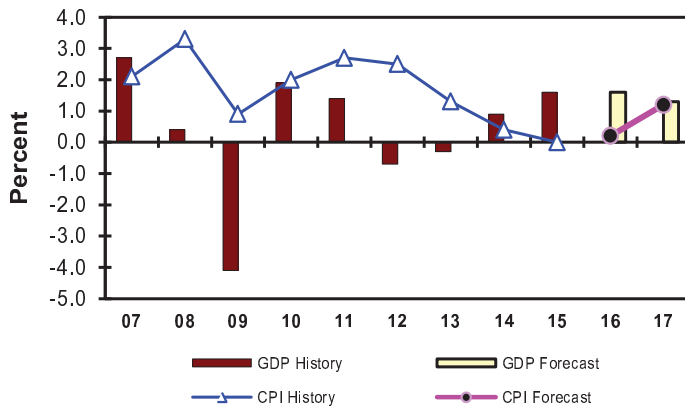
United Kingdom: Growth & Inflation



In response to early signs of a sharp weakening in economic growth following the shocking Brexit vote, the Bank of England on August 4th cut its policy rate by 25 basis points to a record low of 0.25%, expanded its QE program by 60 billion pounds, including for the first time the purchase of corporate bonds, and announced a so-called Term Funding Scheme that is intended to provide U.K. banks access to a new source of funding. While real GDP grew a faster-than-expected 2.4% (saar) in Q2 and was up 2.2% compared to a year ago, purchasing manager surveys for July indicated that activity in the service, manufacturing and construction sectors had plunged, falling below the 50 level that indicates contraction, and suggesting that the U.K. may be slipping into recession. Moreover, inflation remains perilously low, up only 0.3% y/y. The Bank of England's updated forecasts predict that real GDP growth will slow sharply in the second half of this year, but not contract. Its forecast of real GDP growth in 2017 was cut to 0.8% from 2.3%. This month's consensus forecast of annual real GDP growth in 2016 remained at 1.5% and the forecast for 2017 at 0.3%.

Eurozone

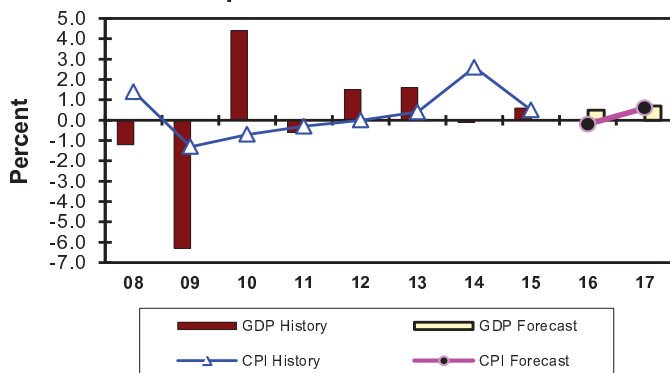
Eurozone: Growth & Inflation



The European Central Bank (ECB) left policy unchanged at its late-July meeting, but President Mario Draghi said the ECB would reassess the situation at its September meeting. Indeed, most analysts believe the bank will be pressed to ease further in September, or at the latest December, likely announcing an extension of its current QE program that is due to lapse next March. Real GDP growth in the Eurozone was halved in Q2, growing only 0.3% (q/q) versus 0.6% in Q1. Growth in France ground to a halt in Q2, while figures for Germany have yet to be released. The Eurozone's manufacturing sector's purchasing manager survey for July edged lower to 52.0 from 52.8. However, the decline was not as much as some feared and indicated that the economy was still expanding. Nonetheless, the Brexit decision will likely weigh on consumer confidence and business investment in the Eurozone over coming quarters. A troubled banking sector and an important fall election on constitutional reforms in Italy adds to the uncertain outlook for the Eurozone. The consensus forecast of 2016 annual real GDP growth in the Eurozone remained at 1.6% this month, but the forecast for 2017 slipped to 1.3%.

Japan

Japan: Growth & Inflation



The Bank of Japan surprised markets on July 29th, announcing only a slight easing of policy that sent the yen higher. The BoJ nearly doubled the size of its ETF purchases, but left the size of its bond purchases unchanged. The bank also left a key interest rate on bank reserves unchanged at -0.1%. Days' afterward, Prime Minister Shinzo Abe's cabinet approved a \$132 billion dollar fiscal stimulus package that included among other things modest cash payouts to low-income earners and infrastructure spending for this year and next. While the additional fiscal spending will no doubt add to GDP, many analysts doubt that the BoJ's move or Abe's stimulus package will be any more effective than past policy steps at lifting inflation or longer-term growth in GDP. Real GDP in Q2 likely slowed to about half its Q1 pace of 1.9% (saar), according to many analysts and prospects for the second half of the year currently look little better. The Q1 surge in GDP growth followed a 1.8% contraction in Q4 2015. The consensus still sees real GDP growing 0.5% this year, but the forecast of growth in 2017 fell to 0.7%.

Databank:

2016 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	-0.5	0.3	-0.3	1.2	0.2	0.6						
Auto & Light Truck Sales (b)	17.40	17.54	16.73	17.46	17.22	16.69	17.77					
Personal Income (a, current \$)	0.4	0.1	0.3	0.4	0.2	0.2						
Personal Consumption (a, current \$)	0.1	0.2	0.0	1.0	0.4	0.4						
Consumer Credit (e)	4.4	4.4	9.9	5.7	6.0	4.1						
Consumer Sentiment (U. of Mich.)	92.0	91.7	91.0	89.0	94.7	93.5	90.0					
Household Employment (c)	615	530	246	-316	26	67	420					
Non-farm Payroll Employment (c)	168	233	186	144	24	292	255					
Unemployment Rate (%)	4.9	4.9	5.0	5.0	4.7	4.9	4.9					
Average Hourly Earnings (All, cur. \$)	25.38	25.39	25.45	25.53	25.59	25.61	25.69					
Average Workweek (All, hrs.)	34.6	34.4	34.4	34.4	34.4	34.4	34.5					
Industrial Production (d)	-1.4	-1.4	-2.0	-1.4	-1.4	-0.8						
Capacity Utilization (%)	75.7	75.6	74.8	75.2	74.9	75.4						
ISM Manufacturing Index (g)	48.2	49.5	51.8	50.8	51.3	53.2	52.6					
ISM Non-Manufacturing Index (g)	53.5	53.4	54.5	55.7	52.9	56.5	55.5					
Housing Starts (b)	1.128	1.213	1.113	1.155	1.135	1.189						
Housing Permits (b)	1.188	1.162	1.077	1.130	1.136	1.153						
New Home Sales (1-family, c)	526	525	537	572	572	592						
Construction Expenditures (a)	-0.3	1.4	1.6	-2.9	-0.1	-0.6						
Consumer Price Index (sa, d)	1.4	1.0	0.9	1.1	1.0	1.0						
CPI ex. Food and Energy (sa, d)	2.2	2.3	2.2	2.1	2.2	2.3						
Producer Price Index (nsa, d)	0.0	0.1	-0.1	0.0	-0.1	0.3						
Durable Goods Orders (a)	4.3	-3.3	2.0	3.2	-2.8	-4.0						
Leading Economic Indicators (g)	-0.2	0.1	0.1	0.5	-0.2	0.3						
Balance of Trade & Services (f)	-42.3	-44.0	-35.5	-37.4	-41.0	-44.5						
Federal Funds Rate (%)	0.34	0.38	0.36	0.37	0.37	0.38	0.39					
3-Mo. Treasury Bill Rate (%)	0.26	0.31	0.29	0.23	0.27	0.27	0.30					
10-Year Treasury Note Yield (%)	2.09	1.78	1.89	1.81	1.81	1.64	1.50					

2015 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	-0.5	-0.5	1.5	0.1	0.9	0.1	0.6	-0.1	0.1	0.0	0.3	0.4
Auto & Light Truck Sales (b)	16.63	16.32	17.06	16.70	17.63	16.95	17.47	17.73	18.07	18.13	18.06	17.22
Personal Income (a, current \$)	0.2	0.3	0.0	0.6	0.6	0.5	0.3	0.3	0.1	0.3	0.3	0.3
Personal Consumption (a, current \$)	-0.4	0.2	0.5	0.3	0.9	0.3	0.3	0.3	0.2	0.2	0.4	0.1
Consumer Credit (e)	3.6	5.5	7.6	7.6	7.0	9.6	6.8	5.1	9.9	5.2	4.8	7.3
Consumer Sentiment (U. of Mich.)	98.1	95.4	93.0	95.9	90.7	96.1	93.1	91.9	87.2	90.0	91.3	92.6
Household Employment (c)	665	127	102	176	239	-26	144	177	-101	255	247	485
Non-Farm Payroll Employment (c)	221	265	84	251	273	228	277	150	149	295	280	271
Unemployment Rate (%)	5.7	5.5	5.5	5.4	5.5	5.3	5.3	5.1	5.1	5.0	5.0	5.0
Average Hourly Earnings (All, cur. \$)	24.76	24.80	24.87	24.91	24.97	24.96	25.03	25.12	25.14	25.21	25.27	25.26
Average Workweek (All, hrs.)	34.6	34.6	34.5	34.5	34.5	34.5	34.6	34.6	34.5	34.5	34.5	34.5
Industrial Production (d)	3.4	2.5	1.3	1.1	0.3	-0.2	0.4	0.4	-0.3	-0.4	-2.1	-2.3
Capacity Utilization (%)	78.0	77.7	77.3	76.9	76.6	76.4	76.7	76.7	76.4	76.3	75.7	75.4
ISM Manufacturing Index (g)	53.5	53.3	52.3	51.6	53.1	53.1	51.9	51.0	50.0	49.4	48.4	48.0
ISM Non-Manufacturing Index (g)	56.7	57.1	56.9	57.5	55.9	56.2	59.6	58.3	56.7	58.3	56.6	55.8
Housing Starts (b)	1.101	0.893	0.964	1.192	1.063	1.213	1.147	1.132	1.189	1.073	1.171	1.160
Housing Permits (b)	1.073	1.114	1.071	1.178	1.266	1.334	1.142	1.166	1.129	1.175	1.286	1.201
New Home Sales (1-family, c)	521	545	485	508	507	472	498	505	457	478	508	538
Construction Expenditures (a)	1.5	0.4	1.5	3.1	2.1	0.5	0.0	0.6	0.2	-0.1	-0.5	0.8
Consumer Price Index (sa, d)	-0.1	0.0	-0.1	-0.2	0.0	0.1	0.2	0.2	0.0	0.2	0.5	0.7
CPI ex. Food and Energy (sa, d)	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.1
Producer Price Index (nsa, d)	0.0	-0.5	-0.9	-1.1	-0.8	0.5	-0.7	-1.0	-1.1	-1.4	-1.3	-1.1
Durable Goods Orders (a)	1.9	-3.5	5.1	-1.7	-2.3	4.1	1.9	-2.9	-0.8	2.8	-0.5	-4.6
Leading Economic Indicators (g)	0.2	-0.2	0.4	0.6	0.6	0.6	0.0	-0.1	0.0	0.6	0.5	-0.3
Balance of Trade & Services (f)	-42.1	-36.3	-48.2	-40.9	-40.2	-43.0	-39.9	-44.6	-41.1	-41.6	-41.1	-41.5
Federal Funds Rate (%)	0.11	0.11	0.11	0.12	0.12	0.13	0.13	0.14	0.14	0.12	0.12	0.24
3-Mo. Treasury Bill Rate (%)	0.03	0.02	0.03	0.02	0.02	0.02	0.03	0.07	0.02	0.02	0.12	0.23
10-Year Treasury Note Yield (%)	1.88	1.98	2.04	1.94	2.20	2.36	2.32	2.17	2.17	2.07	2.26	2.24

(a) month-over-month % change; (b) millions of units, saar; (c) thousands of units, saar; (d) year-over-year % change; (e) annualized % change; (f) \$ billions; (g) level. Most series are subject to frequent government revisions. Use with care.

Special Questions:

1. What will be the Federal Open Market Committee's NEXT policy move?

(Percentage of those responding)			
<u>An interest rate hike</u>	<u>An interest rate cut</u>	<u>Negative interest rates</u>	<u>A new QE program</u>
100%	0%	0%	0%

2. If you believe the NEXT policy move by the FOMC will be an interest rate INCREASE at what meeting will it be announced?

(Percentage of those responding)			
<u>Sep. 20-21, 2016</u>	<u>Nov. 1-2, 2016</u>	<u>Dec. 13-14, 2016</u>	
8.3%	0.0%	70.8%	
<u>Jan 31-Feb. 1, 2017</u>	<u>Mar. 14-15, 2017</u>	<u>May 2-3, 2017</u>	<u>Jun. 13-14, 2017 or later</u>
4.2%	8.3%	2.1%	6.3%

3. A. How many basis points will the FOMC raise interest rates in 2016?

(Percentage of those responding)				
<u>0 basis points</u>	<u>25 basis points</u>	<u>50 basis points</u>	<u>75 basis points</u>	<u>100 basis points</u>
22.4%	73.5%	4.1%	0.0%	0.0%

B. How many basis points will the FOMC raise interest rates in 2017?

(Percentage of those responding)				
<u>0 basis points</u>	<u>25 basis points</u>	<u>50 basis points</u>	<u>75 basis points</u>	<u>100 basis points or more</u>
6.4%	6.4%	51.1%	19.1%	17.0%

4. Several major central banks, among them the European Central Bank, the Bank of Japan, and the Swiss National Bank, have enacted negative policy rates in an effort to lift inflation, spur economic growth, and promote lending. However, some analysts argue that this policy tool is proving to be ineffective. How would you rate the effectiveness of negative interest rates as a monetary policy tool?

(Percentage of those responding)				
<u>Very effective</u>	<u>Moderately effective</u>	<u>Somewhat effective</u>	<u>Not effective</u>	<u>Detrimental</u>
0.0%	6.3%	25.0%	47.9%	20.8%

5. What are the odds that a U.S. recession will begin during 2016? If not in 2016, what are the odds that a recession will begin in 2017?

	(Between 0% and 100%)	
	<u>Odds that a U.S. recession begins in 2016</u>	<u>Odds that a U.S. recession begins in 2017</u>
Consensus	15.3%	24.7%
Top 10 Average	23.0%	34.9%
Bottom 10 Average	9.0%	15.9%

6. Real residential investment increased an upwardly revised 11.9% in 2013, 3.5% in 2014, and 11.7% in 2015. What is your forecast of the y/y percent change in real residential investment in 2016 and 2017?

	Y/Y percent change in real residential investment:	
	<u>in 2016</u>	<u>in 2017</u>
Consensus	6.2%	5.4%
Top 10 Average	7.6%	7.9%
Bottom 10 Average	4.9%	3.0%

7. The price index for personal consumption expenditures (PCE) and the PCE price index excluding food and energy prices (core PCE price index) were up 0.9% and 1.6%, respectively, on a y/y basis in June. How much will they be up on a December-over-December basis in 2016?

	2016 December-over-December, percent change	
	<u>PCE price index</u>	<u>Core PCE price index</u>
Consensus	1.54%	1.90%
Top 10 Average	1.86%	2.20%
Bottom 10 Average	1.19%	1.67%

A Sampling of Views On The Economy Excerpted From Recent Reports Issued By Our Blue Chip Panel Members Or Others

Viewpoints:

Payrolls Rolling

This week's data should remove any lingering doubts that the disastrous May payroll report or the surprising Brexit vote would mark the beginnings of a downward slide in the US economy. Instead, the debate will likely turn toward potential upside risks to second-half growth and a sooner-than-expected Fed hike.

Indeed, it has been our view for some time that the economy has achieved full employment and that wage and inflation pressures are building steadily. And this week's payroll numbers suggest that momentum in the labor market remains strong. But we continue to view the FOMC as lacking any urgency to proceed with the next rate hike, a view reinforced by this week's FedSpeak. We thus continue to look for the next hike in December, but acknowledge that risks of a September hike have risen.

Nonfarm employment beat expectations in July, increasing 255,000 during the month, with a net upward revision of 18,000 across May and June. The three-month average for job growth was a solid 190,000 through June, about three times the long-run sustainable pace, and we expect the very weak May results will almost certainly prove to be an anomaly.

Apart from the payroll figure, the July employment report contained other favorable signals for the job market, including increases in the diffusion index and the average workweek. There was also a tick up in the participation rate in July that kept the unemployment rate steady at 4.9% despite a solid 420,000 increase in household employment. While the report was favorable overall, the few blemishes included a one-tenth rise in the U-6 unemployment rate to 9.7% on increases in the number of people working part-time for economic reasons and marginally attached to the labor force.

The latest reports on consumer spending point to solid growth continuing into the third quarter. We still look for moderation relative to the 4.2% annualized growth reported for real consumption in 2Q, but upside surprises in the recent data suggest that 3Q spending will be up about 3% (saar) (vs. the prior estimate of 2.5%). Real spending increased 0.3% (samr) in June, setting up a solid trajectory for the data headed into the third quarter. And July auto sales beat expectations at 17.8 million (saar), an early indication that consumer spending got off to a strong start in 3Q. Next week's retail sales report will help us gauge activity early in the quarter—we look for a solid 0.3% (samr) increase in the core control measure.

Other GDP source data look soft at the end of the second quarter. Nominal construction spending was down 0.6% (samr) in June and has now declined for three straight months. And the recent weakness has been spread across the main categories of the report—over the three months through June, there were declines in private residential (-18% saar), private nonresidential (-5% saar), and public (-19% saar) construction spending. We look for improvement in these categories, but the structures investment will likely be soft again in 3Q.

Equipment spending also looks set for a weak third quarter, although the data are likely to improve relative to large declines reported since late last year. The trends in core capital goods orders and shipments continue to look weak, with annualized declines of 4% and 1%, respectively, over the three months through June.

The real goods deficit ended the second quarter in June about \$4 billion wider (not annualized) than the 2Q average. Without some meaningful narrowing in the deficit, net exports will likely be a noticeable drag on growth again in 3Q.

Still, on net, we think there is upside risk to our 2.0% real GDP growth forecast for 3Q. While BEA source data remain fragmentary at this point, the strength in hours worked early in the quarter should help drive GDP growth, and inventory dynamics should be favorable for 3Q growth following the outright decline in inventories in 2Q. Of course, the strength in hours could also weigh on productivity, and we now look for productivity to be flat during the quarter.

The core PCE deflator increased 0.1% (samr) in June and was up 1.6% oya. While the trend in this index has firmed relative to what was reported six (1.4% y/y) and 12 (1.3% y/y) months ago, the over-year-ago figures have been stuck in the 1.6%-1.7% range since the start of the year. The separate core CPI index has been firmer lately, rising 2.3% (y/y) in June, one of the highest readings of the expansion.

We also see signs of inflation pressure on the wage front. Most recently, average hourly earnings rose 0.3% (samr) in July and were up 2.6% (y/y). The growth over the latest 12 months basically matched the highest y/y rate of the cycle to date reached last December. Wages should continue firming over time as the labor market keeps tightening. The latest jobless claims data signal that job growth remained healthy through the end of July.

In our view, the economy is at or quite close to full employment, and wage and inflation pressures are emerging. Given the potentially long lags between rate hikes and their effects on the labor market, a case could be made for the Fed to proceed with policy normalization. However, similar arguments could have been made at any time for the last year or more while the FOMC has continually found new reasons to delay tightening. This week's FedSpeak gave us little reason to expect any change in this pattern.

Bill Dudley laid out the case for dovishness in a speech this week. Although he cautioned that market pricing was likely "too complacent," he concluded merely that it is "premature to rule out further monetary tightening this year." Similarly, the centrist Dennis Lockhart said that he "can imagine conditions in which we could have rate hikes." Meanwhile, reliable dove Charles Evans went so far as to suggest that inflation actually reaching the Fed's target could become a prerequisite for continued hikes. None of these remarks suggest a committee that is looking for reasons to hike in September; we do note, however, that they came before the release of this week's strong payroll numbers.

Recent news from the Fed also included the latest Senior Loan Officer Opinion Survey. This report showed that banks tightened lending standards across a number of different loan types in recent months. More favorable news came on the demand side, with increases in demand across the main lending types.

Daniel Silver and Jesse Edgerton, JPMorgan Chase, New York, NY

Calendar Of Upcoming Economic Data Releases

Monday	Tuesday	Wednesday	Thursday	Friday
August 8	9 NFIB Survey (Jul) Wholesale Trade (Jun) Productivity and Costs (Q2 pre) JOLTS (May)	10 JOLTS (Jun) Federal Budget (Jul) EIA Crude Oil Stocks Mortgage Applications	11 Import Prices (Jul) Weekly Jobless Claims Weekly Money Supply	12 Retail Sales (Jul) Producer Price Index (Jul) Empire State survey (Jul) Consumer Sentiment (Aug, Preliminary, University of Michigan) Business Inventories (Jun)
15 Empire State Survey (Aug) NAHB Survey (Aug) TIC Data (Jun)	16 Consumer Price Index (Jul) Housing Starts (Jul) Industrial Production (Jul)	17 FOMC Minutes	18 Philadelphia Fed Survey (Aug) Weekly Jobless Claims Weekly Money Supply	19
22	23 New Home Sales (Jul) Richmond Fed Survey (Aug)	24 FHFA Home Price Index (Jun, 2Q) Markit Manufacturing PMI (Aug, flash) Existing Home Prices (Jul)	25 Durable Goods (Jul) Kansas City Fed Survey (Aug) Weekly Jobless Claims Weekly Money Supply	26 Real GDP (Q2, Second Estimate) International Trade (Jul, Advance) Markit Services PMI (Aug, flash) Consumer Sentiment (Aug, Final, University of Michigan)
29 Personal Income and Consumption (Jul) Dallas Fed Survey (Aug)	30 S&P/Case-Shiller Home Price Index (Jun) Consumer Confidence (Aug, Conference Board)	31 ADP Employment (Aug) Chicago PMI (Aug) Pending Home Sales (Jul) EIA Crude Oil Stocks Mortgage Applications	September 1 Markit Manufacturing PMI (Aug, Final) ISM Manufacturing (Aug) Light Vehicle Sales (Aug) Construction Spending (Jul) Productivity and Costs (Q2, Revised) Weekly Jobless Claims Weekly Money Supply	2 Employment (Aug) International Trade (Jul) Factory Orders (Jul)
5 Labor Day U.S. Markets Closed	6 Markit Services PMI (Aug, Final) ISM Non-Manufacturing PMI (Aug)	7 JOLTS (Jul) Beige Book EIA Crude Oil Stocks Mortgage Applications	8 Quarterly Services Survey (Q2) Consumer Credit (Jul) Weekly Jobless Claims Weekly Money Supply	9 Wholesale Trade (Jul)
12	13 NFIB Survey (Aug) Federal Budget (Aug)	14 Import Prices (Aug)	15 Retail Sales (Aug) Industrial Production (Aug) Producer Price Index (Aug) Business Inventories (Jul) Empire State Survey (Sep) Philadelphia Fed Survey (Sep) Current Account ((Q2) Weekly Jobless Claims Weekly Money Supply	16 Consumer Price Index (Aug) Consumer Sentiment (Sep, Preliminary, University of Michigan) TIC Data (Jul)

EXPLANATORY NOTES

For 41 years, *Blue Chip Economic Indicators*[®] monthly survey of leading business economists has provided private and public sector decision-makers timely forecasts of U.S. economic growth, inflation and a host of other critical indicators of business activity. The newsletter utilizes a standardized format that provides a fast read on the prevailing economic outlook. The survey is conducted over two days, typically beginning on the first or second business day of each month. Forecasts of U.S. economic activity are collected from more than 50 leading business economists each month. The newsletter is generally finished on the third day following completion of the survey and delivered to subscribers via e-mail or first class mail.

The hallmark of *Blue Chip Economic Indicator*[®] is its *consensus forecasts*. Numerous studies have shown that by averaging the opinions of many experts, the resulting consensus forecasts tend to be more accurate over time than those of any single forecaster.

Annual Forecasts On pages 2 and 3 of the newsletter are individual and consensus forecasts of U.S. economic performance for this year and next. The names of the institutions that contribute forecasts to these pages are listed on the left of the page. They are ranked from top to bottom based on how fast they expect the U.S. economy to expand in the current year. Some of these institutions have one or more asterisks (*) after their names, denoting how many times they have won the annual *Lawrence R. Klein Award for Blue Chip Forecast Accuracy*.

Across the top of pages 2 and 3 is a list of the variables for which the individual cooperators have provided forecasts. Definitions and organizations that issue estimates for these variables are found at the bottom of page 3. For columns 1-9, the forecasts are for the year-over-year percent change in each variable. Columns 10-12 represent average percentage levels of the year in question. Column 15 is an inflation-adjusted dollar level, measured in billions of chained 2009 dollars. High and low forecasts from the panel members for each variable are denoted with an "H" or "L".

Immediately below the forecasts of the individual contributors are this month's consensus forecasts. The consensus is derived by averaging our panel members' forecasts for each variable. Below the consensus forecasts are averages of this month's ten highest and ten lowest forecasts for each variable. Below them are last month's consensus forecasts. To put the forecasts in context, we include four years of historical data for each variable at the bottom of page 2. Please note that these figures can change due to government revisions of previously released estimates. Below the historical data are the number of forecasts changed from a month ago for each variable, the median forecast for each variable and a diffusion index. The diffusion index serves as a leading indicator of future changes in the consensus forecast. A reading above 50% hints of future increases in the consensus; a reading below 50% hints of future declines. The diffusion index is calculated by adding to the number of forecasters who raised their forecasts for a particular variable this month, half the number of those who left their forecasts unchanged, then dividing the sum by the total number of those contributing forecasts.

Historical Annual Consensus Forecasts Page 4 contains the forecasts from previous issues for the current and subsequent year so that subscribers can see how the outlook has changed over time. Each issue also includes graphs and analysis focusing on noteworthy changes and trends in the consensus outlook.

Quarterly Forecasts Page 5 contains quarterly historical data and consensus forecasts of the U.S. economy's performance. For columns 1-7, the forecasts are for the quarter-over-quarter, seasonally-adjusted, annualized percent change in each variable. Columns 8-10 represent average percentage levels for the quarter in question. Columns 11 and 12 represent seasonally-adjusted, annualized levels for the quarter, measured in billions of inflation-adjusted dollars. As is the case on pages 2-3, the consensus quarterly forecasts on the top half of page 5 are simple averages of our contributors' forecasts. The high-10 and low-10 forecasts are averages of the 10 highest and 10 lowest forecasts for each variable. At the bottom of page 5 are additional quarterly consensus forecasts for Real GDP, GDP Price Index, Industrial Production and Consumer Price Index. These figures are derived by taking the annualized quarterly consensus forecasts found on the top of page 5 and computing a quarterly dollar value for Real GDP, and average quarterly index levels for the GDP Price Index, Industrial Production and the Consumer Price Index. We then compute a year-over-year percent change between the relevant quarter and the corresponding quarter of the previous year.

International Forecasts Pages 6-7 contain historical data and consensus forecasts of five key economic variables for 15 of the U.S.'s largest trading partners. A list of the institutions contributing forecasts to these pages can be found at the bottom of page 7. Columns 1 and 2 are forecasts of the year-over-year percent change in inflation-adjusted economic growth and consumer price inflation for this year and next. Column 3 is each nation's estimated current account surplus or deficit, reported in billions of current U.S. dollars. Column 4 is the estimated value of each nation's currency versus the U.S. dollar at the end of this year and next. Column 5 is the estimated level of interest rates on 3-month interest rates in each nation at the end of this year and next. Immediately below this month's consensus and the highest and lowest estimates for each variable are last month's forecasts and a limited amount of historical data. The historical data may change from month-to-month due to government revisions.

Special Questions On page 14, we report on panel members' answers to our special questions. Individuals' responses to the special questions are never displayed, only consensus, top-10 and bottom-10 results. *In March and October, we publish our twice-a-year, long-range survey results.* In addition to our usual forecasts for this year and next, the long-range survey results provide subscribers with consensus forecasts of all the variables found on pages 2 and 3 for the each of the following five years, plus an average for the five-year period after that.

Blue Chip Econometric Detail[®] With the March, June, September and December issues, subscribers also receive a four-page quarterly supplement entitled *Blue Chip Econometric Detail*[®]. The supplement contains forecasts of an expanded list of economic and financial variables that are derived from the consensus forecasts found in *Blue Chip Economic Indicators*[®]. Macroeconomic Advisers, LLC of St. Louis, Missouri produces this forecast detail based on a simulation of its econometric model of the U.S. economy.

*Should you have questions about the contents, or methods used to produce **Blue Chip Economic Indicators**[®] please contact Randell Moore at randy.moore@wolterskluwer.com or call him at (816) 931-0131.*

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

20. Refer to the response to Staff's Second Request, Item 42.
- a. Provide the publication date of the Blue Chip Financial Forecast.
 - b. Using the same building block approach to the development of the risk premium rate of 4.75 percent, provide an update given the July 27, 2016 FED announcement regarding no change to interest rates.

Response:

- a. June 1, 2016.
- b. Using the August 1, 2016 Blue Chip Financial Forecast, which was published after the July 27, 2016 FOMC meeting, that rate would now be 4.49% (3.1% + 1.39%) using the forecast yield on 30-year Treasury bonds for the fourth quarter of 2017 plus the six-month average spread between the yield on A-rated public utility bonds and 30-year Treasury bonds. Copies of the supporting documents are attached as Staff 3-19 Attachment A and Staff 3-19 Attachment B.

Blue Chip Financial Forecasts[®]

**Top Analysts' Forecasts Of U.S. And Foreign Interest Rates, Currency Values
And The Factors That Influence Them**

Vol. 35, No. 8, August 1, 2016

Wolters Kluwer

BLUE CHIP FINANCIAL FORECASTS®

EXECUTIVE EDITOR:

RANDELL E. MOORE

3663 Madison Ave.

Kansas City, MO 64111

Phone (816) 931-0131

Fax (816) 931-0430

E-mail: randy.moore@wolterskluwer.com

Publisher: Dom Cervi

Blue Chip Financial Forecasts® (ISSN: 0741-8345) is published monthly by CCH Incorporated, 76 Ninth Avenue, New York, NY 10011. Printed in the U.S.A.

Subscriptions: \$1379 per year for print, e-mail or online delivery of 12 monthly issues. \$1655 per year for both print and e-mail delivery of 12 monthly issues. \$2225 for email or online and Excel package. For multiple-copy rates and site-license agreements call Tom Bader in the U.S. toll free at 877-347-6108. You may also contact him at: tom.bader@wolterskluwer.com

Permission requests: For information on how to obtain permission to reproduce content, please visit the Wolters Kluwer website at: <http://www.wklawbusiness.com/footer-pages/permissions>

Purchasing reprints: For customized article reprints, please contact *Wright's Media* at 1-877-652-5295 or go to the *Wright's Media* website at www.wrightsmedia.com.

Customer Service: 1-800-234-1660

To Order: 1-800-638-8437

Customer Service Fax: 1-800-901-9075

Email: customer.service@wolterskluwer.com

Web Site:

<http://www.wklawbusiness.com/bluechip.asp?promoid=WEBBLUECHIPPUBS>

Blue Chip Financial Forecasts® is a general circulation news monthly. No statement in this issue is to be construed as a recommendation to buy or sell securities or to provide investment advice. The editor and CCH Incorporated, while considering the contents to be reliable, take no responsibility for the information contained herein.

Copyright © 2016 CCH Incorporated. All Rights Reserved. This material may not be used, published, broadcast, rewritten, copied, redistributed or used to create any derivative works without written permission from the publisher.

TABLE OF CONTENTS

Domestic Commentary	p. 1
Domestic Summary Table – Table of consensus forecasts of U.S. interest rates and key economic assumptions	p. 2
International Summary Table – Table of consensus forecasts of international interest rates and foreign exchange values	p. 3
International Commentary	p. 3
Individual Panel Member's U.S. Forecasts – Of interest rates and key assumptions for the next six quarters	p. 4-9
Individual Panel Member's International Forecasts – Of international interest rates and foreign exchange values	p. 10-11
Viewpoints – A sampling of views on the economy and government policy excerpted from recent reports issued by our panel members	p. 12-13
Special Questions – Results of special questions posed to panel Members about the economy, financial markets and government policy	p. 14
Databank – Monthly historical data on many key indicators of economic activity	p. 15
Calendar – Release dates for important upcoming economic Data, FOMC meetings, etc.	p. 16
List Of Contributing Economists – To Domestic and International Survey	inside of back cover

Soft Q2 GDP Growth Likely Undercuts Predictions Of A Rate Hike This Year

Domestic Commentary Better-than-expected, high-frequency U.S. economic data released over the past month, coupled with a strong recovery in U.S. equity markets following their post-Brexit-referendum plunge, still had almost 80% of our panelists predicting that the Federal Reserve's Open Market Committee (FOMC) would hike interest rates at least once prior to the end of this year, according to our July 25th-26th survey. However, the July 29th report that the economy grew a much slower-than-expected 1.2% (saar) in Q2 following downwardly-revised increases of less than 1.0% in the prior two quarters will no doubt reinforce the notion among our panelists that the FOMC will remain very cautious about raising rates. While consumer spending grew strongly in Q2, both residential and nonresidential fixed investment contracted, as did government spending. Inventories also fell, subtracting more than a percentage point from real GDP's rate of growth.

According to the special questions included as part of our July 25th-26th survey, 78.3% of our panelists continued to predict the FOMC would raise interest rates at least once before the end of this year compared with 90.3% a month ago. Of those that foresaw a rate hike before year end, 19.6% predicted the FOMC would hike rates at its September 20th-21st meeting. Last month, 9.8% had forecast a rate hike at the July 26th-27th meeting and 43.9% had predicted an increase at the September meeting. None of the panelists now forecast that the first increase of this year will be enacted at the November 1st-2nd meeting, versus 4.9% a month ago. Some 58.7% of the panelists now say the FOMC will delay a rate cut this year until its December 13th-14th meeting. Last month, 31.7% had forecast a rate hike would not take place until the mid-December meeting. In our previous survey, 2.4% of the panelists said the FOMC would wait until the first meeting in 2017 to raise rates, but this month none predicted a rate hike at the January 31st-February 1st, 2017 meeting. Some 6.5% of the panelists now say policymakers will wait until the FOMC's March 14th-15th, 2017 meeting to raise rates for the first time since December 2015, versus 4.7% a month ago and 2.2% said the FOMC will wait until the May 2nd-3rd, 2017 conclave to hike rates, compared to none last month. This month, 13.0% of those responding forecast no rate increase from the FOMC will occur until mid-June of next year or even later; up from 2.4% a month earlier.

Asked how many basis points the FOMC will raise rates in 2016, this month 19.6% of the panelists said zero, 67.4% said 25 basis points, 10.9% said 50 basis points, and 2.2% said 75 basis points. In last month's survey the responses were 6.7% for no increase, 60% said 25 basis points, and 33.3% predicted 50 basis points. Asked this month how many basis points the FOMC will raise rates in 2017, 2.2% said zero, 10.9% said 25 basis points, 43.6% said 50 basis points, 23.9% said 75 basis points, and 19.6% said 100 or more basis points. In the survey prior to this month's 4.4% said no increase; none said 25 basis points; 37.8% said 50 basis points, 26.7% said 75 basis points; and 31.1% said 100 or more basis points.

The FOMC left policy unchanged at its July 26th-27th meeting, but the policy statement was deemed less dovish than the one released in conjunction with the FOMC's mid-June meeting. Policymakers upgraded their assessment of the economy, saying growth is at a "moderate pace". Household spending was said to be "growing strongly" versus the characterization of "continued improving" in the June statement. The July statement also noted improvement in labor markets, pointing to the "strong" job gain in June that followed unexpected weakness in May. This contrasted with the previous policy statement that said "the pace of improvement in the labor market has slowed" and that job gains had "diminished." Moreover, the July statement also mentioned that "payrolls and other labor market indicators point to some increase in labor utilization in recent months." Earlier policy statements had referenced labor market "underutilization", suggesting that the prospect of more moderate payroll growth

going forward may not deter the FOMC from raising rates. The July statement also noted that market-based measures of inflation "remain low" rather than in decline.

Perhaps most importantly, while the July statement continued to say policymakers will continue "to closely monitor inflation indicators and global economic and financial development" it went on to note that "near-term risks to the economic outlook have diminished", a clear reference to earlier concern the U.K.'s decision to exit the European Union would result in a sharp tightening of U.S. financial conditions. Nonetheless, the statement failed to say that risks to the outlook were "balanced" or "nearly balanced", suggesting that any near-term rate hike from the FOMC was far from a done deal.

Data releases between now and late September, the behavior of financial markets, speeches from FOMC members, minutes of the July FOMC meeting due to be released on August 17th, and hints out of the Kansas City Fed's annual Jackson Hole conference on August 25th-27th, are sure to further shape market expectations about the likelihood of a rate hike. While the latest policy statement may have left the door slightly ajar for a rate hike, it failed to contain wording similar to that of last October's statement which noted that "most" members thought that the conditions to hike rates "could well be met by the next meeting," as indeed they were in December. Despite the less dovish interpretation of the July policy statement by most analysts, fed funds futures prices were little moved with the odds of a September rate hike stuck around 26% and odds of a December rate hike at only 45%. The Q2 GDP report dropped them even further.

As for the panelists' outlook for the economy, the consensus predicts real GDP growth will rebound to a seasonally-adjusted annual rate of 2.3% in both the current quarter and in Q4 of this year, the same as predicted a month ago. Also unchanged from last month, real GDP is forecast by the consensus to grow 2.2% (saar) in Q1 2017, 2.3% in Q2 and Q3, and 2.2% in Q4. Consumer spending, residential investment and government spending are largely counted on by the consensus to underpin GDP growth over the forecast horizon. Business investment is likely to remain modest, but no longer remain a drag on GDP, while net exports likely will continue to subtract from GDP as soft growth abroad and a strong U.S. dollar weighed on exports.

Consensus forecasts of inflation over the forecast horizon went little changed over the past month. Due to recent softness in energy prices headline consumer price inflation is expected to increase a little slower in the second half of this year than in Q2 when it increased 2.5% (saar), but the rate of change in core inflation is likely to look little different than in the first half of this year. In answer to a special question, the consensus forecasts that the personal consumption expenditures price index and the core PCE price index will register December-over-December increases of 1.5% and 1.8%, respectively in 2016, followed by increases of 2.1% for both in 2017. Probably just enough to encourage the FOMC to gradually raise its policy rate over the forecast horizon.

Consensus Forecast Prior to the release of the latest GDP data, a significant majority of the panelists still thought the FOMC would raise interest rates at least once this year, but probably not until December. Almost 57% of the panelists thought the FOMC would raise rates by 50 basis points or less in 2017, while 43.5% said it will raise rates by 75 basis points or more. Real GDP is expected to grow at a moderate, trend-like pace of about 2.3% over the forecast horizon, while headline and core consumer price inflation were projected to hover just north of the 2.0% level (*see page 2*).

Special Questions The consensus puts the odds of a U.S. recession beginning this year at 14.5% versus 16.8% a month ago. The odds of a recession that begins in 2017 fell this month to 24.1% from 24.6% a month earlier. The consensus sees a December 2016 unemployment rate of 4.7% and a December 2017 rate of 4.5% (*see page 14*)

Consensus Forecasts Of U.S. Interest Rates And Key Assumptions¹

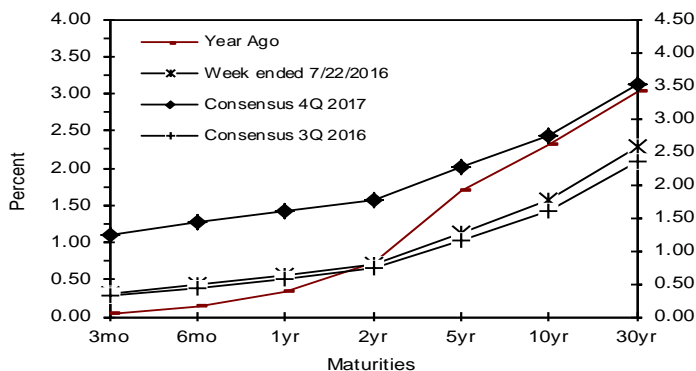
Interest Rates	History								Consensus Forecasts-Quarterly Avg.						
	Average For Week Ending				Average For Month				Latest Qtr	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017
	July 22	July 15	July 8	July 1	Jun	May	Apr	2Q 2016							
Federal Funds Rate	0.40	0.40	0.39	0.40	0.38	0.37	0.37	0.37	0.4	0.5	0.6	0.8	1.0	1.1	
Prime Rate	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.5	3.6	3.7	3.9	4.0	4.2	
LIBOR, 3-mo.	0.70	0.67	0.67	0.66	0.69	0.64	0.63	0.63	0.7	0.8	0.9	1.1	1.3	1.5	
Commercial Paper, 1-mo.	0.33	0.37	0.37	0.38	0.38	0.35	0.35	0.36	0.4	0.5	0.7	0.9	1.1	1.3	
Treasury bill, 3-mo.	0.32	0.31	0.28	0.27	0.27	0.28	0.23	0.28	0.3	0.4	0.6	0.7	0.9	1.1	
Treasury bill, 6-mo.	0.44	0.41	0.36	0.36	0.40	0.42	0.37	0.43	0.4	0.6	0.7	0.9	1.1	1.3	
Treasury bill, 1 yr.	0.55	0.52	0.46	0.45	0.55	0.59	0.56	0.54	0.6	0.7	0.9	1.1	1.2	1.4	
Treasury note, 2 yr.	0.70	0.68	0.58	0.60	0.73	0.82	0.77	0.79	0.7	0.9	1.1	1.2	1.4	1.6	
Treasury note, 5 yr.	1.13	1.09	0.95	1.01	1.17	1.30	1.26	1.30	1.1	1.3	1.5	1.7	1.8	2.0	
Treasury note, 10 yr.	1.58	1.51	1.38	1.47	1.64	1.81	1.81	1.84	1.6	1.8	1.9	2.1	2.3	2.4	
Treasury note, 30 yr.	2.29	2.22	2.13	2.28	2.45	2.63	2.62	2.64	2.4	2.5	2.7	2.8	3.0	3.1	
Corporate Aaa bond	3.34	3.27	3.21	3.39	3.50	3.65	3.62	3.82	3.4	3.6	3.8	3.9	4.1	4.2	
Corporate Baa bond	4.24	4.21	4.19	4.39	4.53	4.68	4.79	5.10	4.5	4.6	4.8	5.0	5.1	5.3	
State & Local bonds	2.87	2.80	3.18	3.18	3.20	3.29	3.30	3.30	3.1	3.2	3.3	3.5	3.6	3.8	
Home mortgage rate	3.45	3.42	3.41	3.48	3.57	3.60	3.61	3.70	3.5	3.7	3.8	4.0	4.2	4.3	

Key Assumptions	History								Consensus Forecasts-Quarterly					
	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017
Major Currency Index	77.8	82.6	89.4	89.9	91.8	93.1	93.3	89.6	91.0	91.8	92.4	92.5	92.5	92.3
Real GDP	5.0	2.3	2.0	2.6	2.0	0.9	0.8	1.2	2.3	2.3	2.2	2.3	2.3	2.2
GDP Price Index	1.7	0.5	-0.1	2.3	1.3	0.8	0.5	2.2	1.8	1.8	1.9	2.1	2.1	2.1
Consumer Price Index	0.9	-0.3	-2.9	2.4	1.4	0.8	-0.3	2.5	2.2	2.2	2.2	2.3	2.3	2.3

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data for interest rates except LIBOR is from Federal Reserve Release (FRSR) H.15. LIBOR quotes available from *The Wall Street Journal*. Interest rate definitions are same as those in FRSR H.15. Treasury yields are reported on a constant maturity basis. Historical data for Fed's Major Currency Index is from FRSR H.10 and G.5. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS).

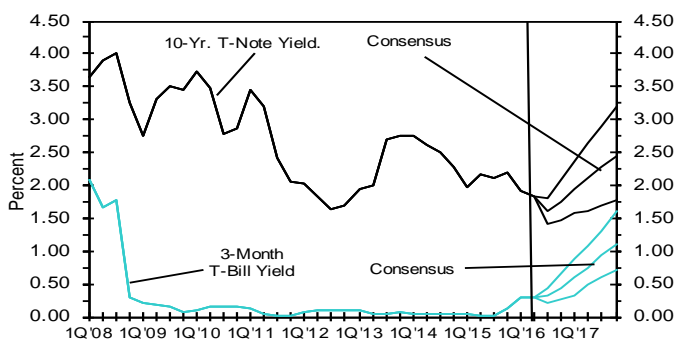
U.S. Treasury Yield Curve

Week ended July 22, 2016 and Year Ago vs. 3Q 2016 and 4Q 2017 Consensus Forecasts



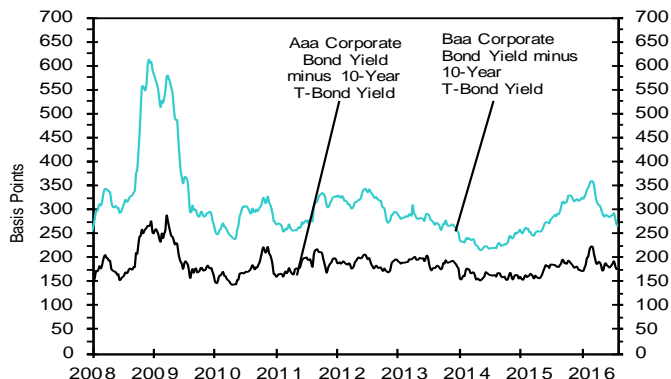
U.S. 3-Mo. T-Bills & 10-Yr. T-Note Yield

(Quarterly Average) Forecast



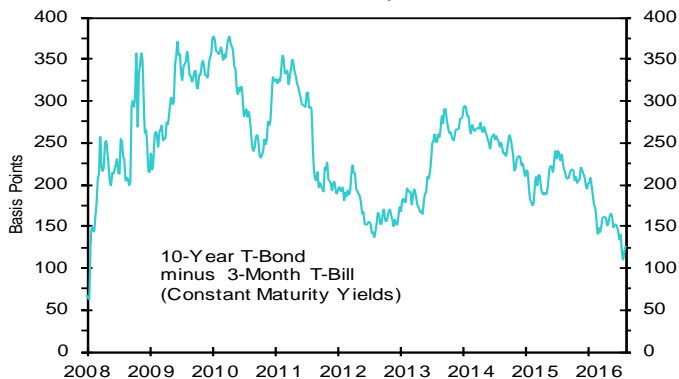
Corporate Bond Spreads

As of week ended July 22, 2016



U.S. Treasury Yield Curve

As of week July 22, 2016



-----3-Month Interest Rates¹-----

	History			Consensus Forecasts		
	Latest:	Month Ago:	Year Ago:	Months From Now:		
				3	6	12
U.S.	0.70	0.64	0.29	0.75	0.84	0.85
Japan	-0.03	-0.30	0.10	-0.01	-0.02	-0.02
U.K.	0.55	0.57	0.57	0.32	0.28	0.28
Switzerland	-0.76	-0.77	-0.74	-0.80	-0.85	-0.85
Canada	0.81	0.83	0.68	0.75	0.70	0.88
Australia	2.23	2.20	2.37	1.80	1.60	1.60
Eurozone	-0.30	-0.27	-0.02	-0.31	-0.31	-0.29

-----10-Yr. Government Bond Yields²-----

	History			Consensus Forecasts		
	Latest:	Month Ago:	Year Ago:	Months From Now:		
				3	6	12
U.S.	1.55	1.56	2.36	1.56	1.67	1.92
Germany	-0.01	-0.03	0.75	0.05	0.13	0.39
Japan	-0.22	-0.18	0.42	-0.14	-0.10	-0.03
U.K.	0.98	1.09	2.20	0.84	0.86	0.93
France	0.21	0.39	1.08	0.36	0.44	0.66
Italy	1.25	1.48	1.95	1.36	1.35	1.56
Switzerland	-0.55	-0.48	0.03	-0.46	-0.38	-0.18
Canada	1.12	1.16	1.54	1.13	1.27	1.56
Australia	1.92	2.11	2.90	2.03	2.12	2.37
Spain	1.19	1.62	2.11	1.43	1.43	1.63

-----Foreign Exchange Rates¹-----

	History			Consensus Forecasts		
	Latest:	Month Ago:	Year Ago:	Months From Now:		
				3	6	12
U.S.	91.783	89.233	92.327	91.8	92.3	91.6
Japan	106.22	104.20	123.74	102.7	103.9	109.4
U.K.	1.3091	1.4285	1.5514	1.29	1.29	1.31
Switzerland	0.9888	0.9610	0.9620	1.02	1.04	1.02
Canada	1.3178	1.2875	1.3059	1.32	1.31	1.28
Australia	0.7453	0.7385	0.7279	0.72	0.71	0.73
Euro	1.0968	1.1256	1.0976	1.07	1.07	1.09

	Consensus 3-Month Rates vs. U.S. Rate			Consensus 10-Year Gov't Yields vs. U.S. Yield	
	Now	In 12 Mo.		Now	In 12
Japan	-0.73	-0.87	Germany	-1.56	-1.53
U.K.	-0.15	-0.57	Japan	-1.77	-1.94
Switzerland	-1.46	-1.70	U.K.	-0.57	-0.99
Canada	0.11	0.02	France	-1.34	-1.26
Australia	1.53	0.75	Italy	-0.30	-0.36
Eurozone	-1.00	-1.14	Switzerland	-2.10	-2.10
			Canada	-0.43	-0.36
			Australia	0.37	0.45
			Spain	-0.36	-0.29

International Commentary The Bank of England's Monetary Policy Committee (MPC) left policy unchanged at its July meeting, surprising markets looking for an easing move in the wake of the surprise Brexit vote. However, the meeting statement and minutes tended to signal that an easing move was in the offing at the bank's August 4th meeting. The MPC's July statement noted that the bank was "committed to taking whatever action was needed to support growth and to return inflation to target" and that most MPC members "expected monetary policy to be loosened in August". While real GDP grew a faster-than-expected 2.4% (saar) in Q2 and was up 2.2% compared to a year ago, Markit's flash composite index of activity in the manufacturing and service sectors plunged to 47.7 in July, its lowest level since 2009 and well below the 50 level that signals economic contraction. Moreover, surveys also indicated very sharp declines in consumer confidence and spending in July, as well as a sharp decline in manufacturers' confidence. In addition to worries about the pace of economic activity, inflation remains extremely low. Consumer prices were up only 0.3% y/y in the most recent reading, well short of the BoE's 2.0% target. The BoE already has taken some steps to ensure banks continue to lend, including a lowering of its counter-cyclical capital buffer to 0% from 0.5%. At its August meeting, the MPC is widely expected to cut its policy rate by at least 25 basis points, the first reduction in seven years. It also may increase its QE program and we could see it broaden its Funding for Lending Scheme.

The European Central Bank (ECB) also left policy unchanged at its late-July meeting. President Mario Draghi disappointed markets by failing to pledge fresh stimulus, arguing that it was too early to gauge the economic fallout of the U.K. decision to leave the EU. He noted financial markets had exhibited "encouraging resilience" in the wake of the Brexit referendum, but said the ECB would reassess the situation at its September meeting. Indeed, most analysts believe the bank will be pressed to ease further in September, or at the latest December, most likely announcing an extension of its current QE program that is due to lapse next March. In June, Draghi had warned EU leaders that a Brexit vote could cut up to 0.5 of a percentage point off of Eurozone real GDP growth over the next three years. So far, the damage from the Brexit vote looks limited, but only time will tell. Flash PMI reports for July eased less than expected, but the ZEW index of German investor sentiment fell to a four-year low and Eurozone consumer confidence dropped sharply in July. Moreover, real GDP growth in the Eurozone was halved in Q2, growing only 0.3% (q/q) versus 0.6% in Q1. Growth in France, the second largest economy in the currency zone, ground to a halt in Q2. In the short term, markets will focus on results of the Eurozone stress tests due to be released July 29th, and the contentious negotiations between Italy and the EU on a badly-needed recapitalization of Italian banks ahead of Italy's November referendum on constitutional reform.

The Bank of Japan surprised markets on July 29th, announcing only a slight easing of policy that sent the yen soaring. The BoJ nearly doubled the size of its ETF purchases, but left the size of its bond purchases unchanged. The bank also left a key interest rate on bank reserves unchanged at -0.1%. Real GDP in Q2 likely slowed to about half its Q1 pace of 1.9% (saar), according to many analysts, and prospects for the second half of the year look little better. Preceding the BoJ's move, Prime Minister Abe announced a larger-than-expected \$265 billion fiscal stimulus package. However, many analysts doubt that the BoJ's move or Abe's stimulus package will be any more effective than past policy steps at lifting inflation or GDP growth.

The Reserve Bank of Australia (RBA) is expected to cut its policy rate by 25 basis points to a record low of 1.5% at its August 16th meeting. Headline inflation has dropped to only 1.0% y/y, the lowest since 1999, while core inflation stands at 1.5% y/y gain, well below the RBA's target. In contrast, Bank of Canada policy is expected to remain on hold over the rest of this year. GDP likely contracted in Q2, but inflation in Canada is the highest among G-7 members (see pages 10-11 for individual panelists' forecasts).

Forecasts of panel members are on pages 10 and 11. Definitions of variables are as follows: ¹Three month rate on interest-earning money market deposits denominated in selected currencies. ²Government bonds are yields to maturity. Foreign exchange rate forecasts for U.K., Australia and the Euro are U.S. dollars per currency unit. For the U.S. dollar, forecasts are of the U.S. Federal Reserve Board's Major Currency Index.

Third Quarter 2016 Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum-- Average For Quarter-----															Avg. For				
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----					---Qtr---	------(Q-Q % Change)-----			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	A.	B. C. D.			
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate	Fed's Major Currency \$ Index	Real GDP	Price Index	Cons. Price Index	
Scotiabank Group	0.5 H	3.5 L	na	na	0.3	na	na	0.5 L	0.9 L	1.2 L	2.0 L	na	na	na	na	na	2.0	2.0	1.4	
J.P. Morgan Chase	0.5 H	na	0.6	na	na	na	na	0.6	1.0	1.5	2.3	na	na	na	na	na	2.0	2.2	2.2	
SunTrust Banks	0.5 H	3.5 L	0.7	0.6 H	0.4	0.4	0.6	0.7	1.1	1.5	2.2	3.7	4.9	3.6 H	4.8 H	na	2.8	1.3	1.1	
Moody's Analytics	0.5 H	3.6	0.7	0.4	0.2 L	0.3 L	0.5	0.8	1.2	1.7	2.6	3.5	4.9	2.9	3.5	na	2.7	0.9	2.3	
RidgeWorth Investments	0.5 H	3.6	0.8	0.5	0.4	0.5	0.7	0.9	1.4	1.9	2.7 H	3.8 H	4.8	3.4	3.7	90.0	2.0	2.0	2.7	
Oxford Economics	0.4	3.5 L	0.7	na	0.4	0.5	0.8	0.9	1.2	1.7	2.4	na	na	na	3.3 L	91.0	2.6	2.3	2.9	
DePrince & Associates	0.4	3.5 L	0.7	0.4	0.4	0.5	0.6	0.7	1.2	1.6	2.3	3.4	4.2	2.9	3.5	90.2	2.5	1.3	1.3	
MacroFin Analytics	0.4	3.5 L	0.5 L	0.5	0.3	0.5	0.6	0.7	1.1	1.6	2.4	3.5	4.4	3.1	3.5	91.9	2.5	1.9	2.1	
Stone Harbor Investment Partners	0.4	3.8 H	0.7	0.5	0.4	0.5	0.6	0.8	1.2	1.6	2.4	3.5	4.8	na	3.3 L	90.0	2.9	1.5	2.4	
Woodworth Holdings	0.4	3.5 L	0.5 L	0.4	0.4	0.5	0.7	0.9	1.3	1.8	2.4	3.6	4.4	3.0	3.6	91.7	3.2 H	0.6 L	0.8 L	
Georgia State University	0.4	3.5 L	na	na	0.2 L	0.3 L	0.4 L	0.6	1.1	1.7	2.5	3.7	5.0 H	na	3.6	na	1.7	1.9	1.8	
Wells Fargo	0.4	3.5 L	0.6	0.4	0.3	0.4	0.5	0.7	1.1	1.5	2.2	3.3	4.2 L	2.8	3.4	92.0 H	2.1	1.9	1.8	
Amherst Pierpont Securities	0.4	3.5 L	0.8	0.4	0.3	0.4	0.6	0.7	1.2	1.7	2.4	3.5	4.4	3.1	3.5	92.0	2.4	1.7	1.9	
RDQ Economics	0.4	3.5 L	0.6	0.5	0.4	0.6 H	0.7	0.8	1.3	1.7	2.3	3.4	4.6	3.0	3.4	89.8 L	2.0	2.1	2.1	
Barclays Capital	0.4	3.5 L	1.0 H	na	na	na	na	0.7	1.1	1.5	2.3	na	na	na	na	na	2.0	2.9 H	2.1	
Cycledata Corp.	0.4	3.5 L	0.8	0.6 H	0.5	0.6 H	0.8	1.1 H	1.5	1.9	2.7 H	3.8 H	4.9	3.4	3.7	91.0	2.1	1.9	2.2	
Naroff Economic Advisors	0.4	3.6	0.7	0.5	0.3	0.4	0.6	0.8	1.2	1.7	2.4	3.5	4.5	3.1	3.6	91.5	3.1	1.7	2.3	
Natl Assn. of Realtors	0.4	3.5 L	0.7	0.4	0.3	0.4	0.6	0.7	1.1	1.7	2.4	3.4	4.4	3.1	3.6	na	2.4	2.0	2.3	
Economist Intelligence Unit	0.4	3.5 L	0.7	0.5	0.3	0.5	0.6	0.8	1.2	1.6	2.3	na	na	na	3.5	na	1.7	na	2.3	
Chase Wealth Management	0.4	3.5 L	0.5 L	0.4	0.3	0.4	0.5	0.7	1.1	1.6	2.3	3.4	4.2 L	2.9	3.5	91.9	2.3	1.9	2.4	
Loomis, Sayles & Company	0.4	3.5 L	0.7	0.4	0.3	0.4	0.5	0.8	1.1	1.4	2.2	3.3	4.3	2.7 L	3.4	90.4	2.0	1.8	2.6	
MJFG Union Bank	0.4	3.5 L	0.7	0.4	0.3	0.5	0.6	0.8	1.2	1.6	2.3	3.4	4.3	3.4	3.5	92.0 H	2.5	1.1	2.9	
Regions Financial Corporation	0.4	3.5 L	0.7	0.4	0.3	0.5	0.6	0.7	1.2	1.6	2.3	3.4	4.3	2.9	3.4	91.1	1.6 L	1.1	3.0	
Chmura Economics & Analytics	0.4	3.5 L	0.7	0.4	0.3	0.4	0.5	0.7	1.1	1.5	2.3	3.3	na	na	3.5	91.8	2.8	1.5	1.1	
Moody's Capital Markets Group	0.4	3.5 L	0.7	0.4	0.3	0.6 H	0.7	0.9	1.2	1.6	2.4	3.4	4.3	3.0	3.5	91.6	1.6 L	1.6	1.6	
Nomura Securities, Inc.	0.4	3.5 L	0.7	na	na	na	na	0.7	1.0	1.6	2.3	3.4	4.5	na	3.5	na	2.1	1.6	1.7	
Societe Generale	0.4	3.5 L	0.6	na	na	na	na	0.7	1.1	1.6	2.4	na	na	na	na	na	3.2 H	2.0	1.7	
The Northern Trust Company	0.4	3.5 L	0.7	0.4	0.3	0.4	0.6	0.7	1.2	1.6	2.4	3.4	4.4	3.0	3.5	na	2.0	1.7	1.8	
Wells Capital Management	0.4	3.5 L	0.7	0.4	0.3	0.4	0.6	0.7	1.1	1.6	2.3	3.4	4.3	2.9	3.5	92.0 H	2.4	2.0	1.9	
PNC Financial Services Corp.	0.4	3.5 L	0.7	na	0.3	0.4	0.5	0.7	1.1	1.6	2.4	na	4.5	3.4	3.5	90.6	2.4	1.6	2.0	
Comerica Bank	0.4	na	0.7	na	0.3	0.4	0.5	0.7	1.0	1.4	2.2	na	na	na	3.4	na	2.3	1.5	2.1	
UBS AG	0.4	na	0.7	na	0.7 H	na	na	na	na	1.4	na	na	na	na	na	na	1.9	2.3	2.3	
High Frequency Economics	0.4	3.5 L	na	na	0.2 L	0.4	0.5	0.5 L	1.1	1.7	2.5	na	na	na	na	na	2.3	2.3	2.3	
RBS Securities	0.4	3.5 L	0.8	0.4	0.3	0.4	0.6	0.6	1.0	1.5	2.3	3.3	4.4	3.0	3.3 L	91.0	2.2	1.4	2.4	
BMO Capital Markets	0.4	3.5 L	0.7	na	0.3	0.4	0.5	0.7	1.0	1.4	2.2	na	na	na	3.3 L	91.0	2.3	2.1	2.4	
Standard & Poor's Corp.	0.4	3.6	0.8	na	0.4	0.6 H	0.8	1.0	1.5	2.0 H	2.7 H	2.9 L	4.4	na	3.5	90.4	2.8	1.6	2.5	
Swiss Re	0.4	3.5 L	0.6	0.3 L	0.2 L	0.3 L	0.6	0.8	1.1	1.6	2.5	3.5	4.5	na	3.3 L	na	1.8	1.9	2.9	
Fannie Mae	0.4	3.5 L	na	na	0.4	0.5	0.6	0.7	1.1	1.6	2.3	na	na	na	3.5	na	2.1	1.7	3.1 H	
GLC Financial Economics	0.4	3.5 L	0.6	0.4	0.3	0.4	0.5	0.8	1.2	1.7	2.4	3.4	4.4	3.1	3.5	90.1	2.4	1.8	2.2	
RBC	0.4	na	na	na	0.2 L	na	na	0.6	1.0	1.5	2.4	na	na	na	na	na	2.7	1.4	2.4	
Action Economics	0.4	3.5 L	0.7	0.4	0.3	0.4	0.5	0.7	1.2	1.7	2.5	3.6	4.6	3.3	3.6	na	2.7	2.1	2.0	
ALG	0.4	na	na	na	0.3	0.4	0.9 H	1.1 H	1.6 H	1.9	2.7 H	na	4.7	na	na	na	2.0	1.3	3.0	
DS Economics	0.4	3.5 L	0.7	0.4	0.3	0.4	0.5	0.7	1.1	1.6	2.4	3.4	4.3	2.9	3.6	90.0	1.9	1.9	3.1 H	
Daiwa Capital Markets America	0.4	3.5 L	0.7	0.4	0.3	0.5	0.6	0.8	1.2	1.6	2.3	3.4	4.3	2.9	3.5	91.0	2.6	1.8	2.4	
Goldman Sachs & Co.	0.3 H	na	0.6	na	0.2 L	na	na	0.6	1.0	1.6	2.3	na	na	na	3.7	na	2.0	1.9	2.4	
Bank of America Merrill Lynch	0.3 L	na	0.7	na	0.3	na	na	0.7	0.9 L	1.3	2.0 L	na	na	na	na	na	1.9	1.9	2.8	
August Consensus	0.4	3.5	0.7	0.4	0.3	0.4	0.6	0.7	1.1	1.6	2.4	3.4	4.5	3.1	3.5	91.0	2.3	1.8	2.2	
Top 10 Avg.	0.4	3.6	0.8	0.5	0.4	0.5	0.7	0.9	1.3	1.8	2.6	3.6	4.8	3.3	3.7	91.8	2.9	2.2	2.9	
Bottom 10 Avg.	0.4	3.5	0.6	0.4	0.2	0.4	0.5	0.6	1.0	1.4	2.2	3.3	4.3	2.9	3.4	90.2	1.8	1.2	1.4	
July Consensus	0.4	3.6	0.7	0.4	0.4	0.5	0.7	0.9	1.3	1.8	2.6	3.7	4.8	3.3	3.7	91.1	2.3	1.8	2.5	
<u>Number of Forecasts Changed From A Month Ago:</u>																				
Down	16	9	16	14	17	18	23	32	30	38	39	24	26	19	26	9	17	15	15	
Same	19	30	13	10	14	9	11	9	12	5	4	3	3	3	5	5	15	23	23	
Up	11	1	12	6	12	10	3	3	2	2	1	5	4	6	8	14	14	7	8	
Diffusion Index	45 %	40 %	45 %	37 %	44 %	39 %	23 %	17 %	18 %	10 %	7 %	20 %	17 %	27 %	27 %	59 %	47 %	41 %	42 %	

Fourth Quarter 2016

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter--															Avg. For	----(Q-Q % Change)----			
	Short-Term					Intermediate-Term					Long-Term					---Qtr---	----(SAAR)----			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	A.	B.	C.	D.	
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Notes 30-Yr.	Bond Corp. Aaa	Bond Corp. Baa	State & Local Bonds	Home Mtg. Rate	Fed's Major Currency \$ Index	Real GDP	Price Index	Price Index	
RidgeWorth Investments	0.7 H	3.8	1.0	0.7	0.6	0.8 H	0.9	1.2	1.6	2.2 H	3.0 H	4.0 H	5.0	3.3	4.0	91.0	2.5	2.0	2.2	
Naroff Economic Advisors	0.7 H	3.9 H	1.0	0.8 H	0.7	0.8 H	1.0	1.2	1.6	2.2 H	3.0 H	3.9	5.0	3.3	4.0	90.6	2.6	2.0	2.4	
DePrince & Assoc.	0.7 H	3.7	1.0	0.7	0.6	0.7	0.9	1.0	1.4	1.9	2.5	3.6	4.4	3.3	3.8	90.4	2.5	1.6	1.7	
SunTrust Banks	0.7 H	3.7	0.8	0.8 H	0.5	0.6	0.7	0.8	1.2	1.5	2.2	3.6	5.0	3.7 H	5.1 H	na	2.8	1.4	1.2	
Woodworth Holdings	0.7 H	3.8	0.8	0.6	0.6	0.7	0.9	1.1	1.5	2.1	2.7	3.9	4.7	3.3	3.9	92.0	3.0 H	0.8 L	0.9 L	
MUFG Union Bank	0.7 H	3.8	0.9	0.7	0.6	0.8	0.9	1.3	1.7	2.2 H	2.9	3.7	4.7	3.5	4.0	93.0	2.4	1.1	2.5	
Stone Harbor Investment Partners	0.7 H	3.8	0.9	0.7	0.6	0.7	0.8	1.0	1.4	1.8	2.6	3.5	4.6	na	3.6	92.0	2.7	1.7	2.6	
Nomura Securities, Inc.	0.6	3.8	0.7	na	na	na	na	0.8	1.1	1.8	2.4	3.6	4.7	na	3.6	na	2.0	1.6	1.7	
Oxford Economics	0.6	3.7	0.9	na	0.6	0.7	0.9	1.1	1.5	2.0	2.7	na	na	na	3.7	92.5	2.4	2.3	2.3	
J.P. Morgan Chase	0.6	na	0.8	na	na	na	na	0.8	1.2	1.5	2.2	na	na	na	na	na	2.0	2.3	2.6	
UBS AG	0.6	na	1.0	na	1.0 H	na	na	na	na	1.4	na	na	na	na	na	na	1.8	2.3	2.8	
Barclays Capital	0.6	3.8	1.0	na	na	na	na	0.8	1.2	1.6	2.4	na	na	na	na	na	2.0	2.1	3.4	
Bank of America Merrill Lynch	0.6	na	0.7	na	0.3	na	na	0.8	1.0 L	1.5	2.3	na	na	na	na	na	1.7 L	2.0	3.7 H	
Loomis, Sayles & Company	0.6	3.8	0.8	0.6	0.5	0.6	0.7	0.9	1.3	1.5	2.2	3.3 L	4.3	2.7 L	3.4	90.6	1.9	2.0	2.1	
Cycledata Corp.	0.6	3.7	0.8	0.6	0.5	0.6	0.8	1.1	1.5	1.9	2.7	3.8	4.9	3.4	3.7	92.0	2.0	2.0	2.2	
Chase Wealth Management	0.6	3.7	0.7	0.6	0.5	0.6	0.7	0.9	1.3	1.8	2.5	3.5	4.4	3.1	3.7	92.0	2.1	1.8	2.3	
Moody's Analytics	0.6	3.7	0.8	0.5	0.2	0.3 L	0.6	1.0	1.3	2.0	2.8	3.7	5.2 H	3.1	3.6	na	2.8	1.1	1.9	
GLC Financial Economics	0.5	3.5 L	0.7	0.6	0.4	0.5	0.6	0.9	1.4	1.9	2.6	3.7	4.7	3.3	3.8	90.1 L	2.8	2.8 H	2.4	
Swiss Re	0.5	3.6	0.7	0.5	0.4	0.4	0.9	1.2	1.2	1.7	2.8	3.7	4.7	na	3.5	na	2.6	1.0	2.0	
Goldman Sachs & Co.	0.5	na	0.8	na	0.4	na	na	0.8	1.2	1.8	2.5	na	na	na	3.8	na	2.0	1.8	2.0	
Scotiabank Group	0.5	3.5 L	na	na	0.3	na	na	0.7	1.0 L	1.3 L	2.1 L	na	na	na	na	na	2.0	2.0	2.0	
MacroFin Analytics	0.5	3.6	0.6 L	0.5	0.4	0.5	0.6	0.8	1.2	1.6	2.5	3.6	4.5	3.2	3.6	92.6	2.5	1.8	1.9	
BMO Capital Markets	0.5	3.6	0.8	na	0.4	0.5	0.6	0.9	1.2	1.5	2.3	na	na	na	3.4	93.1	2.4	2.0	2.4	
Standard & Poor's Corp.	0.5	3.9 H	1.1 H	na	0.7	0.8 H	1.1 H	1.2	1.7	2.2 H	2.9	3.3 L	4.6	na	3.9	91.7	2.7	1.8	2.7	
Regions Financial Corporation	0.5	3.5 L	0.8	0.5	0.5	0.6	0.7	0.9	1.2	1.6	2.4	3.5	4.4	3.0	3.5	92.7	2.0	1.4	2.2	
The Northern Trust Company	0.4 L	3.6	0.7	0.4 L	0.4	0.5	0.7	0.9	1.4	1.8	2.6	3.5	4.6	3.1	3.6	na	2.0	1.9	2.0	
PNC Financial Services Corp.	0.4 L	3.6	0.8	na	0.5	0.6	0.7	0.8	1.3	1.8	2.5	na	4.6	3.5	3.6	90.6	2.4	1.6	2.0	
Moody's Capital Markets Group	0.4 L	3.5 L	0.8	0.5	0.5	0.6	0.7	1.0	1.4	1.7	2.5	3.6	4.4	3.1	3.6	92.6	2.3	1.7	2.0	
Comerica Bank	0.4 L	na	0.7	na	0.3	0.4	0.5 L	0.7	1.1	1.5	2.3	na	na	na	3.4	na	2.4	1.8	2.1	
Amherst Pierpont Securities	0.4 L	3.6	0.9	0.4 L	0.4	0.6	0.7	1.0	1.3	2.0	2.9	3.9	4.9	3.4	3.8	93.0	2.4	2.0	2.8	
High Frequency Economics	0.4 L	3.5 L	na	na	0.5	0.6	0.8	0.9	1.5	2.1	2.8	na	na	na	na	na	2.3	2.4	2.4	
Wells Fargo	0.4 L	3.5 L	0.6 L	0.4 L	0.4	0.5	0.6	0.8	1.2	1.6	2.3	3.4	4.3	2.9	3.5	93.3 H	1.9	1.8	2.2	
Daiwa Capital Markets America	0.4 L	3.6	0.8	0.5	0.4	0.5	0.6	0.9	1.3	1.7	2.4	3.4	4.4	3.0	3.6	92.0	2.2	1.8	2.2	
Natl Assn. of Realtors	0.4 L	3.5 L	0.7	0.5	0.4	0.5	0.7	0.8	1.2	1.8	2.5	3.5	4.5	3.2	3.7	na	2.2	2.0	2.2	
Georgia State University	0.4 L	3.5 L	na	na	0.3	0.3 L	0.5 L	0.7	1.2	1.8	2.6	3.8	5.0	na	3.7	na	1.8	2.5	2.2	
Economist Intelligence Unit	0.4 L	3.5 L	0.7	0.5	0.3	0.5	0.6	0.8	1.3	1.7	2.4	na	na	na	3.6	na	2.2	na	2.2	
RDQ Economics	0.4 L	3.5 L	0.6 L	0.5	0.4	0.7	0.8	0.9	1.4	1.9	2.4	3.4	4.7	3.1	3.5	92.0	1.9	2.2	2.5	
Fannie Mae	0.4 L	3.5 L	na	na	0.6	0.6	0.7	0.8	1.2	1.6	2.3	na	na	na	3.5	na	1.8	1.4	1.6	
Action Economics	0.4 L	3.5 L	0.7	0.4 L	0.4	0.4	0.6	0.8	1.2	1.7	2.4	3.6	4.7	3.3	3.7	na	2.6	1.7	2.2	
RBS Securities	0.4 L	3.5 L	0.9	0.4 L	0.3	0.4	0.6	0.6 L	1.0 L	1.6	2.4	3.4	4.6	3.1	3.3 L	92.0	2.2	2.0	2.3	
Societe Generale	0.4 L	3.5 L	0.7	na	na	na	na	0.7	1.2	1.6	2.4	na	na	na	na	na	2.2	2.5	3.5	
RBC	0.4 L	na	na	na	0.1 L	na	na	0.7	1.1	1.6	2.5	na	na	na	na	na	3.0 H	2.0	3.0	
AIG	0.4 L	na	na	na	0.3	0.5	1.1 H	1.4 H	1.8 H	2.1	2.9	na	2.8 L	na	na	na	2.0	1.5	1.5	
Chmura Economics & Analytics	0.4 L	3.5 L	0.7	0.4 L	0.3	0.4	0.5 L	0.7	1.3	1.7	2.4	3.5	na	na	3.6	91.2	2.7	1.6	1.5	
DS Economics	0.4 L	3.5 L	0.7	0.4 L	0.3	0.5	0.8	1.0	1.4	1.8	2.6	3.5	4.4	3.1	3.7	90.5	2.3	1.8	1.6	
Wells Capital Management	0.4 L	3.5 L	0.6 L	0.4 L	0.3	0.5	0.7	0.8	1.2	1.7	2.4	3.6	4.5	3.1	3.6	92.3	2.3	1.9	1.8	
August Consensus	0.5	3.6	0.8	0.5	0.4	0.6	0.7	0.9	1.3	1.8	2.5	3.6	4.6	3.2	3.7	91.8	2.3	1.8	2.2	
Top 10 Avg.	0.7	3.8	1.0	0.7	0.6	0.7	0.9	1.2	1.6	2.1	2.9	3.8	4.9	3.4	4.0	92.7	2.8	2.3	3.0	
Bottom 10 Avg.	0.4	3.5	0.6	0.4	0.3	0.4	0.6	0.7	1.1	1.5	2.3	3.4	4.2	3.0	3.4	90.9	1.9	1.3	1.5	
July Consensus	0.6	3.7	0.8	0.6	0.5	0.6	0.8	1.0	1.5	2.0	2.8	3.8	4.9	3.4	3.8	92.0	2.3	1.9	2.3	
Number of Forecasts Changed From A Month Ago:																				
Down	20	16	18	15	22	22	23	32	32	35	37	21	20	16	23	10	15	10	15	
Same	22	21	15	11	14	11	12	12	12	9	6	5	3	3	9	6	20	27	22	
Up	4	2	7	2	6	3	1	0	0	1	1	4	2	2	5	9	11	8	9	
Diffusion Index	33 %	32 %	36 %	27 %	31 %	24 %	19 %	14 %	14 %	12 %	9 %	22 %	14 %	17 %	26 %	48 %	46 %	48 %	43 %	

First Quarter 2017

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter																Avg. For	----(Q-Q % Change)----		
	Short-Term					Intermediate-Term					Long-Term						---Qtr---	----(SAAR)----		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	A.	B.	C.	D.	
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate	Fed's Major Currency \$ Index	Real GDP	Price Index	Cons. Price Index	
Naroff Economic Advisors	1.1 H	4.1 H	1.4 H	1.2 H	1.2 H	1.3 H	1.5 H	1.7 H	2.1 H	2.6 H	3.2	4.2	5.3	3.7 H	4.3	90.0	2.2	2.6	2.7	
Cycledata Corp.	1.0	4.1 H	1.2	1.0	0.9	1.0	1.2	1.5	1.9	2.3	3.0	4.1	5.2	3.7 H	4.0	92.0	2.0	2.1	2.4	
DePrince & Associates	1.0	4.0	1.3	1.1	1.0	1.1	1.2	1.4	1.7	2.2	2.7	3.9	4.8	3.7 H	4.1	90.8	2.6	1.9	2.0	
Woodworth Holdings	0.9	4.0	1.0	0.9	0.9	1.0	1.2	1.4	1.8	2.3	3.0	4.1	4.9	3.6	4.1	92.5	2.5	1.0	1.2 L	
MJFG Union Bank	0.9	4.0	1.1	1.0	0.8	1.0	1.2	1.7 H	1.9	2.4	3.0	4.0	5.0	3.6	4.2	94.0	2.5	0.7 L	2.6	
J.P. Morgan Chase	0.9	na	1.1	na	na	na	na	1.0	1.4	1.6	2.3	na	na	na	na	na	2.0	2.0	2.4	
RidgeWorth Investments	0.9	4.0	1.2	0.9	0.7	0.9	1.1	1.3	1.8	2.4	3.2	4.1	5.1	3.2	4.2	92.0	2.5	2.0	2.2	
Stone Harbor Investment Partners	0.9	4.0	1.1	0.9	0.8	0.9	1.0	1.2	1.6	2.0	2.8	3.7	4.7	na	3.8	93.0	1.7	1.9	2.3	
SunTrust Banks	0.8	3.8	1.0	1.1	0.6	0.7	0.7	0.9	1.2	1.6	2.3	3.7	5.1	3.7 H	5.4 H	na	3.0	1.5	1.4	
High Frequency Economics	0.8	3.9	na	na	0.7	0.9	1.0	1.3	1.8	2.3	3.0	na	na	na	na	na	2.3	2.6	2.6	
MacroFin Analytics	0.7	3.8	0.9	0.8	0.7	0.8	0.9	1.0	1.5	1.9	2.8	3.8	4.7	3.5	3.8	92.9	2.3	1.9	2.0	
Standard & Poor's Corp.	0.7	3.9	1.2	na	0.9	1.0	1.2	1.4	1.8	2.3	3.1	3.5	4.7	na	4.2	92.2	1.7	2.2	1.5	
Wells Fargo	0.7	3.7	0.9	0.7	0.7	0.8	0.9	0.9	1.2	1.8	2.4	3.6	4.5	2.9	3.7	95.0	1.8	2.1	2.3	
RDQ Economics	0.7	3.7	1.0	0.8	0.8	1.0	1.1	1.2	1.7	2.1	2.6	3.6	4.7	3.3	3.7	95.2 H	1.9	2.2	2.5	
Moody's Analytics	0.7	3.8	1.0	0.6	0.2 L	0.4 L	0.6	1.1	1.9	2.5	3.3 H	4.2	5.8 H	3.5	3.9	na	3.2 H	1.8	2.5	
Amherst Pierpont Securities	0.7	3.8	1.1	0.7	0.7	0.9	1.1	1.3	1.7	2.4	3.3 H	4.3 H	5.4	3.7 H	4.1	94.0	2.3	2.3	3.1 H	
Oxford Economics	0.7	3.6	0.9	na	0.6	0.8	1.0	1.2	1.7	2.2	2.9	na	na	na	4.0	93.5	1.8	2.7 H	2.7	
Regions Financial Corporation	0.7	3.8	0.8	0.7	0.6	0.7	0.8	0.9	1.3	1.7	2.5	3.5	4.4	3.0	3.5	93.2	2.1	1.8	1.7	
GLC Financial Economics	0.7	3.7	0.9	0.7	0.6	0.6	0.7	1.0	1.6	2.1	2.8	3.9	5.0	3.4	4.0	90.3	3.0	2.0	2.8	
UBS AG	0.6	na	1.1	na	1.1	na	na	na	na	1.4 L	na	na	na	na	na	na	2.7	2.3	1.4	
Comerica Bank	0.6	na	0.9	na	0.5	0.6	0.7	1.0	1.3	1.7	2.6	na	na	na	3.5	na	2.7	1.9	2.0	
Nomura Securities, Inc.	0.6	3.8	0.9	na	na	na	na	1.0	1.3	1.9	2.5	3.7	4.8	na	3.8	na	1.8	1.6	2.1	
The Northern Trust Company	0.6	3.8	0.9	0.6	0.6	0.7	0.8	1.1	1.6	2.0	2.8	3.6	4.6	3.3	3.7	na	2.2	2.0	2.1	
PNC Financial Services Corp.	0.6	3.8	0.9	na	0.6	0.7	0.8	1.0	1.5	2.0	2.7	na	4.8	3.5	3.8	91.1	2.2	1.9	2.2	
Swiss Re	0.6	3.8	0.8	0.6	0.5	0.6	1.0	1.3	1.4	1.9	3.0	3.9	4.9	na	3.7	na	2.5	2.3	2.3	
Goldman Sachs	0.6	na	0.9	na	0.5	na	na	1.0	1.4	2.1	2.6	na	na	na	3.9	na	2.0	2.0	2.5	
BMO Capital Markets	0.6	3.8	0.9	na	0.5	0.6	0.8	1.0	1.3	1.6	2.3	na	na	na	3.5	93.4	2.0	2.3	2.6	
Loomis, Sayles & Company	0.6	3.8	0.8	0.6	0.5	0.6	0.8	1.0	1.4	1.6	2.3	3.3 L	4.3 L	2.7 L	3.4 L	90.6	2.0	2.4	2.8	
Barclays Capital	0.6	3.8	1.0	na	na	na	na	0.8	1.2	1.6	2.4	na	na	na	na	na	2.5	2.2	2.3	
Bank of America Merrill Lynch	0.6	na	0.8	na	0.4	na	na	0.9	1.3	1.8	2.5	na	na	na	na	na	1.4 L	1.8	1.8	
Chase Wealth Management	0.6	3.7	0.7	0.6	0.5	0.6	0.7	0.9	1.3	1.8	2.5	3.6	4.4	3.1	3.7	92.2	1.6	1.8	2.2	
Daiwa Capital Markets America	0.6	3.8	1.0	0.7	0.6	0.7	0.8	1.0	1.4	1.8	2.5	3.5	4.5	3.0	3.6	93.0	2.0	1.9	2.2	
Natl Assn. of Realtors	0.6	3.5 L	0.8	0.7	0.6	0.7	0.9	1.0	1.4	2.0	2.7	3.7	4.7	3.4	3.8	na	2.1	1.9	2.2	
DS Economics	0.6	3.8	0.8	0.6	0.5	0.7	0.9	1.1	1.6	2.0	2.8	3.6	4.5	3.3	3.8	91.0	2.2	2.3	2.4	
Scotiabank Group	0.5	3.5 L	na	na	0.4	na	na	0.9	1.1 L	1.4 L	2.2 L	na	na	na	na	na	2.3	2.0	2.4	
Moody's Capital Markets Group	0.5	3.6	0.8	0.6	0.5	0.6	0.8	1.1	1.6	1.8	2.5	3.5	4.4	3.1	3.6	93.1	2.2	1.8	2.1	
Action Economics	0.5	3.6	0.7	0.5	0.5	0.6	0.7	0.9	1.4	1.8	2.5	3.5	4.7	3.4	3.8	na	2.4	1.5	2.1	
Wells Capital Management	0.5	3.6	0.8	0.5	0.5	0.6	0.9	1.0	1.4	1.8	2.6	3.7	4.7	3.2	3.8	92.7	2.4	2.0	1.9	
Economist Intelligence Unit	0.5	3.5 L	0.7	0.5	0.4	0.6	0.7	0.9	1.4	1.8	2.5	na	na	na	3.7	na	1.8	na	2.2	
Georgia State University	0.4 L	3.5 L	na	na	0.4	0.4 L	0.4 L	0.7	1.5	2.3	3.0	4.3 H	5.5	na	4.0	na	2.7	1.0	2.5	
RBS Securities	0.4 L	3.5 L	1.1	0.4 L	0.3	0.5	0.7	0.7 L	1.1 L	1.6	2.5	3.4	4.6	3.2	3.4 L	93.0	1.9	2.0	2.2	
Fannie Mae	0.4 L	3.5 L	na	na	0.6	0.7	0.7	0.9	1.3	1.7	2.4	na	na	na	3.5	na	1.8	2.0	2.4	
Societe Generale	0.4 L	3.5 L	0.7	na	na	na	na	0.9	1.3	1.7	2.4	na	na	na	na	na	2.3	2.2	2.5	
RBC	0.4 L	na	na	na	0.2 L	na	na	0.8	1.3	1.8	2.6	na	na	na	na	na	2.8	1.3	2.5	
Chmura Economics & Analytics	0.4 L	3.5 L	0.6 L	0.4 L	0.3	0.4 L	0.5	0.7 L	1.4	1.8	2.5	3.6	na	na	3.8	89.4 L	2.7	1.8	1.9	
AIG	0.4 L	na	na	na	0.3	0.6	1.3	1.7 H	2.0	2.3	3.1	na	4.7	na	na	na	1.6	2.0	2.3	
August Consensus	0.6	3.7	0.9	0.7	0.6	0.7	0.9	1.1	1.5	1.9	2.7	3.8	4.8	3.3	3.8	92.4	2.2	1.9	2.2	
Top 10 Avg.	0.9	4.0	1.2	1.0	0.9	1.0	1.2	1.5	1.9	2.4	3.1	4.1	5.2	3.6	4.3	93.7	2.8	2.4	2.7	
Bottom 10 Avg.	0.4	3.5	0.7	0.5	0.3	0.5	0.6	0.8	1.2	1.6	2.3	3.5	4.5	3.1	3.5	90.9	1.7	1.4	1.7	
July Consensus	0.8	3.9	1.1	0.8	0.7	0.8	1.0	1.2	1.7	2.2	2.9	4.0	5.1	3.6	4.0	92.5	2.2	1.9	2.2	
Number of Forecasts Changed From A Month Ago:																				
Down	22	18	20	13	23	23	24	29	32	34	33	22	25	19	24	7	16	5	7	
Same	22	19	17	12	14	11	11	15	9	9	6	5	3	3	8	8	24	32	30	
Up	2	2	3	2	5	2	1	0	3	2	5	2	2	3	5	11	6	8	9	
Diffusion Index	28 %	29 %	29 %	30 %	29 %	21 %	18 %	17 %	17 %	14 %	18 %	16 %	12 %	18 %	24 %	58 %	39 %	53 %	52 %	

Second Quarter 2017 Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum -- Average For Quarter-----															Avg. For ---Qtr--- Fed's Major Currency \$ Index	----- (Q-Q % Change) -----			
	Short-Term					Intermediate-Term					Long-Term						----- (SAAR) -----			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		A.	B.	C.	D.
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bond 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate		Fed's Major Currency \$ Index	Real GDP	Price Index	Cons. Price Index
Naroff Economic Advisors	1.3 H	4.3 H	1.6 H	1.3	1.4 H	1.5 H	1.7 H	2.0 H	2.5 H	3.2 H	3.7 H	4.4	5.5	3.9	4.7	89.2	2.6	2.4	2.9	
Woodworth Holdings	1.2	4.3 H	1.3	1.1	1.1	1.2	1.4	1.6	2.0	2.6	3.3	4.4	5.2	3.9	4.4	93.0	2.5	1.2 L	1.3 L	
MJFG Union Bank	1.2	4.3 H	1.4	1.2	1.1	1.3	1.5	1.9	2.1	2.6	3.1	4.2	5.2	3.7	4.4	93.0	2.5	2.5	3.8 H	
DePrince & Assoc.	1.1	4.1	1.5	1.3	1.1	1.2	1.4	1.7	2.0	2.5	3.0	4.2	5.2	4.0 H	4.3	91.0	2.5	2.3	2.5	
RidgeWorth Investments	1.1	4.3 H	1.5	1.2	1.0	1.1	1.3	1.5	2.0	2.6	3.4	4.3	5.3	3.6	4.4	92.0	2.5	2.2	2.2	
MacroFin Analytics	1.0	4.1	1.1	1.1	0.9	1.1	1.2	1.3	1.7	2.2	3.0	4.1	5.0	3.7	4.1	93.4	2.2	2.0	2.1	
J.P. Morgan Chase	1.0	na	1.2	na	na	na	na	1.2	1.6	1.8	2.4	na	na	na	na	na	2.0	2.0	2.4	
Cycledata Corp.	1.0	4.1	1.2	1.0	0.9	1.0	1.2	1.5	1.9	2.3	3.0	4.1	5.2	3.7	4.0	92.0	2.0	2.1	2.4	
Stone Harbor Investment Partners	1.0	4.1	1.2	1.0	0.9	1.0	1.1	1.4	1.8	2.2	3.0	3.9	4.9	na	3.7	92.0	2.5	2.0	2.5	
High Frequency Economics	1.0	4.1	na	na	1.0	1.1	1.2	1.4	1.9	2.4	3.1	na	na	na	na	na	2.3	2.7	2.7	
Amherst Pierpont Securities	0.9	4.1	1.4	1.0	1.0	1.2	1.4	1.6	2.0	2.7	3.7 H	4.7 H	5.8	4.0 H	4.5	95.0	2.6	2.2	3.2	
Chase Wealth Management	0.9	4.0	1.0	0.9	0.8	0.9	1.0	1.2	1.6	2.1	2.8	3.9	4.7	3.4	4.0	92.3	2.1	1.9	2.1	
Wells Fargo	0.9	3.9	1.1	0.9	0.9	1.0	1.1	1.1	1.3	1.8	2.4	3.6	4.5	3.0	3.7	96.5	2.4	2.1	2.3	
RDQ Economics	0.9	3.9	1.2	1.0	1.0	1.2	1.4	1.5	2.0	2.4	2.8	3.9	4.9	3.5	4.0	97.0 H	1.9	2.3	2.7	
UBS AG	0.9	na	1.3	na	1.3	na	na	na	na	1.5	na	na	na	na	na	na	2.7	2.3	1.6	
Oxford Economics	0.9	3.6	1.1	na	0.9	1.0	1.2	1.4	1.8	2.4	3.1	na	na	na	4.3	94.0	2.5	2.2	2.1	
Nomura Securities, Inc.	0.9	4.0	0.9	na	na	na	na	1.0	1.3	2.0	2.6	3.8	4.9	na	4.0	na	2.0	1.6	2.2	
Standard & Poor's Corp.	0.9	3.8	1.3	na	0.9	1.1	1.3	1.5	1.9	2.5	3.2	3.7	4.9	na	4.3	92.9	2.7	2.5	3.6	
Barclays Capital	0.9	4.0	1.2	na	na	na	na	0.9	1.3	1.7	2.4	na	na	na	na	na	2.5	2.2	2.9	
Bank of America Merrill Lynch	0.9	na	0.8 L	na	0.4 L	na	na	0.9	1.4	2.0	2.6	na	na	na	na	na	2.0	1.8	1.8	
SunTrust Banks	0.9	3.9	1.1	1.6 H	0.7	0.7	0.8	0.9	1.3	1.6	2.3 L	3.7	5.1	3.7	5.8 H	na	3.1 H	1.6	1.5	
Moody's Analytics	0.8	3.9	1.1	0.7	0.4 L	0.5 L	0.7	1.0	2.1	2.9	3.6	4.6	6.1 H	3.7	4.3	na	3.0	2.2	2.6	
GLC Financial Economics	0.8	3.8	1.0	0.9	0.7	0.8	0.9	1.1	1.7	2.3	2.9	4.0	5.1	3.5	4.1	90.6	2.2	3.1 H	3.0	
Daiwa Capital Markets America	0.8	3.9	1.1	0.8	0.7	0.9	1.0	1.3	1.6	2.0	2.5	3.7	4.6	3.1	3.8	93.0	2.0	1.9	2.2	
Goldman Sachs & Co.	0.8	na	1.0	na	0.7	na	na	1.2	1.7	2.2	2.7	na	na	na	4.0	na	2.0	2.0	2.3	
Scotiabank Group	0.8	3.8	na	na	0.6	na	na	1.0	1.3	1.5	2.3 L	na	na	na	na	na	2.3	2.0	2.3	
DS Economics	0.8	4.0	1.0	0.7	0.6	0.9	1.1	1.3	1.8	2.3	3.1	3.5	4.5	3.6	4.0	91.0	2.4	2.2	2.3	
Swiss Re	0.8	3.9	1.0	0.7	0.6	0.7	1.0	1.3	1.5	2.1	3.1	4.0	5.0	na	3.9	na	2.2	1.6	2.6	
BMO Capital Markets	0.7	3.8	1.0	na	0.6	0.7	0.9	1.1	1.4	1.7	2.4	na	na	na	3.6	93.0	2.4	2.0	2.3	
Natl Assn. of Realtors	0.7	3.8	0.9	0.8	0.8	0.9	1.1	1.2	1.6	2.2	2.9	3.9	4.9	3.6	4.0	na	2.1	2.0	2.2	
Regions Financial Corporation	0.7	3.8	0.9	0.7	0.7	0.8	0.9	1.0	1.3	1.7	2.6	3.6	4.6	3.1	3.6	93.3	2.3	1.9	1.8	
The Northern Trust Company	0.7	3.8	1.0	0.7	0.7	0.8	1.0	1.3	1.9	2.3	3.0	3.8	4.9	3.6	3.9	na	2.0	2.0	2.1	
Loomis, Sayles & Company	0.7	4.0	0.8 L	0.7	0.6	0.7	0.9	1.2	1.5	1.8	2.3 L	3.4	4.4	2.8 L	3.6	90.6	2.0	2.2	2.1	
PNC Financial Services Corp.	0.7	3.8	1.1	na	0.7	0.9	0.9	1.2	1.6	2.2	2.7	na	4.9	3.4	3.8	91.4	2.2	2.0	2.2	
Comerica Bank	0.7	na	1.0	na	0.6	0.7	0.8	1.0	1.3	1.8	2.6	na	na	na	3.6	na	2.6	2.0	2.3	
Economist Intelligence Unit	0.7	3.7	0.9	0.7	0.6	0.8	0.9	1.1	1.6	2.0	2.7	na	na	na	4.0	na	2.4	na	2.3	
Action Economics	0.6	3.8	0.8 L	0.7	0.6	0.7	0.9	1.1	1.5	1.9	2.6	3.6	4.7	3.4	3.8	na	2.0	1.8	2.1	
Georgia State University	0.6	3.6	na	na	0.6	0.6	0.6 L	0.9	1.6	2.4	3.1	4.4	5.6	na	4.3	na	2.5	1.9	2.4	
RBC	0.6	na	na	na	0.4 L	na	na	0.9	1.4	1.9	2.7	na	na	na	na	na	2.8	1.9	2.5	
AIG	0.6	na	na	na	0.5	0.9	1.4	1.7	2.2	2.5	3.3	na	4.7	na	na	na	2.0	2.0	2.0	
Wells Capital Management	0.6	3.8	0.9	0.7	0.6	0.8	1.0	1.2	1.6	2.0	2.7	3.9	4.9	3.3	3.9	92.9	2.6	2.2	2.0	
Moody's Capital Markets Group	0.6	3.7	0.9	0.7	0.6	0.8	0.9	1.2	1.6	1.9	2.6	3.5	4.4	3.1	3.7	92.6	2.4	2.0	1.9	
Chmura Economics & Analytics	0.5	3.6	0.8 L	0.6	0.4 L	0.6	0.7	1.0	1.8	2.2	2.9	3.9	na	na	4.1	87.6 L	2.4	1.9	1.9	
Societe Generale	0.5	3.5 L	0.9	na	na	na	na	1.2	1.3	1.7	2.5	na	na	na	na	na	2.2	2.1	2.1	
Fannie Mae	0.4 L	3.5 L	na	na	0.7	0.7	0.8	0.9	1.4	1.7	2.4	na	na	na	3.6	na	1.7 L	2.0	2.2	
RBS Securities	0.4 L	3.5 L	1.3	0.4 L	0.4 L	0.6	0.8	0.6 L	0.9 L	1.4 L	2.4	3.1 L	4.3 L	3.1	3.2 L	94.0	2.2	1.8	2.9	
August Consensus	0.8	3.9	1.1	0.9	0.7	0.9	1.1	1.2	1.7	2.1	2.8	3.9	5.0	3.5	4.0	92.5	2.3	2.1	2.3	
Top 10 Avg.	1.1	4.2	1.4	1.2	1.1	1.2	1.4	1.6	2.1	2.6	3.3	4.3	5.4	3.8	4.5	94.2	2.7	2.4	3.0	
Bottom 10 Avg.	0.6	3.6	0.8	0.6	0.5	0.6	0.8	0.9	1.3	1.6	2.4	3.5	4.5	3.2	3.6	90.7	2.0	1.7	1.8	
July Consensus	0.9	4.0	1.2	1.0	0.9	1.0	1.2	1.4	1.9	2.3	3.1	4.1	5.2	3.8	4.2	92.6	2.3	2.2	2.4	
Number of Forecasts Changed From A Month Ago:																				
Down	20	19	18	13	21	21	23	28	29	31	31	20	22	20	22	9	11	9	8	
Same	22	17	15	13	16	12	11	13	11	9	7	4	5	4	9	11	26	29	27	
Up	3	3	5	2	4	3	2	1	2	3	4	6	4	2	5	6	8	6	10	
Diffusion Index	31 %	29 %	33 %	30 %	29 %	25 %	21 %	18 %	18 %	17 %	18 %	27 %	21 %	15 %	26 %	44 %	47 %	47 %	52 %	

Third Quarter 2017 Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum -- Average For Quarter-----															Avg. For ---Qtr.--- Fed's Major Currency \$ Index	------(Q-Q % Change)-----						
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						B.	C.	D.				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					A.	Real	Price	Cons.
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate					Fed's Major Currency \$ Index	Real GDP	Price Index	Cons. Price Index
RidgeWorth Investments	1.5 H	4.6 H	1.9 H	1.5	1.4	1.5	1.7	1.9	2.5	3.1	3.9	4.8	5.8	4.3 H	4.9	91.0	2.5	2.2	2.2				
Naroff Economic Advisors	1.5 H	4.5	1.9 H	1.6	1.7 H	1.9 H	2.2 H	2.5 H	3.0 H	3.6 H	4.1 H	4.7	5.7	4.1	5.2	88.5	1.8	2.6	3.1				
MUFG Union Bank	1.4	4.5	1.6	1.5	1.4	1.6	1.8	2.1	2.3	2.7	3.2	4.4	5.5	3.8	4.5	91.0	2.3	1.8	2.3				
Stone Harbor Investment Partners	1.3	4.4	1.4	1.3	1.2	1.3	1.4	1.6	2.0	2.4	3.2	4.0	5.0	na	4.2	91.0	1.8	2.3	2.3				
DePrince & Assoc.	1.3	4.3	1.7	1.5	1.3	1.4	1.7	2.0	2.3	2.8	3.1	4.5	5.5	4.2	4.6	91.2	2.6	2.3	2.5				
High Frequency Economics	1.3	4.4	na	na	1.2	1.4	1.4	1.5	2.0	2.5	3.2	na	na	na	na	na	2.3	2.8	2.8				
MacroFin Analytics	1.2	4.3	1.4	1.3	1.2	1.3	1.4	1.5	2.0	2.4	3.2	4.3	5.2	3.9	4.3	94.0	2.1	2.0	2.1				
RDQ	1.2	4.2	1.5	1.3	1.3	1.5	1.7	1.8	2.2	2.6	3.0	4.1	5.1	3.8	4.2	98.2 H	1.7	2.3	2.7				
Amherst Pierpont Securities	1.2	4.3	1.6	1.3	1.3	1.5	1.8	1.9	2.3	3.0	4.0	5.1 H	6.1	4.2	4.9	96.0	2.7	2.3	3.4				
Woodworth Holdings	1.2	4.3	1.3	1.1	1.1	1.2	1.4	1.6	2.0	2.6	3.3	4.4	5.2	3.9	4.4	93.5	2.5	1.4 L	1.5				
Moody's Capital Markets Group	1.1	3.8	1.5	1.2	1.1	1.2	1.2	1.3	1.6	1.9	2.4	3.4	4.3 L	2.9	3.7	92.1	1.7	2.0	1.4 L				
J.P. Morgan Chase	1.1	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	1.5 L	2.0	2.5				
GLC Financial Economics	1.0	4.0	1.3	1.1	1.0	1.0	1.1	1.4	2.0	2.6	3.2	4.3	5.5	3.9	4.5	90.9	2.6	2.8	2.8				
Wells Fargo	1.0	4.0	1.2	1.1	1.1	1.2	1.3	1.2	1.4	1.9	2.4	3.7	4.6	3.1	3.8	98.0	2.5	2.0	2.2				
Goldman Sachs & Co.	1.0	na	1.3	na	0.9	na	na	1.4	1.9	2.3	2.8	na	na	na	4.1	na	2.0	2.0	2.3				
Scotiabank Group	1.0	4.0	na	na	0.9	na	na	1.3	1.5	1.8	2.3 L	na	na	na	na	na	2.3	2.0	2.3				
Cycledata Corp.	1.0	4.1	1.2	1.0	0.9	1.0	1.2	1.5	1.9	2.3	3.0	4.1	5.2	3.7	4.0	92.0	1.9	2.1	2.4				
Swiss Re	1.0	4.1	1.2	0.9	0.8	0.9	1.1	1.4	1.8	2.3	3.3	4.2	5.2	na	4.1	na	2.1	2.5	3.5 H				
Standard & Poor's Corp.	1.0	4.0	1.6	na	1.2	1.4	1.5	1.7	2.1	2.5	3.2	3.8	4.9	na	4.5	93.0	2.6	2.4	2.9				
Moody's Analytics	0.9	4.1	1.2	0.8	0.4 L	0.6 L	0.8	1.1	2.3	3.3	4.0	4.9	6.5 H	3.9	4.7	na	2.8	2.3	2.5				
The Northern Trust Company	0.9	4.1	1.2	0.9	0.9	1.1	1.2	1.5	2.1	2.5	3.3	4.0	5.1	3.8	4.1	na	2.1	2.1	2.2				
Oxford Economics	0.9	3.6	1.2	na	0.9	1.1	1.2	1.4	2.0	2.5	3.2	na	na	na	4.4	94.5	2.4	2.1	1.8				
SunTrust Banks	0.9	3.9	1.2	2.0 H	0.8	0.8	0.9	1.0	1.4	1.6	2.3 L	3.7	5.1	3.8	5.9 H	na	3.2 H	1.7	1.7				
Regions Financial Corporation	0.9	4.0	1.1	1.0	0.8	0.9	1.0	1.1	1.4	1.8	2.6	3.6	4.7	3.2	3.6	92.7	2.1	1.8	2.1				
Natl Assn. of Realtors	0.9	3.8	1.1	1.0	1.0	1.1	1.3	1.4	1.8	2.4	3.1	4.1	5.0	3.8	4.2	na	2.1	2.0	2.2				
Chase Wealth Management	0.9	4.0	1.0	0.9	0.9	0.9	1.0	1.2	1.7	2.1	2.8	3.9	4.8	3.4	4.0	92.2	2.3	2.0	2.2				
PNC Financial Services Corp.	0.9	4.0	1.2	na	0.9	1.0	1.1	1.4	1.8	2.3	2.8	na	5.0	3.3	3.9	91.6	2.2	2.0	2.3				
Comerica Bank	0.9	na	1.2	na	0.8	0.9	1.0	1.2	1.5	2.0	2.8	na	na	na	3.7	na	2.3	2.0	2.0				
Loomis, Sayles & Company	0.9	4.0	1.0	0.9	0.8	0.9	1.0	1.3	1.5	1.8	2.3 L	3.4	4.4	2.7 L	3.6	90.6	1.9	2.2	2.1				
BMO Capital Markets	0.9	4.0	1.2	na	0.8	0.9	1.0	1.2	1.5	1.8	2.5	na	na	na	3.7	92.6	2.1	2.0	2.2				
UBS AG	0.9	na	1.3	na	1.3	na	na	na	na	1.5	na	na	na	na	na	na	2.3	2.3	2.2				
Nomura Securities, Inc.	0.9	4.0	1.2	na	na	na	na	1.0	1.3	2.0	2.6	3.8	4.9	na	4.0	na	1.9	1.6	2.3				
DS Economics	0.9	4.3	1.2	0.9	0.8	1.1	1.3	1.5	2.0	2.6	3.4	3.6	4.6	3.9	4.2	90.0	2.2	2.3	2.3				
Barclays Capital	0.9	4.0	na	na	na	na	na	na	na	na	na	na	na	na	na	na	2.5	2.3	2.5				
Daiwa Capital Markets America	0.9	4.0	1.2	0.9	0.8	1.0	1.1	1.5	1.8	2.1	2.7	3.7	4.7	3.2	3.8	93.0	2.1	2.0	2.3				
Chmura Economics & Analytics	0.8	3.8	1.1	0.8	0.7	0.9	1.1	1.3	2.1	2.6	3.3	4.3	na	na	4.4	85.9 L	3.1	2.2	2.3				
Action Economics	0.7	3.8	0.9 L	0.8	0.7	0.8	1.0	1.2	1.6	2.0	2.7	3.6	4.7	3.4	3.8	na	2.3	2.8 H	1.8				
Wells Capital Management	0.7	3.8	1.0	0.9	0.8	0.9	1.1	1.3	1.6	2.1	2.8	4.0	5.1	3.4	4.0	93.1	2.5	2.2	2.1				
Economist Intelligence Unit	0.7	3.7	0.9 L	0.7	0.6	0.8	0.9	1.1	1.6	2.0	2.9	na	na	na	4.0	na	2.8	na	2.2				
Societe Generale	0.6	3.7	0.9 L	na	na	na	na	1.3	1.3	1.7	2.5	na	na	na	na	na	2.2	2.1	2.2				
Fannie Mae	0.6	3.8	na	na	0.7	0.8	0.9	1.0	1.4	1.7	2.4	na	na	na	3.6	na	1.8	2.0	2.3				
Georgia State University	0.6	3.6	na	na	0.6	0.6 L	0.6 L	1.0	1.7	2.5	3.2	4.5	5.7	na	4.4	na	2.4	1.6	2.7				
RBC	0.6	na	na	na	0.5	na	na	1.1	1.5	2.0	2.8	na	na	na	na	na	2.7	2.3	2.5				
AIG	0.6	na	na	na	0.5	0.9	1.6	1.9	2.4	2.7	3.5	na	4.8	na	na	na	2.2	2.1	2.0				
RBS Securities	0.4 L	3.5 L	1.6	0.4 L	0.4 L	0.6 L	0.7	0.6 L	1.0 L	1.5 L	2.5	3.2 L	4.4	3.2	3.3 L	95.0	2.5	2.0	2.4				
August Consensus	1.0	4.0	1.3	1.1	0.9	1.1	1.2	1.4	1.8	2.3	3.0	4.1	5.1	3.6	4.2	92.5	2.3	2.1	2.3				
Top 10 Avg.	1.3	4.4	1.6	1.4	1.3	1.5	1.7	1.9	2.3	2.9	3.6	4.6	5.6	4.0	4.8	94.8	2.8	2.5	2.9				
Bottom 10 Avg.	0.6	3.7	1.0	0.8	0.6	0.7	0.9	1.0	1.4	1.7	2.4	3.6	4.6	3.2	3.6	90.2	1.8	1.8	1.8				
July Consensus	1.1	4.2	1.5	1.3	1.1	1.2	1.4	1.6	2.0	2.5	3.2	4.3	5.3	3.9	4.3	92.5	2.3	2.1	2.3				
Number of Forecasts Changed From A Month Ago:																							
Down	25	22	19	13	22	22	23	28	28	29	30	19	23	19	21	7	11	8	7				
Same	19	15	15	14	17	11	12	12	11	10	7	7	5	3	10	10	30	28	28				
Up	1	2	3	1	2	3	1	1	2	3	4	4	3	2	5	8	4	8	10				
Diffusion Index	23 %	24 %	28 %	29 %	26 %	24 %	19 %	17 %	18 %	19 %	18 %	25 %	18 %	15 %	28 %	52 %	42 %	50 %	53 %				

Fourth Quarter 2017 Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum-- Average For Quarter--															Avg. For ---Qtr--- A. Fed's Major Currency \$ Index	----(Q-Q % Change)---- ----(SAAR)----			
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						B. Real GDP	C. Price Index	D. Price Index	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate					
Naroff Economic Advisors	2.0 H	5.0 H	2.4 H	2.1	2.2 H	2.5 H	2.7 H	3.0 H	3.6 H	4.3 H	4.7 H	5.2	6.1	4.2	5.9 H	87.0	2.7	2.8	2.8	
RidgeWorth Investments	1.9	5.0 H	2.2	1.9	1.7	1.9	2.1	2.3	2.8	3.5	4.3	5.1	6.1	4.9 H	5.2	90.0	2.5	2.2	2.2	
MUFG Union Bank	1.6	4.8	1.9	1.7	1.6	1.9	2.1	2.3	2.4	2.8	3.2	4.6	5.7	4.0	4.6	89.0	2.3	1.8	2.6	
RDQ Economics	1.6	4.6	2.0	1.7	1.7	1.8	2.0	2.2	2.6	2.9	3.2	4.4	5.4	4.0	4.5	99.1 H	1.6	2.3	2.8	
DePrince & Associates	1.5	4.5	1.9	1.8	1.6	1.7	2.0	2.3	2.6	3.1	3.3	4.8	5.8	4.5	4.9	91.6	2.7	2.2	2.5	
Stone Harbor Investment Partners	1.5	4.6	1.7	1.5	1.4	1.5	1.7	1.8	2.2	2.6	3.4	4.2	5.2	na	4.4	89.0	1.8	2.1	2.5	
High Frequency Economics	1.5	4.6	na	na	1.4	1.6	1.5	1.6	2.1	2.6	3.3	na	na	na	na	na	2.3	2.8	2.8	
MacroFin Analytics	1.5	4.6	1.6	1.6	1.4	1.5	1.6	1.8	2.2	2.7	3.5	4.6	5.5	4.2	4.6	94.5	2.1	2.0	2.1	
Amherst Pierpont Securities	1.4	4.6	1.9	1.5	1.5	1.8	2.1	2.1	2.6	3.2	4.2	5.3 H	6.4	4.4	5.1	97.0	2.7	2.4	3.4	
GLC Financial Economics	1.4	4.4	1.7	1.5	1.3	1.4	1.5	1.7	2.5	3.0	3.7	4.9	6.1	4.4	5.1	91.2	2.4	2.9 H	2.9	
Woodworth Holdings	1.4	4.5	1.5	1.4	1.4	1.5	1.7	1.9	2.3	2.8	3.5	4.6	5.4	4.1	4.6	94.0	2.5	1.6	1.7	
J.P. Morgan Chase	1.4	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	1.5	2.0	2.5	
Swiss Re	1.3	4.4	1.5	1.0	0.9	1.0	1.2	1.4	2.0	2.5	3.5	4.3	5.3	na	4.3	na	1.8	1.3 L	2.3	
Goldman Sachs & Co.	1.3	na	1.5	na	1.2	na	na	1.6	2.1	2.4	2.8	na	na	na	4.2	na	2.0	2.0	2.3	
Scotiabank Group	1.3	4.3	na	na	1.1	na	na	1.6	1.8	2.0	2.4	na	na	na	na	na	2.2	2.0	2.3	
Standard & Poor's Corp.	1.2	4.2	1.8	na	1.4	1.6	1.7	1.9	2.2	2.7	3.3	4.0	5.0	na	4.6	93.4	2.2	2.7	1.6	
The Northern Trust Company	1.2	4.3	1.5	1.2	1.2	1.3	1.5	1.8	2.4	2.8	3.5	4.3	5.4	4.1	4.4	na	2.1	2.1	2.2	
PNC Financial Services Corp.	1.2	4.3	1.5	na	1.2	1.3	1.4	1.6	2.0	2.4	3.0	na	5.2	3.3	4.1	91.6	2.2	2.0	2.3	
Oxford Economics	1.1	3.8	1.4	na	1.1	1.3	1.4	1.6	2.1	2.6	3.4	na	na	na	4.6	94.8	2.4	2.1	2.1	
UBS AG	1.1	na	1.5	na	1.5	na	na	na	na	1.5 L	na	na	na	na	na	na	2.2	2.3	4.0 H	
Barclays Capital	1.1	4.3	na	na	na	na	na	na	na	na	na	na	na	na	na	na	2.0	2.3	3.0	
DS Economics	1.1	4.5	1.4	1.1	1.0	1.3	1.5	1.8	2.3	2.8	3.6	3.7	4.6	4.1	4.3	89.0	1.9	2.3	2.2	
Chase Wealth Management	1.1	4.2	1.2	1.1	1.1	1.1	1.2	1.4	1.9	2.3	3.0	4.1	5.0	3.6	4.2	92.0	2.3	2.3	2.4	
Wells Fargo	1.1	4.1	1.3	1.2	1.2	1.3	1.4	1.4	1.5	2.0	2.5	3.8	4.7	3.2	3.9	98.5	1.4 L	2.3	2.5	
Moody's Capital Markets Group	1.1	3.8	1.5	1.2	1.0	1.1	1.0	1.0	1.3	1.8	2.2 L	3.3 L	4.3 L	2.7	3.6	91.9	1.9	1.7	1.5 L	
Moody's Analytics	1.1	4.2	1.3	1.0	0.5	0.6 L	0.9	1.2	2.4	3.5	4.2	5.1	6.7 H	4.1	5.0	na	2.9 H	2.7	2.6	
SunTrust Banks	1.0	4.0	1.3	2.5 H	0.8	0.9	0.9	1.0	1.4	1.7	2.3	3.7	5.1	3.8	5.9 H	na	2.9 H	1.8	1.9	
Daiwa Capital Markets America	1.0	4.2	1.4	1.1	1.0	1.5	1.3	1.7	2.0	2.2	2.7	3.9	4.8	3.3	4.0	93.0	2.0	2.0	2.3	
Cycledata Corp.	1.0	4.1	1.2	1.0	0.9	1.0	1.2	1.5	1.9	2.3	3.0	4.1	5.2	3.7	4.0	92.0	1.9	2.1	2.4	
BMO Capital Markets	1.0	4.1	1.2	na	0.9	0.9	1.1	1.3	1.6	1.9	2.5	na	na	na	3.7	92.2	2.0	1.9	2.0	
Wells Capital Management	1.0	4.1	1.2	1.1	1.0	1.1	1.3	1.4	1.7	2.2	2.9	4.1	5.4	3.5	4.1	93.2	2.3	2.2	2.0	
Loomis, Sayles & Company	0.9	4.3	1.1	0.9	0.8	0.9	1.1	1.4	1.6	1.8	2.3	3.4	4.4	2.7 L	3.6	90.6	1.8	2.2	2.1	
Regions Financial Corporation	0.9	4.0	1.1	1.0	0.8	0.9	1.0	1.2	1.5	1.9	2.8	3.7	4.7	3.3	3.7	92.4	2.0	1.8	2.2	
Comerica Bank	0.9	na	1.2	na	0.8	0.9	1.0	1.3	1.6	2.0	2.9	na	na	na	3.7	na	2.3	2.0	2.0	
Chmura Economics & Analytics	0.9	3.9	1.2	0.9	0.8	1.0	1.2	1.5	2.2	2.9	3.6	4.6	na	na	4.5	84.4 L	2.7	2.0	2.3	
Nat'l Assn. of Realtors	0.9	4.0	1.2	1.1	1.1	1.3	1.5	1.6	2.0	2.6	3.3	4.3	5.2	4.0	4.4	na	2.0	2.0	2.2	
Action Economics	0.9	4.0	1.0 L	0.9	0.9	1.0	1.2	1.4	1.7	2.0	2.8	3.6	4.7	3.4	3.7	na	2.4	1.8	1.9	
Nomura Securities, Inc.	0.9	4.0	1.2	na	na	na	na	1.0	1.5	2.0	2.6	3.8	4.9	na	4.0	na	1.8	1.6	2.2	
RBC	0.9	na	na	na	0.6	na	na	1.2	1.6	2.1	2.9	na	na	na	na	na	2.7	1.9	2.5	
AIG	0.9	na	na	na	0.8	1.3	1.9	2.2	2.6	2.9	3.7	na	4.9	na	na	na	2.1	2.2	2.0	
Economist Intelligence Unit	0.8	3.8	1.0 L	0.8	0.8	1.0	1.1	1.4	1.8	2.2	3.0	na	na	na	4.1	na	2.0	na	2.3	
Societe Generale	0.8	3.9	1.2	na	na	na	na	1.4	1.4	1.8	2.6	na	na	na	na	na	2.2	2.1	2.0	
Georgia State University	0.7	3.7	na	na	0.7	0.9	0.9	1.2	1.8	2.5	3.1	4.4	5.5	na	4.4	na	2.5	1.3 L	2.3	
Fannie Mae	0.6	3.8	na	na	0.9	0.9	1.0	1.1	1.5	1.8	2.5	na	na	na	3.6	na	1.7	2.0	2.2	
RBS Securities	0.4 L	3.5 L	2.0	0.4 L	0.4 L	0.6 L	0.7 L	0.8 L	1.2 L	1.7	2.6	3.4	4.6	3.3	3.5 L	96.0	2.5	2.1	2.5	
August Consensus	1.1	4.2	1.5	1.3	1.1	1.3	1.4	1.6	2.0	2.4	3.1	4.2	5.3	3.8	4.3	92.3	2.2	2.1	2.3	
Top 10 Avg.	1.6	4.7	1.9	1.8	1.6	1.8	2.0	2.2	2.6	3.2	3.9	4.9	5.9	4.3	5.1	95.4	2.7	2.5	2.9	
Bottom 10 Avg.	0.8	3.8	1.1	0.9	0.7	0.9	1.0	1.1	1.4	1.8	2.4	3.6	4.7	3.2	3.7	89.3	1.7	1.7	1.9	
July Consensus	1.3	4.4	1.7	1.5	1.3	1.5	1.6	1.8	2.2	2.7	3.4	4.4	5.5	4.0	4.5	92.5	2.2	2.1	2.3	
Number of Forecasts Changed From A Month Ago:																				
Down	21	21	16	14	19	17	18	23	23	24	24	17	20	16	19	9	11	4	6	
Same	23	17	20	13	21	17	17	17	16	15	13	9	6	7	13	9	28	34	33	
Up	2	2	1	1	2	3	2	2	3	4	5	5	5	3	5	7	7	7	7	
Diffusion Index	29 %	26 %	30 %	27 %	30 %	31 %	28 %	25 %	26 %	27 %	27 %	31 %	26 %	25 %	31 %	46 %	46 %	53 %	51 %	

International Interest Rate And Foreign Exchange Rate Forecasts

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	0.70	0.95	1.20
BNP Paribas Americas	na	na	na
ING Financial Markets	0.65	0.65	0.80
Mizuho Research Institute	0.72	0.85	0.95
Moody's Analytics	0.71	0.80	0.11
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	0.95	0.95	1.20
August Consensus	0.75	0.84	0.85
High	0.95	0.95	1.20
Low	0.65	0.65	0.11
Last Months Avg.	0.84	1.06	1.49

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	-0.05	-0.05	-0.05
BNP Paribas Americas	na	na	na
ING Financial Markets	0.04	0.02	0.05
Mizuho Research Institute	0.06	0.06	0.06
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	-0.10	-0.12	-0.15
August Consensus	-0.01	-0.02	-0.02
High	0.06	0.06	0.06
Low	-0.10	-0.12	-0.15
Last Months Avg.	-0.05	-0.08	-0.10

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	na	na	na
BNP Paribas Americas	na	na	na
ING Financial Markets	0.40	0.20	0.20
Mizuho Research Institute	0.40	0.50	0.50
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	0.15	0.15	0.15
August Consensus	0.32	0.28	0.28
High	0.40	0.50	0.50
Low	0.15	0.15	0.15
Last Months Avg.	0.64	0.83	0.98

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	na	na	na
BNP Paribas Americas	na	na	na
ING Financial Markets	-0.80	-0.85	-0.85
Mizuho Research Institute	na	na	na
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	na	na	na
August Consensus	-0.80	-0.85	-0.85
High	-0.80	-0.85	-0.85
Low	-0.80	-0.85	-0.85
Last Months Avg.	na	na	na

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	na	na	na
BNP Paribas Americas	na	na	na
ING Financial Markets	0.60	0.50	0.60
Mizuho Research Institute	na	na	na
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	0.90	0.90	1.15
August Consensus	0.75	0.70	0.88
High	0.90	0.90	1.15
Low	0.60	0.50	0.60
Last Months Avg.	0.90	0.90	1.10

United States		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.57	1.62	na
1.50	1.60	1.80
na	na	na
1.30	1.40	1.70
1.50	1.60	1.70
1.70	2.01	2.92
1.67	1.75	1.90
1.75	1.90	2.00
2.07	2.27	2.56
1.20	1.30	1.50
1.35	1.35	1.45
1.50	1.55	1.66
1.56	1.67	1.92
2.07	2.27	2.92
1.20	1.30	1.45
1.96	2.04	2.31

Japan		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
-0.20	-0.20	na
-0.15	-0.10	0.00
na	na	na
-0.15	-0.10	-0.02
-0.15	-0.10	-0.10
-0.15	-0.12	-0.08
-0.26	-0.16	0.05
-0.18	-0.20	-0.23
-0.15	-0.13	-0.05
na	na	na
0.17	0.20	0.25
-0.15	-0.12	-0.05
-0.14	-0.10	-0.03
0.17	0.20	0.25
-0.26	-0.20	-0.23
-0.03	-0.01	0.05

United Kingdom		
10 Yr. Gilt Yields %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
0.82	0.87	na
0.85	0.90	1.00
na	na	na
0.80	0.60	0.50
0.70	0.80	0.80
0.99	0.99	1.04
0.90	1.05	1.15
0.90	1.00	na
0.89	1.01	1.27
na	na	na
0.80	0.65	0.75
0.70	0.75	0.90
0.84	0.86	0.93
0.99	1.05	1.27
0.70	0.60	0.50
1.54	1.69	1.84

Switzerland		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
na	na	na
na	na	na
-0.55	-0.50	-0.25
na	na	na
-0.58	-0.54	-0.47
-0.50	-0.40	-0.25
na	na	na
-0.20	0.00	0.37
na	na	na
-0.45	-0.45	-0.30
na	na	na
-0.46	-0.38	-0.18
-0.20	0.00	0.37
-0.58	-0.54	-0.47
-0.21	-0.09	0.01

Canada		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
1.05	1.15	1.30
na	na	na
1.00	1.20	1.70
na	na	na
1.30	1.65	2.62
1.27	1.40	1.50
1.20	1.30	1.50
1.38	1.49	1.69
0.80	0.90	1.05
na	na	na
1.05	1.10	1.15
1.13	1.27	1.56
1.38	1.65	2.62
0.80	0.90	1.05
1.26	1.40	1.66

Fed's Major Currency \$ Index		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
92.5	93.5	92.8
na	na	na
91.9	90.7	87.6
90.0	91.0	91.0
na	na	na
92.2	92.7	92.3
na	na	na
92.5	93.5	94.5
na	na	na
na	na	na
na	na	na
91.8	92.3	91.6
92.5	93.5	94.5
90.0	90.7	87.6
91.9	92.9	92.4

Yen/USD		
In 3 Mo.	In 6 Mo.	In 12 Mo.
88.7	85.7	na
106.0	109.0	112.0
na	na	na
95.0	98.0	102.0
100.0	100.0	102.0
108.0	109.0	113.0
108.0	109.0	110.0
104.0	106.0	na
110.0	112.0	116.0
105.0	105.0	110.0
na	105.0	110.0
na	na	na
102.7	103.9	109.4
110.0	112.0	116.0
88.7	85.7	102.0
107.8	110.1	112.7

USD/Pound Sterling		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.28	1.29	na
1.37	1.40	1.43
na	na	na
1.23	1.25	1.35
na	na	na
1.30	1.30	1.30
1.32	1.33	1.35
1.27	1.27	na
1.26	1.27	1.29
1.25	1.25	1.27
na	1.29	1.20
na	na	na
1.29	1.29	1.31
1.37	1.40	1.43
1.23	1.25	1.20
1.45	1.46	1.47

CHF/USD		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.04	1.17	na
1.03	1.07	1.08
na	na	na
0.99	0.98	0.96
na	na	na
1.00	1.00	1.01
1.00	1.00	1.01
1.07	1.08	na
1.02	1.04	1.07
1.05	1.05	1.04
na	0.97	0.98
na	na	na
1.02	1.04	1.02
1.07	1.17	1.08
0.99	0.97	0.96
1.03	1.04	1.05

CAD/USD		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.37	1.39	na
1.33	1.30	1.29
na	na	na
1.34	1.30	1.25
na	na	na
1.30	1.29	1.28
1.31	1.30	1.30
1.34	1.33	na
1.30	1.30	1.30
1.30	1.30	1.28
na	1.25	1.23
na	na	na
1.32	1.31	1.28
1.37	1.39	1.30
1.30	1.25	1.23
1.32	1.30	1.28

International Interest Rate And Foreign Exchange Rate Forecasts

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	na	na	na
BNP Paribas Americas	na	na	na
ING Financial Markets	1.80	1.60	1.60
Mizuho Research Institute	na	na	na
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	na	na	na
August Consensus	1.80	1.60	1.60
High	1.80	1.60	1.60
Low	1.80	1.60	1.60
Last Months Avg.	na	na	na

Australia			
Blue Chip Forecasters	10 Yr. Gov't Bond Yield %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	na	na	na
BNP Paribas Americas	na	na	na
ING Financial Markets	1.90	2.10	2.70
Mizuho Research Institute	na	na	na
Moody's Analytics	2.29	2.27	2.27
Moody's Capital Markets	1.97	2.01	2.23
Nomura Securities	2.20	2.50	2.70
Oxford Economics	1.98	2.10	2.51
Scotiabank	na	na	na
UBS AG	1.85	1.75	1.78
Wells Fargo	na	na	na
August Consensus	2.03	2.12	2.37
High	2.29	2.50	2.70
Low	1.85	1.75	1.78
Last Months Avg.	2.28	2.30	2.40

USD/AUD			
Blue Chip Forecasters	In 3 Mo.	In 6 Mo.	In 12 Mo.
	Barclays	0.67	0.64
BMO Capital Markets	0.74	0.73	0.74
BNP Paribas Americas	na	na	na
ING Financial Markets	0.72	0.70	0.75
Mizuho Research Institute	na	na	na
Moody's Analytics	0.73	0.72	0.71
Moody's Capital Markets	0.74	0.76	0.75
Nomura Securities	0.70	0.70	na
Oxford Economics	0.70	0.71	0.72
Scotiabank	0.75	0.75	0.73
UBS AG	na	0.70	0.70
Wells Fargo	na	na	na
August Consensus	0.72	0.71	0.73
High	0.75	0.76	0.75
Low	0.67	0.64	0.70
Last Months Avg.	0.71	0.70	0.73

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	na	na	na
BNP Paribas Americas	na	na	na
ING Financial Markets	-0.27	-0.28	-0.28
Mizuho Research Institute	-0.30	-0.30	-0.30
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	-0.35	-0.35	-0.30
August Consensus	-0.31	-0.31	-0.29
High	-0.27	-0.28	-0.28
Low	-0.35	-0.35	-0.30
Last Months Avg.	-0.30	-0.30	-0.28

Eurozone

USD/EUR			
Blue Chip Forecasters	In 3 Mo.	In 6 Mo.	In 12 Mo.
	Barclays	1.02	0.93
BMO Capital Markets	1.07	1.04	1.06
BNP Paribas Americas	na	na	na
ING Financial Markets	1.08	1.10	1.15
Mizuho Research Institute	1.11	1.09	1.09
Moody's Analytics	1.09	1.09	1.07
Moody's Capital Markets	1.09	1.08	1.07
Nomura Securities	1.05	1.05	na
Oxford Economics	1.08	1.07	1.05
Scotiabank	1.05	1.05	1.07
UBS AG	na	1.16	1.20
Wells Fargo	na	na	na
August Consensus	1.07	1.07	1.09
High	1.11	1.16	1.20
Low	1.02	0.93	1.05
Last Months Avg.	1.07	1.07	1.05

Blue Chip Forecasters	10 Yr. Gov't Bond Yields %											
	Germany			France			Italy			Spain		
	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	0.12	0.17	na	na	na	na	na	na	na	na	na	na
BMO Capital Markets	-0.05	0.00	0.10	na	na	na	na	na	na	na	na	na
BNP Paribas Americas	na	na	na	na	na	na	1.45	1.25	na	na	na	na
ING Financial Markets	-0.10	-0.05	0.15	0.21	0.23	0.40	1.40	1.20	1.30	1.35	1.15	1.25
Mizuho Research Institute	-0.05	0.00	0.05	na	na	na	na	na	na	na	na	na
Moody's Analytics	0.04	0.10	0.41	0.41	0.47	0.73	1.19	1.28	1.52	1.57	1.60	1.82
Moody's Capital Markets	0.00	0.05	0.15	0.25	0.35	0.50	1.30	1.40	1.55	1.18	1.28	1.45
Nomura Securities	0.20	0.30	0.40	na	na	na	na	na	na	na	na	na
Oxford Economics	0.45	0.60	0.90	0.66	0.75	1.09	1.49	1.58	1.93	1.60	1.69	2.01
UBS	-0.05	0.15	0.35	0.25	0.40	0.60	1.35	1.40	1.50	na	na	na
Wells Fargo	-0.10	-0.05	1.00	na	na	na	na	na	na	na	na	na
August Consensus	0.05	0.13	0.39	0.36	0.44	0.66	1.36	1.35	1.56	1.43	1.43	1.63
High	0.45	0.60	1.00	0.66	0.75	1.09	1.49	1.58	1.93	1.60	1.69	2.01
Low	-0.10	-0.05	0.05	0.21	0.23	0.40	1.19	1.20	1.30	1.18	1.15	1.25
Last Months Avg.	0.20	0.27	0.42	0.59	0.65	0.95	1.48	1.47	1.86	1.75	1.85	2.07

	Consensus Forecasts			
	10-year Bond Yields vs U.S. Yield			
	Current	In 3 Mo.	In 6 Mo.	In 12 Mo.
Japan	-1.77	-1.69	-1.77	-1.94
United Kingdom	-0.57	-0.72	-0.81	-0.99
Switzerland	-2.10	-2.01	-2.05	-2.10
Canada	-0.43	-0.42	-0.39	-0.36
Australia	0.37	0.48	0.45	0.45
Germany	-1.56	-1.51	-1.54	-1.53
France	-1.34	-1.20	-1.23	-1.26
Italy	-0.30	-0.19	-0.32	-0.36
Spain	-0.36	-0.13	-0.24	-0.29

	Consensus Forecasts			
	3 Mo. Deposit Rates vs U.S. Rate			
	Current	In 3 Mo.	In 6 Mo.	In 12 Mo.
Japan	-0.73	-0.76	-0.82	-0.87
United Kingdom	-0.15	-0.43	-0.56	-0.57
Switzerland	-1.46	-1.55	-1.69	-1.70
Canada	0.11	0.00	-0.14	0.02
Australia	1.53	1.05	0.76	0.75
Eurozone	-1.00	-1.05	-1.15	-1.14

Viewpoints:

A Sampling of Views on the Economy, Financial Markets and Government Policy Excerpted from Recent Reports Issued by our Blue Chip Panel Members and Others

Fed Keeping A 2016 Rate Hike... Or Two... On The Table

Compared to June, the FOMC July policy statement is less dovish on many facets. As such, the FOMC is keeping a 2016 rate hike... or two... on the table. The facets:

1. The economic assessment included many positive (gushing?) labour market references. It “strengthened... Job gains were strong in June... payrolls and other labor market indicators point to some increase in labor utilization in recent months.” These replace last month’s... “the pace of improvement... has slowed... and job gains have diminished.”
2. It upgraded the assessment of household spending from “continued to improve” to “growing strongly”. When more than 68% of your economy is “growing strongly” policymakers take note.
3. Net exports were not mentioned as a “drag”. This could suggest less Fed concern about the currency.
4. However, the housing sector reference (“continued to improve”) was also not mentioned, despite the recent run of stronger-than-expected metrics. (So #4 washes out #3.)
5. There was acknowledgement of market-based measures of inflation compensation no longer declining (in fact they’ve been drifting up most of this month), but, importantly, they “remain low”. (We’ll score this as neutral.)
6. Kansas City President George reactivated her March/April dissent, favouring rate hikes now. This suggests that the ebbing conviction for a couple rate hikes this year (which was still the FOMC’s median call last month) is stabilizing, if not building again.
7. On the risks to the outlook, the critical phrase about continuing to “closely monitor inflation indicators and global economic and financial developments” was repeated but now qualified with “Near-term risks to the economic outlook have diminished.” There was no “balanced” or “nearly balanced” terminology, so while a September rate hike is on the table, we suspect it’s not seriously in play just yet.

In conclusion, a question has been perplexing economists and gamers for weeks now. Will Ratehiketwo (in the Fed’s tightening game) prove to be as rare as Mewtwo (in Pokémon Go)? The answer, it seems, is no.

Michael Gregory, BMO Capital Markets, Toronto, Canada

FOMC: Sleuthing For Clues—And A Conclusion

Well, My, My, My—Joe Kenda

“Near-term risks to the economic outlook have diminished.” So now it appears we are moving closer to a FOMC move either in September, but in our view, more likely in December. The FOMC statement begins with the claim that the “labor market strengthened and that economic activity has been expanding at a moderate pace.” There is a reference to “some” increase in labor utilization. These comments are consistent with steady, but neither faster nor slower, growth in the economy and the labor market in the next 6-9 months, which is in line with the limits of a reasonable forecasting horizon. For all of 2016, we are forecasting a 1.9% pace of real growth in the economy—a moderate pace indeed.

Just One More Thing—Columbo

Inflation remains that “one more thing” that is missing to prompt acceleration in FOMC moves. The FOMC asserts that “inflation is expected

to remain low over the near term...but to rise to 2% over the medium term...” This rise has remained elusive. Since 1991, inflation has averaged a bit below the 2% target—this is not your grandmother’s inflation. While the inflation data do suggest an increase year-over-year, our expectation is that inflation will not hit 2% until early/mid-2017. Moreover, the model for inflation acceleration remains unclear. Certainly the unemployment rate has declined to a near-full employment level, but the acceleration in wages remains modest at best compared to earlier cycles as we have noted previously.

Whatever Remains, However Improbable, Must Be the Truth—Sherlock Holmes

So what gives? “This assessment will take into account...readings on financial and international developments.” Here we have now the third leg of the monetary policy stool that has stood outside the traditional full employment/inflation duality of the monetary policy mandate. This third leg has appeared/disappeared/reappeared in FOMC statements over the past year, much as a suspect in a good detective show.

Unfortunately, assessing what is the character of “international developments” specifically is very difficult, like an intriguing suspect. Do we measure GDP? How about sentiment or market volatility? This international factor reemphasizes the importance of imperfect information and making guesses on the path of many economic and financial developments outside the bounds of the domestic economy. For us, we will go with volatility since that appears, post-Brexit, to be the one factor that raises the risk profile—like walking down a dark alley at night.

John E. Silva, Wells Fargo Securities, Charlotte, NC

No Surprise

To the surprise of absolutely no one, the FOMC left the Fed funds rate target range unchanged at the conclusion of their two-day meeting. With no likelihood of a change in the funds rate target range, any uncertainty surrounding this meeting centered on what the Committee would say in their post-meeting policy statement. Specifically, how would they assess current economic conditions and would they offer an assessment of the risks to their outlook.

As to current conditions, the Committee was a bit more upbeat, recognizing strong growth in consumer spending and further improvement in labor market conditions, though continuing to note the softness in business investment spending. The outlook was more of the same – continued “moderate” economic growth, further strengthening in labor market conditions, and inflation rising towards the 2.0 percent target rate in the medium term.

What was, in our view, more significant was whether the Committee would address risks to the outlook after having declined to do so in recent meetings. Today’s statement noted the “near term risks to the economic outlook have diminished” which is a half-step between saying nothing and saying the risks to the outlook are “nearly balanced.” Today’s statement indicates a still heightened degree of concern over the downside risks, many global in nature, to the outlook. There was one dissent to the vote to keep the Fed funds rate target range unchanged, with Kansas City Fed President Esther George preferring to increase the funds rate target range by 50-basis points.

While today’s statement was fairly plain and noncommittal, we suspect the discussion in the meeting was more lively. We’ll know the answer to that on August 17 when the minutes to this week’s meeting are made public. Recall that the minutes of the April (*continued on next page*)

Viewpoints

A Sampling of Views on the Economy, Financial Markets and Government Policy Excerpted from Recent Reports Issued by our Blue Chip Panel Members and Others

FOMC meeting took on a far more hawkish tone than implied by the post-meeting statement, taking market participants by surprise. While we're not predicting a similar outcome this time, it is worth keeping in mind. It is also worth keeping in mind there are two monthly employment reports to be released between now and the September FOMC meeting. Though obviously not addressed in today's statement, it could be there are at least a few Committee members for whom the tone of those reports could determine whether or not September is in play.

Richard F. Moody, Regions Financial Corporation, Birmingham, AL

FOMC: Setting The Stage

The FOMC kept rates unchanged at its 26-27 July meeting, as widely expected. The statement evolved in the way we had expected and if anything, went a little further in preparation for a hike. We think the statement sent a clear warning sign that a hike could be on the horizon as "near-term risks to the outlook have diminished." The odds of a September hike look better than even, and it seems as though the Fed is preparing for one as long as the data fall in line. We expect Fed communication to shift further over the coming weeks, with data releases doing most of the work. Upcoming Fed speeches, the minutes of the July FOMC meeting, and Yellen's Jackson Hole speech will all be important.

Policy statement – The Fed upgraded its current economic assessment – saying growth is at a moderate rate (such a judgment assessment was absent last time) while characterizing household spending as growing strongly and referring to June payrolls as strong.

A very important shift was the addition of "near term economic risks to the economic outlook have diminished" which was as clear a reference to a specific foreign event

Brexit - as you are likely to get in an FOMC statement. The Fed is very heavily influenced by downside risks because we are near zero rates. When it says risks have diminished it says "business as usual", meaning the focus is now on the US economic scenario. That has brightened.

The FOMC now views labor market indicators as pointing to some increase in labor utilization in recent months and described job gains as "strong" in June. Previously, the Committee said that "the pace of improvement in the labor market has slowed" and job gains have "diminished."

In January the statement referred to labor market "underutilization", rather than labor "utilization" as it did in July. This shift tells us that big payroll gains are no longer needed to get a hike.

Past mentions of labor underutilization have also helped explain why the Fed was keeping rates low even as the unemployment rate was dropping close or below estimates of NAIRU. Shifting the focus to labor "utilization" could also be a way to justify gradualism beyond full employment.

The July statement said that growth in household spending "has been growing strongly" while the reference to the drag from net exports was dropped.

Market-based measures of inflation expectations were said to "remain low" rather than to be in decline.

Perhaps the most notable change to the statement was an assessment of the balance of risks, where "near-term risks to the economic outlook" are viewed as diminished.

Esther George dissented.

The Fed just lowered the bar jobs need to achieve to motivate the next hike. Overall, this increases our confidence in our change in view last week from no change in Fed funds to forecasting a hike in September. Upcoming speeches and the minutes will likely shift market expectations in our direction. Payrolls are also expected to be supportive – we expect 175k in the next report, which is comfortably above the level we now think is the threshold for a hike – around 130k.

We continue to see good odds of a September hike with a second being partially priced in for December. We do not expect a December hike to be delivered as a September hike will likely tighten financial conditions and we expect a medium-term outlook which is more pessimistic than the Fed's.

Paul Mortimer-Lee, Bricklin Dwyer, Laura Rosner, BNP Paribas, New York, NY

FOMC Statement: Modest Changes

The policy statement of the Federal Open Market Committee changed little from the one published in June, but the changes suggest that officials are likely to discuss a possible rate hike at the next meeting on September 20-21. The probability of a rate hike at that time remains low in our view, but it is higher than it was at the time of the June meeting.

The most notable change in the statement was the insertion of a new sentence in the second paragraph indicating that near-term risks to the economic outlook have diminished. The sentence stopped well short of indicating that the outlook was favorable or even balanced, and thus we do not view it as a signal that officials are close to hiking rates. Still, the inclusion of this sentence provided for a more upbeat tone than the prior statement did, and thus a policy change in September is possible if domestic economic data remain firm and if financial markets remain calm. Foreign economic developments also will play a role, as Fed officials are likely to remain concerned about slow activity abroad feeding back on the US.

The Committee's assessment of current economic conditions also was more favorable than the picture presented in June. Most important, the paragraph noted that the labor market strengthened and that labor utilization had increased to a degree. In June, officials seemed concerned about a slowing in labor-market improvement. The description of market-based measure of inflation expectations changed slightly ("remain low" in the current statement versus "declined" in June). The new wording suggests that low expectations of inflation remain a concern, but the situation has not slipped further since the prior meeting. The new statement made no reference to either housing or net exports, a contrast to the prior statement where these sectors were given a positive tilt (continued improvement in housing and less of a drag from net exports). We are not sure of what to make of the exclusion of this reference, but we do not view it as negative. In our view, the characterization of these sectors made in June still holds today.

Esther George of the Kansas City Fed dissented from the decisions of the FOMC, as she favored an immediate hike of 25 basis points in the target rate for federal funds. Her dissent was not entirely surprising, as she also voted against the Committee's decisions to hold steady in March and April.

Michael Moran, Daiwa Capital Markets America, New York, NY

Special Questions:

1. What will be the Federal Open Market Committee's NEXT move?

An interest rate hike	An interest rate cut	Negative interest rates	A new QE program
100%	0.0%	0.0%	0.0%

2. If you believe the NEXT policy move by the FOMC will be an interest rate INCREASE at what meeting will it be announced?

(Percentage of those responding)			
<u>Sep. 20-21, 2016</u>	<u>Nov. 1-2, 2016</u>	<u>Dec. 13-14, 2017</u>	
19.6%	0.0%	58.7%	
<u>Jan. 31-Feb. 1, 2017</u>	<u>Mar. 14-15, 2017</u>	<u>May 2-3, 2017</u>	<u>June 13-14 2017 or later</u>
0.0%	6.5%	2.2%	13.0%

3. A. How many basis points will the FOMC hikes interest rates by in 2016?

(Percentage of those responding)				
<u>0 basis points</u>	<u>25 basis points</u>	<u>50 basis points</u>	<u>75 basis points</u>	<u>100 basis points</u>
19.6%	67.4%	10.9%	2.2%	0.0%

B. How many basis points will the FOMC hike interest rates by in 2017?

(Percentage of those responding)				
<u>0 basis points</u>	<u>25 basis points</u>	<u>50 basis points</u>	<u>75 basis points</u>	<u>100 or more basis points</u>
2.2%	10.9%	43.6%	23.9%	19.6%

4. What are the odds that a U.S. recession will begin during 2016? If not in 2016, what are the odds that a recession will begin in 2017?

	(Between 0% and 100%)	
	Odds that a U.S. recession begins in 2016	Odds that a U.S. recession begins in 2017
Consensus	14.5%	24.1%
Top 10 Average	23.1%	37.0%
Bottom 10 Average	6.6%	13.7%

5. Nonfarm payrolls registered average monthly increases of 171,500 during the first SIX months of this year. What will be the average monthly increase during the last SIX months of 2016 and all 12 months of 2017?

	Average monthly change in nonfarm payrolls during:	
	<u>Last six months of 2016</u>	<u>All 12 months of 2017</u>
Consensus	167.4 thousand	150.1 thousand
Top 10 Average	193.4 thousand	181.8 thousand
Bottom 10 Average	139.2 thousand	121.1 thousand

6. The price index for personal consumption expenditures (PCE) and the PCE price index excluding food and energy prices (core PCE price index) were up 0.9% and 1.6%, respectively, on a y/y basis in May 2016. How much will they be up on a December-over-December basis in 2016 and 2017?

	December-over-December, percent change			
	PCE price index	Core PCE price index	PCE price index	Core PCE price index
	<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>
Consensus	1.5%	1.8%	2.1%	2.1%
Top 10 Average	1.8%	2.1%	2.6%	2.6%
Bottom 10 Average	1.2%	1.6%	1.7%	1.7%

7. The unemployment rate stood at 4.9% in June. What will be the unemployment rate in December 2016 and December 2017?

	Unemployment rate in	
	<u>December 2016</u>	<u>December 2017</u>
Consensus	4.7%	4.5%
Top 10 Average	4.9%	4.9%
Bottom 10 Average	4.5%	4.1%

8. Some analysts speculate that leaving the EU is so difficult, and the consequences potentially so economically damaging, that it may be easier, and politically expedient, for the U.K. to endlessly delay the process rather than actually leave. Do you think the U.K. will leave the EU within the next ten years?

(Percentage of those responding)	
<u>Yes</u>	<u>No</u>
92.7%	7.3%

Databank:

2016 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	-0.5	0.3	-0.3	1.2	0.2	0.6						
Auto & Light Truck Sales (b)	17.45	17.44	16.48	17.33	17.39	16.61						
Personal Income (a, current \$)	0.4	0.1	0.3	0.5	0.2							
Personal Consumption (a, current \$)	0.1	0.2	0.0	1.1	0.4							
Consumer Credit (e)	4.4	4.4	9.9	4.5	6.2							
Consumer Sentiment (U. of Mich.)	92.0	91.7	91.0	89.0	94.7	93.5						
Household Employment (c)	615	530	246	-316	26	67						
Non-farm Payroll Employment (c)	168	233	186	144	11	287						
Unemployment Rate (%)	4.9	4.9	5.0	5.0	4.7	4.9						
Average Hourly Earnings (All, cur. \$)	25.38	25.39	25.45	25.53	25.59	25.61						
Average Workweek (All, hrs.)	34.6	34.4	34.4	34.4	34.4							
Industrial Production (d)	-1.4	-1.4	-2.0	-1.4	-1.4	-0.8						
Capacity Utilization (%)	75.7	75.6	74.8	75.2	74.9	75.4						
ISM Manufacturing Index (g)	48.2	49.5	51.8	50.8	51.3	53.2						
ISM Non-Manufacturing Index (g)	53.5	53.4	54.5	55.7	52.9	56.5						
Housing Starts (b)	1.128	1.213	1.113	1.155	1.135	1.189						
Housing Permits (b)	1.188	1.162	1.077	1.130	1.136	1.153						
New Home Sales (1-family, c)	526	525	537	572	572	592						
Construction Expenditures (a)	-0.3	1.4	1.6	-2.0	-0.8							
Consumer Price Index (nsa., d)	1.4	1.0	0.9	1.1	1.0	1.0						
CPI ex. Food and Energy (nsa., d)	2.2	2.3	2.2	2.1	2.2	2.3						
Producer Price Index (n.s.a., d)	0.0	0.1	-0.1	0.0	-0.1	0.3						
Durable Goods Orders (a)	4.3	-3.3	2.0	3.2	-2.8	-4.0						
Leading Economic Indicators (g)	-0.2	0.1	0.1	0.6	-0.2							
Balance of Trade & Services (f)	-42.3	-44.0	-35.5	-37.4	-41.1							
Federal Funds Rate (%)	0.34	0.38	0.36	0.37	0.37	0.38						
3-Mo. Treasury Bill Rate (%)	0.26	0.31	0.29	0.23	0.27	0.27						
10-Year Treasury Note Yield (%)	2.09	1.78	1.89	1.81	1.81	1.64						

2015 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	-0.5	-0.5	1.5	0.1	0.9	0.1	0.6	-0.1	0.1	0.0	0.3	0.4
Auto & Light Truck Sales (b)	16.63	16.32	17.06	16.70	17.63	16.95	17.47	17.73	18.07	18.13	18.06	17.22
Personal Income (a, current \$)	0.2	0.3	0.0	0.6	0.6	0.5	0.3	0.3	0.1	0.3	0.3	0.3
Personal Consumption (a, current \$)	-0.4	0.2	0.5	0.3	0.9	0.3	0.3	0.3	0.2	0.2	0.4	0.1
Consumer Credit (e)	3.6	5.5	7.6	7.6	7.0	9.6	6.8	5.1	9.9	5.2	4.8	7.3
Consumer Sentiment (U. of Mich.)	98.1	95.4	93.0	95.9	90.7	96.1	93.1	91.9	87.2	90.0	91.3	92.6
Household Employment (c)	665	127	102	176	239	-26	144	177	-101	255	247	485
Non-Farm Payroll Employment (c)	221	265	84	251	273	228	277	150	149	295	280	271
Unemployment Rate (%)	5.7	5.5	5.5	5.4	5.5	5.3	5.3	5.1	5.1	5.0	5.0	5.0
Average Hourly Earnings (All, cur. \$)	24.76	24.80	24.87	24.91	24.97	24.96	25.03	25.12	25.14	25.21	25.27	25.26
Average Workweek (All, hrs.)	34.6	34.6	34.5	34.5	34.5	34.5	34.6	34.6	34.5	34.5	34.5	34.5
Industrial Production (d)	3.4	2.5	1.3	1.1	0.3	-0.2	0.4	0.4	-0.3	-0.4	-2.1	-2.3
Capacity Utilization (%)	78.0	77.7	77.3	76.9	76.6	76.4	76.7	76.7	76.4	76.3	75.7	75.4
ISM Manufacturing Index (g)	53.5	53.3	52.3	51.6	53.1	53.1	51.9	51.0	50.0	49.4	48.4	48.0
ISM Non-Manufacturing Index (g)	56.7	57.1	56.9	57.5	55.9	56.2	59.6	58.3	56.7	58.3	56.6	55.8
Housing Starts (b)	1.101	0.893	0.964	1.192	1.063	1.213	1.147	1.132	1.189	1.073	1.171	1.160
Housing Permits (b)	1.073	1.114	1.071	1.178	1.266	1.334	1.142	1.166	1.129	1.175	1.286	1.201
New Home Sales (1-family, c)	521	545	485	508	507	472	498	505	457	478	508	538
Construction Expenditures (a)	1.5	0.4	1.5	3.1	2.1	0.5	0.0	0.6	0.2	-0.1	-0.5	0.8
Consumer Price Index (s.a., d)	-0.1	0.0	-0.1	-0.2	0.0	0.1	0.2	0.2	0.0	0.2	0.5	0.7
CPI ex. Food and Energy (s.a., d)	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.1
Producer Price Index (n.s.a., d)	0.0	-0.5	-0.9	-1.1	-0.8	0.5	-0.7	-1.0	-1.1	-1.4	-1.3	-1.1
Durable Goods Orders (a)	1.9	-3.5	5.1	-1.7	-2.3	4.1	1.9	-2.9	-0.8	2.8	-0.5	-4.6
Leading Economic Indicators (g)	0.2	-0.2	0.4	0.6	0.6	0.6	0.0	-0.1	0.0	0.6	0.5	-0.3
Balance of Trade & Services (f)	-42.1	-36.3	-48.2	-40.9	-40.2	-43.0	-39.9	-44.6	-41.1	-41.6	-41.1	-41.5
Federal Funds Rate (%)	0.11	0.11	0.11	0.12	0.12	0.13	0.13	0.14	0.14	0.12	0.12	0.24
3-Mo. Treasury Bill Rate (%)	0.03	0.02	0.03	0.02	0.02	0.02	0.03	0.07	0.02	0.02	0.12	0.23
10-Year Treasury Note Yield (%)	1.88	1.98	2.04	1.94	2.20	2.36	2.32	2.17	2.17	2.07	2.26	2.24

(a) month-over-month % change; (b) millions, saar; (c) month-over-month change, thousands; (d) year-over-year % change; (e) annualized % change; (f) \$ billions; (g) level. Most series are subject to frequent government revisions. Use with care.

Calendar Of Upcoming Economic Data Releases

Monday	Tuesday	Wednesday	Thursday	Friday
August 1 Markit Manufacturing PMI (Jul, Final) ISM Manufacturing (Jul) Construction Spending (Jun) Senior Loan Officer Survey (Q3, Tentative)	2 Personal Income & Consumption (Jun) Light Vehicle Sales (Jul)	3 ADP Employment (Jul) Markit Services PMI (Jul, Final) ISM Non-Manufacturing (Jul) EIA Crude Oil Stocks Mortgage Applications	4 Factory Orders (Jun) Weekly Jobless Claims Weekly Money Supply	5 Employment (Jul) International Trade (Jun) Consumer Credit (Jun) Consumer Credit (May)
8	9 NFIB Survey (Jul) Wholesale Trade (Jun) Productivity and Costs (Q2 pre) JOLTS (May)	10 JOLTS (Jun) Federal Budget (Jul) EIA Crude Oil Stocks Mortgage Applications	11 Import Prices (Jul) Weekly Jobless Claims Weekly Money Supply	12 Retail Sales (Jul) Producer Price Index (Jul) Empire State survey (Jul) Consumer Sentiment (Aug, Preliminary, University of Michigan) Business Inventories (Jun)
15 Empire State Survey (Aug) NAHB Survey (Aug) TIC Data (Jun)	16 Consumer Price Index (Jul) Housing Starts (Jul) Industrial Production (Jul)	17 FOMC Minutes	18 Philadelphia Fed Survey (Aug) Weekly Jobless Claims Weekly Money Supply	19
22	23 New Home Sales (Jul) Richmond Fed Survey (Aug)	24 FHFA Home Price Index (Jun, 2Q) Markit Manufacturing PMI (Aug, flash) Existing Home Prices (Jul)	25 Durable Goods (Jul) Kansas City Fed Survey (Aug) Weekly Jobless Claims Weekly Money Supply	26 Real GDP (Q2, Second Estimate) International Trade (Jul, Advance) Markit Services PMI (Aug, flash) Consumer Sentiment (Aug, Final, University of Michigan)
29 Personal Income and Consumption (Jul) Dallas Fed Survey (Aug)	30 S&P/Case-Shiller Home Price Index (Jun) Consumer Confidence (Aug, Conference Board)	31 ADP Employment (Aug) Chicago PMI (Aug) Pending Home Sales (Jul) EIA Crude Oil Stocks Mortgage Applications	September 1 Markit Manufacturing PMI (Aug, Final) ISM Manufacturing (Aug) Light Vehicle Sales (Aug) Construction Spending (Jul) Productivity and Costs (Q2, Revised) Weekly Jobless Claims Weekly Money Supply	2 Employment (Aug) International Trade (Jul) Factory Orders (Jul)
5 Labor Day U.S. Markets Closed	6 Markit Services PMI (Aug, Final) ISM Non-Manufacturing PMI (Aug)	7 JOLTS (Jul) Beige Book EIA Crude Oil Stocks Mortgage Applications	8 Quarterly Services Survey (Q2) Consumer Credit (Jul) Weekly Jobless Claims Weekly Money Supply	9 Wholesale Trade (Jul)

BLUE CHIP FORECASTERS

CONTRIBUTORS TO DOMESTIC SURVEY

Action Economics, LLC, Boulder, CO
Michael Englund
AIG, New York, NY
Henry Mo, Jerry Cai
Amherst Pierpont Securities, Stamford, CT
Stephen Stanley
Bank of America Merrill Lynch, New York, NY
Ethan Harris
Barclays, New York, NY
Michael Gapen
BMO Capital Markets Economics, Toronto, Canada
Douglas Porter
BNP Paribas North America, New York, NY
Paul Mortimer-Lee, Bricklin Dwyer, Laura Rosner, and
Derek Lindsey
Chase Wealth Management, New York, NY
Anthony Chan
Chmura Economics & Analytics, Richmond, VA
Christine Chmura and Xiaobing Shuai
Comerica, Dallas, TX
Robert A. Dye
Cycledata Corp., San Diego, CA
Robert S. Powers
Daiwa Capital Markets America, New York, NY
Michael Moran
DePrince & Associates, Murfreesburo, TN
Albert E. DePrince Jr.
DS Economics, LLC, Chicago, IL
Diane Swonk
Economist Intelligence Unit, New York, NY
Leo Abruzzese and Jan Friederich
Fannie Mae, Washington, DC
Douglas Duncan
Georgia State University, Atlanta, GA
Rajeev Dhawan
GLC Financial Economics, Providence, RI
Gary L. Ciminero
Goldman, Sachs & Co., New York, NY
Jan Hatzius
High Frequency Economics, Valhalla NY
James O' Sullivan
J.P. Morgan Chase, New York, NY
Bruce Kasman and Robert Mellman
Loomis, Sayles & Company, L.P., Boston, MA
Brian Horrigan
MacroFin Analytics, Wayne, NJ
Parul Jain
Moody's Analytics, West Chester, PA
Mark M. Zandi
Moody's Capital Markets Group, New York, NY
John Lonski
MUFU Union Bank, New York, NY
Christopher S. Rupkey
Naroff Economic Advisors, Philadelphia, PA
Joel L. Naroff

National Association of Realtors, Washington, DC
S. Lawrence Yun and Danielle Hale
Nomura Securities International, Inc., New York, NY
Lewis Alexander
Oxford Economics, New York, NY
Gregory Daco
PNC Financial Services Group, Pittsburgh, PA
Stuart G. Hoffman
RBC Capital Markets, New York, NY
Thomas Porcelli
RBS Securities, Greenwich, CT
Michelle Girard and Kevin Cummins
RDQ Economics, New York, NY
John Ryding and Conrad DeQuadros
Regions Financial Corporation, Birmingham, AL
Richard F. Moody
RidgeWorth Capital Management, Richmond, VA
Alan Gayle
Scotiabank Group, Toronto, Canada
Aron Gampel and Jean-Francois Perrault
Societe Generale, NY, New York
Stephen W. Gallagher
Standard & Poor's Corp., New York, NY
Beth Ann Bovino
Stone Harbor Investment Partners, LP, New York, NY
Brian Keyser
SunTrust Banks, Inc., Atlanta, GA
Gregory L. Miller
Swiss Re, New York, NY
Kurt Karl
The Northern Trust Company, Chicago, IL
Carl Tannenbaum and Asha G. Bangalore
UBS AG, New York, NY
Maury Harris and Samuel Coffin
Wells Capital Management, San Francisco, CA
Gary Schlossberg
Wells Fargo, Charlotte, NC
John Silvia and Mark Vitner
Woodworth Holdings, Ltd., Summit, NJ
Jay N. Woodworth

CONTRIBUTORS TO INTERNATIONAL SURVEY

AIG, New York, NY
Barclays Capital, New York, NY
BNP Paribas Americas, New York, NY
ING Financial Markets, London, England
Mizuho Research Institute, Tokyo, Japan
Moody's Analytics, West Chester, PA
Moody's Capital Markets Group, New York, NY
Nomura Securities International, New York, NY
Oxford Economics, Wayne, PA
Scotiabank Group, Toronto, Canada
Societe Generale, New York, NY
UBS, New York, NY
Wells Fargo, Charlotte, NC

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

21. Provide any updates of the Moul Testimony ROE analysis resulting from more current information, for example, any updates due to the June 3, 2016 issue of The Value Line Investment Survey.

Response:

There have not been any updates to the Moul Testimony ROE analysis. An update would take considerable time and add to the rate case expense. With the Commission's approval, Columbia suggests that Witness Moul provide an update to the analysis at the time of Columbia's rebuttal testimony.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

22. Refer to the responses to Staff's Second Request, Item 45, the Attorney General of the Commonwealth of Kentucky's Office of Rate Intervention First Request for Information ("AG's First Request"), Item 19.b., and to the Direct Testimony of Panpilas W Fischer ("Fischer Testimony") at page 9 regarding Federal Net Operating Loss Accumulated Deferred Income Taxes ("NOL ADIT"). Columbia's response to Item 19.b. of the AG's Initial Request states that Columbia used the "last dollars deducted" methodology to calculate its NOL ADIT. At page 9 of the Fischer Testimony it states that deferred taxes are required to be reflected on a pro rata basis as provided under Reg. Section 1.167(I)-1(h)(6)(ii).

a. State whether these statements are consistent and, if so, provide an explanation that reconciles these statements.

b. Explain in detail what impact, if any, the NOL ADIT has on Columbia's effective income tax rates for the forecasted test year when compared to the statutory rates in effect during that timeframe.

Response:

- a. The statements referenced in Columbia's response to AG Set 1-019(b) and page 9 of the Fischer Testimony related to the NOL ADIT are not contradictory. The two statements each address separate requirements of the normalization rules contained in Reg. Section 1.167(l) related to ADIT includible in rate base. The "last dollars deducted" methodology discussed in Columbia's response to AG Set 1-019(b) is concerned with calculating the proper amount of NOL ADIT to include as an increase to rate base. Because an NOL can potentially be caused by deductions other than accelerated tax depreciation (which includes bonus depreciation), one cannot assume that the entire balance of NOL ADIT is to be included in rate base, so the "last dollars deducted" methodology is applied to make this determination. Then, when there is a forecasted test year, the deferred taxes (including the NOL ADIT) in rate base need to be reflected on a pro rata basis. This is what is explained in my testimony at page 9.

- b. The effective tax rate is calculated by dividing total tax expense on Schedule E-1, page 1, line 28 by Book Net Income before Income Tax & Credits per Schedule E-1, page 1, line 3. When an NOL is created the following entry is made at the current statutory rates in effect:

Account	Description	Dr/(Cr)	Income Statement Impact
190	ADIT-NOL	500,000	
410	Deferred tax expense	(500,000)	(500,000)
409	Current Tax expense	500,000	500,000
236	Current Federal Income Tax Payable	(500,000)	
	Total		\$ -

When an NOL is utilized the entries reflected above are reversed at the current statutory rates in effect. If there are no changes to the statutory federal rate, as is the case with the NOL being reflected in this case, then there would be zero change to tax expense. Therefore, all other things being equal, the NOL ADIT should have no impact on Columbia's effective tax rate in the forecasted test year when compared to the statutory rates in effect during that timeframe, since the NOL does not change total tax expense.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

23. Refer to the response to Staff's Second Request. Item 46. Columbia states that it does not factor its accounts receivable ("AR").

- a. Explain whether Columbia sells its AR to an affiliate of NiSource.
- b. If the answer to part a is yes, provide what percentage of the AR Columbia receives.
- c. If the answer to part a is yes, explain whether Columbia considers this a form of AR financing, and if Columbia believes that this should be part of its capital structure.

Response:

Columbia does not sell its A/R to any NiSource affiliate.

KY PSC Case No. 2016-00162
 Response to Staff's Data Request Set Three No. 24
 Respondents: Austin Schauer and Brian Noel

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

24. Refer to the response to Staff's Second Request. Item 57, and the Application, Tab 51 — Filing Requirement 16(7)(u), page 6. Explain the purpose and cause of differences in 2015 compared to the January 2017 — December 2017 Forecast for each Allocation Basis in the following table:

Allocation Basis	Description	2015	January 2017 - December 2017 Forecast
	Direct Billed to CKY	\$6,894,337.50	\$6,810,581.59
1	Gross Fixed Assets and Total Operating Expenses	\$2,367,318.29	\$2,087,566.68
2	Gross Fixed Assets	\$21,264.57	\$13,481.03
7	Gross Depreciable Property and Total Operating Expenses	\$86,042.24	\$95,225.56
8	Gross Depreciable Property	\$34,086.32	\$6,989.85
9	Automobile Units	\$6,273.43	\$0.00
10	Number of Retail Customers	\$2,593,218.29	\$3,636,041.60
11	Number of Regular Employees	\$879,499.72	\$648,085.67
13	Fixed Allocations	\$900,165.73	\$1,062,456.44
	Service Company Billing (Direct		

20	and Allocated) Costs	\$2,930,679.41	\$4,862,616.94
	NiSource Corporate Services Company ("NCSC") Overheads	\$656,678.20	\$743,200.02

Response:

The forecast is developed at an individual department level for which each budget owner provides their allocation of the work to be performed, and the resulting Bases in the table above are a summation of all departments. Factors affecting forecasted allocations are prior history of like work, new work allocation, and any change in accounting direction. One of the key drivers for the changes between periods is that the nature of the forecasted work is less specific and therefore allocated at a more "general" level. This results in using Basis 20 compared to using direct allocation. However when classifying actual costs, NiSource personnel focus on using direct allocation whenever possible to ensure the costs are charged to the benefitting company/customers rather than using Basis 20. This results in variances in Bases between periods, however the total amount is indicative of the services expected to be provided to Columbia in the future period.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

25. Refer to the response to Staff's Second Request, Item 57.

a. The NiSource Corporate Services Company ("NCSC") amounts for July 2016 through December 2016 allocated to Columbia are estimates. Explain when the actual amounts will be available. If available now, provide an updated version of the table in the response based on the actual amounts for July through December of 2016.

b. Identify and describe in detail the factors which cause the amount for "Basis 20" to increase from \$3.8 million in 2016 to over \$4.8 million in the test period.

Response:

a. July 2016 data became available in August once the general ledger was closed. August actual data will be available in September once the general ledger has been closed. The actual data in a given month becomes available in the following month once the general ledger has been closed. The entire period of July

through December 2016 data will not be available until January when the year-end submission has been completed. Please see the below table below with July gross management fee charges to Columbia by allocation basis.

Allocation Basis	July 2016 (Actual)
Direct Billed to CKY	583,061
Basis 1	139,807
Basis 2	1,371
Basis 4	2,575
Basis 7	7,366
Basis 8	-
Basis 9	17
Basis 10	312,205
Basis 11	64,231
Basis 13	89,163
Basis 14	236
Basis 20	257,244
NCSC Overheads	65,191
Total	1,522,467

b. The increase in Basis 20 is driven by an overall increase related to those costs, and a difference in how actual costs are classified compared to budgeted costs. The increase in Basis 20 costs is due to labor and software to support Architecture & Infrastructure, IT Strategy, and Project Delivery. The difference between how actual costs are classified compared to budgeted costs is due to Basis 20 being used as a placeholder until the underlying nature of the costs are identified when costs are incurred and the proper classification or allocation

can be applied to ensure the costs are being covered by the benefitting company/customers. Costs in this category include IT services such as servers, network devices, and projects.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

26. Refer to the response to Staff's Second Request, Item 61.a.
- a. Explain why the test period includes only \$515,000 of unbilled revenues when the base period includes \$3,624,000.
 - b. Identify the types of off-system sales that make up the base period off-system sales revenue of \$5,681,683 and provide a breakdown of that amount by type of off-system sale.
 - c. Clarify how Columbia treats off-system sales incentive revenue in its Purchased Gas Adjustment filings.

Response:

- a. Columbia's response to Staff's Second Request 61.a mistakenly identified the forecasted revenue of \$515,000 as forecasted unbilled revenue when in fact it is forecasted Miscellaneous Revenue. As stated in the afore-mentioned response, the unbilled revenue of \$3,624,000 is included in the adjustment of (\$9,306,333), thereby removing unbilled revenue from the forecasted test year.

- b. The \$5,681,683 of off-system sales revenue in the base period is made up of \$5,367,185 of incremental sales and \$314,498 of WACOG sales.
- c. The only portion of Columbia's Gas Cost Adjustment (GCA) filings that include off-system sales incentive revenue would be the annual Performance Based Rate Adjustment (PBRA), as shown on page 50c of Columbia's Tariff. The off-system sales incentive is equal to revenues net of costs from off-system sales. The applicable sharing percentages are then applied to determine the Company Performance Share to be included in the PBRA filing.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

27. Refer to the response to Staff's Second Request. Item 62, Attachment A — Employee Fringe Benefits. By defined employee benefit program, explain whether there is an employee contribution, and if so, provide the percentage of contribution.

Response:

Assuming this request is referring to Staff's Second Request, Item 62, Attachment C (not A), see table below for explanation of employee contributions.

Benefit	Employee Contribution	Contribution Amount
Comprehensive medical	Yes	See AG-1-44 Attachment C for employer and employee contributions
Employee Assistance Program	No	None
Dental/Vision	Yes	See Staff 3-27 Attachment A for employer and employee contributions
Group Life	No	None
Long Term Disability	No	None
Thrift	Not required	No required contribution but employee may elect to

		contribute up to IRS annual limit
Profit Sharing	No	None

2016 Dental and Vision Plans Contributions

NonExempt NonUnion and Union

	<u>Preventive Dental Plan</u>	<u>Basic Dental</u>	<u>Dental Plus</u>	<u>Basic Vision</u>	<u>Vision</u>
<u>NiSource</u>					
Employee	\$17.55	\$26.53	\$26.53	\$1.54	\$6.76
Emp & Spouse	\$35.11	\$53.05	\$53.05	\$2.66	\$13.20
Emp & Child(ren)	\$34.18	\$51.73	\$48.28	\$2.64	\$14.47
Family	\$57.30	\$86.22	\$86.22	\$4.26	\$19.15
<u>Employee</u>					
Employee	\$1.00	\$8.84	\$15.36	None	\$2.26
Emp & Spouse	\$2.00	\$17.69	\$30.72	None	\$4.40
Emp & Child(ren)	\$2.00	\$17.24	\$29.96	None	\$4.83
Family	\$3.00	\$28.74	\$49.91	None	\$6.39

Exempt

	<u>Preventive Dental Plan</u>	<u>Basic Dental</u>	<u>Dental Plus</u>	<u>Basic Vision</u>	<u>Vision</u>
<u>NiSource</u>					
Employee	\$17.55	\$24.76	\$24.76	\$1.54	\$6.31
Emp & Spouse	\$35.11	\$49.52	\$49.52	\$2.66	\$12.32
Emp & Child(ren)	\$34.18	\$48.28	\$48.28	\$2.64	\$13.51
Family	\$57.30	\$80.47	\$80.47	\$4.26	\$17.88
<u>Employee</u>					
Employee	\$1.00	\$10.61	\$17.13	None	\$2.71
Emp & Spouse	\$2.00	\$21.22	\$34.25	None	\$5.28
Emp & Child(ren)	\$2.00	\$20.69	\$33.40	None	\$5.79
Family	\$3.00	\$34.49	\$55.66	None	\$7.66

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

28. Refer to the response to Staff's Second Request. Item 62, Attachment D — Clearing Accounts Costs Cleared to O&M — Vehicle Costs Cleared.

a. Explain whether any of the vehicle costs cleared are charged to capital accounts. If so, provide the account and amount.

b. Provide the year, make, model, type or kind of each vehicle, the value of each vehicle, and assigned hourly rate for each vehicle or class of vehicle for which costs are being cleared to O&M.

c. Explain whether the vehicle(s) are owned or leased.

d. If owned, provide the depreciable life of the vehicle(s) and depreciation rate(s).

e. If the vehicles are leased, explain the type of lease agreement.³

³ Columbia's response to Staff's First Request, Item 22, states that Columbia does not have any capitalized leases.

f. Assuming the vehicles are leased, provide the year, make, model, type or kind of each vehicle, the leased value of each vehicle, the term of the lease for each vehicle, and assigned hourly rate for each vehicle or class of vehicle for which costs are being cleared to O&M.

Response:

- a. Please refer to Staff 3-28 Attachment A for the response.
- b. Please refer to Staff 3-28 Attachment B for the response. There are separate hourly rates for autos and trucks. The rates change monthly to ensure 100% clearance of the vehicle costs incurred to the capital and operating accounts associated with the type of work in which the vehicles were used.
- c. Columbia leases its vehicles.
- d. Please refer to response C.
- e. All vehicle leases are open-ended operating leases.
- f. Please refer to Staff 3-28 Attachment B for the response.

Vehicle Costs Cleared to Capital Accounts

FERC Account	09/2015	10/2015	11/2016	12/2016	1/2016	2/2016	3/2016	4/2016	5/2016	6/2016	7/2016	Base Period
107	71,763.44	59,208.94	86,496.64	53,394.36	49,493.50	47,914.68	57,445.80	63,556.69	64,574.26	60,867.25	54,413.38	669,128.94
108	4,552.60	2,068.26	2,097.70	2,075.80	2,866.35	1,941.88	2,249.39	3,486.45	3,288.93	3,532.23	5,801.98	33,961.57
Grand Total	76,316.04	61,277.20	88,594.34	55,470.16	52,359.85	49,856.56	59,695.19	67,043.14	67,863.19	64,399.48	60,215.36	703,090.51

Vehicle	Model Year	Make Name	Model	Asset Type	Book Value	Lease Term
00080	2013	DODGE	RTKH53 GRAND CARAVA	VAN	7,610	60
00176	2015	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	25,239	60
00177	2015	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	24,306	60
00839	2005	DODGE	DAKOTA EXT 4WD	TRUCK LD	-	60
01069	2011	FORD	U5K ESCAPE HYBRI	SUV	-	60
03001	2012	CHEVROLET	1LG26 EQUINOX	SUV	4,282	60
03003	1999	INTERNATIO	MT4700	TRUCK HD	-	50
03004	2012	INTERNATIO	4300 SB 4300 SBA 4X2	TRUCK HD	43,670	96
03005	2012	INTERNATIO	4300 SB 4300 SBA 4X2	TRUCK HD	43,670	96
03006	2012	CHEVROLET	CK10753 SILVERADO 15	TRUCK LD	7,416	60
03008	2012	CHEVROLET	CG23405 EXPRESS 2500	VAN	8,174	60
03010	2008	FORD	F450	TRUCK MD	-	0
03011	2016	FORD	F4H F-450 CHASSI	TRUCK MD	-	60
03012	2012	CHEVROLET	CG23405 EXPRESS 2500	VAN	8,174	60
03014	2012	CHEVROLET	CG23405 EXPRESS 2500	VAN	8,174	60
03015	2012	CHEVROLET	CG23405 EXPRESS 2500	VAN	8,174	60
03016	2012	CHEVROLET	CK10753 SILVERADO 15	TRUCK LD	5,287	60
03018	2012	CHEVROLET	CK10753 SILVERADO 15	TRUCK LD	6,563	60
03020	2009	CHEVROLET	EXPRESS CARGO 2500	VAN	-	60
03021	2009	CHEVROLET	SLV 1500 EXT 4WD	TRUCK LD	-	60
03023	2005	INTERNATIO	MT 4300	TRUCK HD	-	120
03028	2009	CHEVROLET	SLV 1500 EXT 4WD	TRUCK LD	-	60
03029	2016	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	-	60
03030	2012	FORD	X5H F-550 CHASSI	TRUCK MD	25,239	84
03031	2013	JEEP	MKJE74 PATRIOT	SUV	4,543	60
03035	2004	FORD	F550 SD CHASSIS 2WD	TRUCK MD	-	84
03036	2013	FORD	X2B F-250	TRUCK LD	20,966	60
03037	2013	CHEVROLET	CH13405 EXPRESS 1500	VAN	14,901	60
03038	2016	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	-	60
03039	2016	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	-	60
03040	2013	FORD	X2A F-250	TRUCK LD	19,812	60
03041	2013	CHEVROLET	CH13405 EXPRESS 1500	VAN	14,901	60
03042	2013	FORD	X2B F-250	TRUCK LD	22,459	60
03043	2013	CHEVROLET	CH13405 EXPRESS 1500	VAN	14,901	60
03045	2013	INTERNATIO	4300 SB 4300 SBA 4X2	TRUCK HD	63,320	96
03046	2013	FORD	X2B F-250	TRUCK LD	22,459	60
03048	2010	FORD	ESCAPE HYBRID	SUV	-	60
03049	2013	JEEP	MKJE74 PATRIOT	SUV	6,371	60
03050	2013	CHEVROLET	CH13405 EXPRESS 1500	VAN	15,640	60
03051	2013	FORD	X2A F-250	TRUCK LD	19,972	60
03052	2013	FORD	F5G F-550 CHASSI	TRUCK MD	42,723	84
03053	2011	DODGE	RAM 4500 HD CHASSIS	TRUCK MD	27,194	84
03055	2013	FORD	X2B F-250	TRUCK LD	22,459	60
03056	2010	FORD	X1C F-150	TRUCK LD	-	60
03057	2010	FORD	X1C F-150	TRUCK LD	-	60
03058	2013	FORD	X2B F-250	TRUCK LD	22,459	60
03060	2010	CHEVROLET	CG23405 EXPRESS 2500	VAN	-	60
03062	2011	FORD	F5G F-550 CHASSI	TRUCK MD	9,589	84
03063	2010	FORD	F-150	TRUCK LD	6,297	84
03064	2010	CHEVROLET	SILVERADO 3500HD	TRUCK LD	7,374	84
03065	2013	CHEVROLET	CH13405 EXPRESS 1500	VAN	14,901	60
03066	2010	CHEVROLET	CG23405 EXPRESS 2500	VAN	-	60
03067	2010	CHEVROLET	CG23405 EXPRESS 2500	VAN	-	60
03068	2011	FORD	F5G F-550 CHASSI	TRUCK MD	9,589	84
03069	2013	CHEVROLET	CH13405 EXPRESS 1500	VAN	14,323	60
03071	2011	CHEVROLET	CG23405 EXPRESS 2500	VAN	1,013	60
03072	2011	CHEVROLET	CG23405 EXPRESS 2500	VAN	2,031	60
03075	2011	FORD	F5G F-550 CHASSI	TRUCK MD	20,063	84
03076	2013	JEEP	MKJE74 PATRIOT	SUV	5,135	60
03078	2011	FORD	F5G F-550 CHASSI	TRUCK MD	19,876	84
03079	2011	DODGE	DS6L41 RAM 1500	TRUCK LD	792	60
03080	2013	INTERNATIO	4300 SB 4300 SBA 4X2	TRUCK HD	63,320	96
03082	2013	FORD	X1E F-150	TRUCK LD	13,531	60
03084	2012	CHEVROLET	CK20953 SILVERADO 25	TRUCK LD	10,837	60
03085	2012	CHEVROLET	CK20953 SILVERADO 25	TRUCK LD	10,837	60
03086	2011	FORD	F5G F-550 CHASSI	TRUCK MD	19,880	84
03087	2016	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	-	60
03089	2013	FORD	X1E F-150	TRUCK LD	13,137	60
03091	2012	CHEVROLET	CK20953 SILVERADO 25	TRUCK LD	10,837	60
03092	2011	FORD	F5G F-550 CHASSI	TRUCK MD	19,853	84
03093	2011	FORD	F5G F-550 CHASSI	TRUCK MD	19,854	84
03094	2011	FORD	F-250	TRUCK LD	7,077	60
03095	2011	CHEVROLET	CG23405 EXPRESS 2500	VAN	1,932	60
03096	2012	CHEVROLET	CK20753 SILVERADO 25	TRUCK LD	3,545	60
03097	2013	FORD	X2B F-250	TRUCK LD	22,039	60
03098	2011	DODGE	DS6L41 RAM 1500	TRUCK LD	-	60
03099	2013	FORD	X2B F-250	TRUCK LD	22,039	60
03100	2013	DODGE	RTKH53 GRAND CARAVA	VAN	8,162	60
03101	2013	FORD	X2B F-250	TRUCK LD	15,867	60
03102	2014	INTERNATIO	4300 SB 4300 SBA 4X2	TRUCK MD	59,848	84
03103	2013	FORD	X2B F-250	TRUCK LD	15,356	60
03104	2013	FORD	X1E F-150	TRUCK LD	12,309	60
03106	2013	FORD	X1C F-150	TRUCK LD	13,500	60
03107	2015	INTERNATIO	7400SFA 7400 SFA 4X4	TRUCK HD	154,000	84
03108	2013	FORD	X1E F-150	TRUCK LD	14,846	60

03109	2014	JEEP	MKJE74 PATRIOT	SUV	9,638	60
03110	2014	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	18,081	60
03111	2014	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	17,533	60
03112	2014	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	18,630	60
03113	2014	JEEP	MKJE74 PATRIOT	SUV	10,554	60
03114	2014	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	18,081	60
03115	2014	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	18,081	60
03116	2015	FORD	X2B F-250	TRUCK LD	34,198	60
03117	2015	FORD	X2B F-250	TRUCK LD	35,217	60
03118	2015	FORD	X2B F-250	TRUCK LD	34,185	60
03119	2015	FORD	X2B F-250	TRUCK LD	33,298	60
03120	2015	FORD	X2B F-250	TRUCK LD	30,672	60
03121	2014	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	18,836	60
03122	2015	FORD	X2B F-250	TRUCK LD	34,221	60
03123	2014	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	19,771	60
03124	2015	FORD	F4H F-450 CHASSI	TRUCK MD	49,294	84
03125	2015	FORD	F5H F-550 CHASSI	TRUCK MD	43,870	84
03126	2014	CHEVROLET	CH13405 EXPRESS 1500	VAN	29,606	60
03127	2014	CHEVROLET	CH13405 EXPRESS 1500	VAN	27,264	60
03128	2014	CHEVROLET	CH13405 EXPRESS 1500	VAN	27,264	60
03129	2014	JEEP	MKJE74 PATRIOT	SUV	13,075	60
03130	2014	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	19,915	60
03131	2015	FORD	X2B F-250	TRUCK LD	36,717	60
03132	2014	CHEVROLET	CH13405 EXPRESS 1500	VAN	27,264	60
03133	2015	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	26,833	60
03134	2015	JEEP	KLJL74 CHEROKEE	SUV	16,839	60
03135	2015	FORD	X2B F-250	TRUCK LD	40,507	60
03136	2015	FORD	X2B F-250	TRUCK LD	40,391	60
03137	2016	INTERNATIO	4300 SB 4300 SBA 4X2	TRUCK MD	103,461	60
03138	2016	INTERNATIO	4300 SB 4300 SBA 4X2	TRUCK MD	101,580	60
03139	2016	INTERNATIO	4300 SB 4300 SBA 4X2	TRUCK HD	86,027	60
03140	2015	RAM	VF1L12 PROMASTER 15	VAN	37,868	60
03141	2015	RAM	VF1L12 PROMASTER 15	VAN	37,804	60
03142	2015	RAM	VF1L12 PROMASTER 15	VAN	37,868	60
03143	2015	FORD	X2B F-250	TRUCK LD	31,749	60
03144	2016	FORD	F4H F-450 CHASSI	TRUCK MD	63,311	60
03145	2015	FORD	X2B F-250	TRUCK LD	32,509	60
03146	2016	FORD	F4H F-450 CHASSI	TRUCK MD	63,311	60
03147	2016	INTERNATIO	4300 SB 4300 SBA 4X2	TRUCK MD	105,343	60
03228	2002	FORD	F450 SD CHASSIS 4WD	TRUCK MD	-	84
03245	2003	FORD	F550 SD CHASSIS 4WD	TRUCK MD	-	84
03281	2006	INTERNATIO	MT 4300	TRUCK HD	-	120
04096	2007	FORD	F450 SD CHASSIS 4WD	TRUCK MD	-	84
04706	2006	DODGE	RAM 2500 QUAD 2WD	TRUCK LD	-	60
04707	2006	DODGE	RAM 2500 QUAD 2WD	TRUCK LD	-	60
04708	2006	DODGE	RAM 2500 QUAD 2WD	TRUCK LD	-	60
04710	2006	DODGE	RAM 2500 QUAD 2WD	TRUCK LD	-	60
04712	2007	FORD	F550 SD CHASSIS 2WD	TRUCK MD	-	84
04713	2007	FORD	F550 SD CHASSIS 2WD	TRUCK MD	-	84
04722	2007	DODGE	RAM 2500 QUAD 2WD	TRUCK LD	-	60
04723	2007	DODGE	RAM 2500 2WD	TRUCK LD	-	60
04724	2007	DODGE	RAM 2500 QUAD 2WD	TRUCK LD	-	60
04725	2007	DODGE	RAM 2500 QUAD 4WD	TRUCK LD	-	60
04728	2008	CHEVROLET	EXPRESS CUTAWAY 3500	VAN	-	60
04730	2009	INTERNATIO	MT 4300	TRUCK HD	-	120
04731	2009	INTERNATIO	MT 4300	TRUCK HD	-	120
04732	2009	INTERNATIO	MT 4300	TRUCK HD	-	120
04741	2007	CHEVROLET	EXPRESS CGO 2500 RWD	VAN	-	60
04743	2008	DODGE	DAKOTA EXT 4WD	TRUCK LD	-	60
04747	2008	CHEVROLET	EXPRESS CARGO 3500	VAN	-	60
04748	2008	FORD	F550 SD CHASSIS 2WD	TRUCK MD	-	84
04749	2009	INTERNATIO	MT 4300	TRUCK HD	-	120
04750	2008	CHEVROLET	SLV 2500HD EXT 4WD	TRUCK LD	-	60
04756	2008	FORD	F550SD	TRUCK MD	-	0
04759	2009	INTERNATIO	MT 4300	TRUCK HD	-	120
04761	2008	CHEVROLET	COLORADO 2WD	TRUCK LD	-	60
04764	2009	CHEVROLET	C5C042	TRUCK MD	-	0
04765	2009	CHEVROLET	C5C042	TRUCK MD	-	0
04769	2008	FORD	F450 SD	TRUCK MD	-	0
04771	2008	CHEVROLET	EXPRESS CARGO 3500	VAN	-	60
07136	2009	CHEVROLET	SILVERADO	TRUCK LD	-	60
07139	2009	JEEP	LIBERTY	SUV	-	0
07275	2011	DODGE	DP9L64 RAM 4500 HD	TRUCK MD	15,169	84
07277	2010	FORD	X1E F-150	TRUCK LD	-	60
07347	2011	FORD	F2B F-250	TRUCK LD	-	60
07350	2011	FORD	F2B F-250	TRUCK LD	-	60
07499	2012	FORD	F4G F-450 CHASSI	TRUCK MD	16,912	84
07504	2011	FORD	X2B F-250	TRUCK LD	597	60
07510	2011	FORD	U5K ESCAPE HYBRI	SUV	-	60
07695	2013	JEEP	MKJE74 PATRIOT	SUV	5,208	60
07828	2014	CHEVROLET	CK15753 SILVERADO 15	TRUCK LD	18,081	60

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

29. Refer to the response to Staff's Second Request, Item 62, Attachment D — Clearing Accounts Costs Cleared to O&M — General Tools Costs Cleared.

a. Explain whether any of the general tools costs cleared are charged to capital accounts, if so, provide the account and amount.

b. By general tool, provide the year, make, model, type or kind of each, the value of each, and assigned hourly rate for each for which costs are being cleared to O&M.

c. Explain whether the general tools are owned or leased.

d. If owned, provide the depreciable life of the general tools and depreciation rate.

e. If the general tools are leased, explain the type of lease agreement.⁴

⁴ *Id* (Columbia's response to Staff's First Request, Item 22, states that Columbia does not have any capitalized leases.)

f. Assuming the general tools are leased, provide the year, make, model, type or kind of each, the leased value of each, the term of the lease for each, and assigned hourly rate for each general tool for which costs are being cleared to O&M.

Response:

- a. General tool costs cleared are charged to capital accounts. The costs charged to capital accounts follow the percentage of labor charged by the employee utilizing the equipment. Please refer to Staff 3-29 Attachment A for the response.
- b. Please refer to Staff 3-29 Attachment B for the response. There is one hourly rate for all general tools. The rate changes monthly to ensure 100% clearance of the general tool costs incurred to the capital and operating accounts associated with the type of work in which the general tools were used.
- c. The general tools are leased.
- d. Please refer to response C.
- e. General tools are associated with operating leases.
- f. Please refer to Staff 3-29 Attachment B for the response.

General Tools Costs Cleared to Capital Accounts

FERC Account	09/2015	10/2015	11/2016	12/2016	1/2016	2/2016	3/2016	4/2016	5/2016	6/2016	7/2016	Base Period
107	13,098.36	11,751.82	12,373.54	8,615.62	4,506.52	8,097.55	8,267.80	9,595.23	4,258.90	17,077.22	14,748.39	112,390.95
108	6,711.49	2,309.98	926.16	1,849.38	1,079.70	1,255.11	982.33	2,767.46	1,398.11	1,286.33	3,575.97	24,142.02
Grand Total	19,809.85	14,061.80	13,299.70	10,465.00	5,586.22	9,352.66	9,250.13	12,362.69	5,657.01	18,363.55	18,324.36	136,532.97

Vehicle	Model Year	Make Name	Model	Asset Type	Book Value	Lease Term
000843	2014	WACKER	NEUSON LTN6	TRAILER	-	0
000862	2014	WACKER	NEUSON LTN6	TRAILER	-	0
00100	2010	JOHN DEERE	310J 310J	EQUIPMENT	5,365	84
00102	2003	EQUIPMENT	JOHN DEERE 310G	EQUIPMENT	-	0
00106	2010	JOHN DEERE	310J 310J	EQUIPMENT	6,267	84
00107	2012	JOHN DEERE	35D EXCAVATOR	EQUIPMENT	17,657	84
00108	2013	JOHN DEERE	310K 310K	EQUIPMENT	43,837	84
00109	2002	JOHN DEERE	310G		-	
00110	2013	JOHN DEERE	35D EXCAVATOR	EQUIPMENT	24,493	84
00111	2014	JOHN DEERE	310K 310K	EQUIPMENT	51,196	84
00113	2015	JOHN DEERE	50G MINI EXCAVAT	EQUIPMENT	53,458	60
00118	2003	EQUIPMENT	JOHN DEERE 310G	EQUIPMENT	-	0
00119	2003	EQUIPMENT	JOHN DEERE 310G	EQUIPMENT	-	0
00121	2010	JOHN DEERE	35D EXCAVATOR	EQUIPMENT	8,742	84
00122	2010	JOHN DEERE	35D EXCAVATOR	EQUIPMENT	8,742	84
00123	2005	JOHN DEERE	310	EQUIPMENT	-	84
00124	2005	JOHN DEERE	310	EQUIPMENT	-	84
01201	2012	INGERSOLL	P185WJD P185WJD	EQUIPMENT	6,991	84
02000	2013	FELLING	FT302 T FT-30-2 TBT	TRAILER	9,791	84
02003	2013	FELLING	FT302 T FT-30-2 TBT	TRAILER	9,791	84
02005	2012	BUTLER	LW1422W LW1422WL	TRAILER	4,137	84
02006	1995	WELLS CARG	WELLS CARGO 1 AXLE	TRAILER	-	0
02007	1995	WELLS CARG	WELLS CARGO 1 AXLE	TRAILER	-	0
02009	2010	BUTLER	LT1416W LT1416WL	TRAILER	625	84
02010	2010	BUTLER	LT1416W LT1416WL	TRAILER	625	84
02011	2010	KEARNEY	BTSTDUT BTSTDUT7718	TRAILER	406	84
02014	2011	FELLING	FT-30-2 TBT	TRAILER	-	0
02015	2011	FELLING	FT-30-2 TBT	TRAILER	-	0
02016	2013	BUTLER	LT1422W LT-1422 WL/4	TRAILER	5,716	84
02017	2011	FELLING	FT-30-2 TBT	TRAILER	-	0
02018	2013	BUTLER	TS712DW TS712DW	TRAILER	4,281	84
02019	2014	WELLS CARG	CARGO CARGO TRAILER	TRAILER	3,794	84
02021	2016	FELLING	FT3 FT-3	TRAILER	8,606	84
02025	2010	CARRY-ON	408 KG	TRAILER	-	0
02424	2012	SHORING	6X10 UTILITY TRAI	TRAILER	917	84
04715	2006	JOHN DEERE	310	EQUIPMENT	-	84
04735	2007	FELLING	FT-30PT	TRAILER	-	96
04736	2008	FELLING	FT-30PT	TRAILER	-	96
04737	2008	FELLING	FT-30PT	TRAILER	-	96
04738	2008	FELLING	FT-30PT	TRAILER	-	96
04739	2007	FELLING	FT-30PT	TRAILER	-	96
04740	2007	EQUIPMENT	INGERSOL-RAND	EQUIPMENT	-	60
04745	2008	JOHN DEERE	310	EQUIPMENT	-	84
04746	2008	FELLING	FT-30PT	TRAILER	-	84
04758	2008	JOHN DEERE	310	EQUIPMENT	-	84
04760	2008	FELLING	FT-30PT	TRAILER	-	84
04916	2007	ASTEC	ASTEC	EQUIPMENT	-	60

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

30. Refer to the response to Staff's Second Request, Item 64.b. Explain whether the \$96,003.10 adjustment for employee training hours required for the Advanced Workforce Training is a part of the employee's normal salary or wage. If so, explain whether this type of cost is currently part of the salaries and wages component in base rates.

Response:

The \$96,003.10 adjustment for employee training hours required for the Advanced Workforce Training is not part of the employee's normal salary. The amount reflects the cost of training. The assumed salary for employees embedded in base rates would not have considered enhanced OQ training as that cost was not part of the 2013 rate case. Any enhanced OQ training as part of Advanced Workforce training would be incremental as it is a new initiative relative to Columbia's training curriculum for field operations.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

31. Refer to the response to Staff's Second Request, Item 67, Attachment A.
- a. Explain the purpose of and types of transactions in Account 14610000 — Money Pool Deposits.
 - b. Explain the purpose of and types of transactions in Account 14620000 — Foreign Cash, and why the beginning balance is positive and the ending balance is negative.
 - c. There is a \$90,458.36 balance in Account 15400000 — Plant Materials — Oth Supplies, but there is no Account 163 — Stores Expense Undistributed listed in the trial balance. If there are storeroom costs applicable to handling material and supplies, explain how those costs are allocated based on the activity in Account 1540000, and to what accounts and in what amounts those costs were allocated for 2015.

Response:

- a. NiSource entities participate in a centralized cash management program referred to as Money Pool. When an entity has funds in excess of short-term cash needs, these funds are made available for use by other affiliates. Columbia's balance in Account 14610000 indicates an investor position within the Money Pool.
- b. Foreign Cash represents cash collections by other affiliates on behalf of Columbia and cash collections by Columbia on behalf of other entities. If other affiliates collect more cash for Columbia than what Columbia has collected for other entities, this creates a net debit (positive) balance. For instance, if an affiliate receives a payment from a collection agency on behalf of Columbia, this would be reflected as a debit in Account 14620000. If Columbia's collections on behalf of other entities is greater than collections by other affiliates on behalf of Columbia, this results in a net credit (negative) balance within Account 14620000. The month end balance can be a debit or credit depending on timing of cash settlements.
- c. The balance in account 15400000 – Plant Materials – Other Supplies consists of purchased non-returnable inventory awaiting assignment to a project or new job order. Columbia does not have any storeroom overhead costs applicable to handling material and supplies.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

32. Refer to the response to Staff's Second Request. Item 67, Attachment B.
- a. Explain why there is no Account 14610000 shown as of June 30, 2016.
- b. Explain the purpose of and types of transactions in Account 14620000 — Foreign Cash, and why the beginning balance is negative and remained so as of June 30, 2016.
- c. There is a \$90,010.06 balance in Account 15400000 — Plant Materials — Oth Supplies, but there is no Account 163 — Stores Expense Undistributed listed in the trial balance. If there are storeroom costs applicable to the handling of material and supplies, explain how those costs are allocated based on the activity in Account 1540000, and to what accounts and in what amount those costs were allocated for year-to-date June 30, 2016.

Response:

- a. Account 14610000 (Money Pool Deposits) is the inter-company financing accounts receivable. When Columbia is in a lending position, the receivable is recorded to this account. As of June 30, 2016, Columbia is in a borrowing position and the inter-company accounts payable account is 23410000 (Money Pool Borrowings).
- b. Foreign Cash represents cash collections by other affiliates on behalf of Columbia and cash collections by Columbia on behalf of other entities. If Columbia's collections on behalf of other entities are greater than collections by other affiliates on behalf of Columbia, this results in a credit (negative) balance within Account 14620000. The month end balance can be a debit or credit depending on timing of cash settlements. As of June 30, 2016, Columbia had collected more on behalf of other entities than other affiliates had collected on behalf of Columbia.
- c. The balance in account 15400000 – Plant Materials – Other Supplies consists of purchased non-returnable inventory awaiting assignment to a project or new job order. Columbia does not have any storeroom overhead costs applicable to handling material and supplies and therefore there are no costs to allocate.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

33. Refer to the response to AG's First Request, Item 3, regarding costs in excess of \$1.5 million to address leak repairs to Columbia's system during the forecasted period.

a. Confirm that Columbia's estimated leak repair cost of \$1.5 million includes the \$945,163.09 of costs included in base rates for the forecasted test period.

b. Explain how Columbia identifies which costs should be recovered in base rates in Accounts 887 and 892 and those which should be recovered in its proposed AMRP in the forecasted test period.

Response:

a. Columbia discovered during the process of responding to AG 02-007 that it had erred in its response to AG 01-003. The corrected amount of leak repair cost included in base rates for the forecasted test period is \$1,381,253.03. Please refer to AG 01-003 for additional information.

b. Costs in Accounts 887 and 892 are for the repair of mains and service lines.

Costs in the AMRP are for the replacement and retirement of cast iron and bare steel main lines and are reflected in Accounts 107 and 108.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

34. Refer to the response to AG's First Request, Item 7, regarding property tax expense.

a. Confirm the period for the Kentucky property taxes paid was calendar year 2015. If not, provide the actual amount of 2015 property taxes paid, the actual assessment and the effective tax rate.

b. Explain how the 1.5 percent inflation factor used in calculating the 2016 and 2017 effective tax rate was determined.

Response:

a. The property taxes paid of \$3,050,057 that are reflected in Columbia's response to AG 1-07 are the actual payments for the 2015 tax year. The actual taxes paid in calendar year 2015 are \$2,860,148 which are representative of the 2014 tax year. The actual 2015 assessment is \$239,670,783 and the effective tax rate is 1.273 percent.

b. Historically, Columbia has utilized a 1.5 percent inflation factor to capture the increase in assessed value and jurisdiction tax rates that cannot be verified until final assessments and bills are received.

COLUMBIA GAS OF KENTUCKY, INC.
RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION
DATED AUGUST 5, 2016

35. Refer to the responses to the AG's First Request. Item 13, Attachment A.
- a. Provide a similar schedule of Columbia's depreciation expense for the forecasted test period using the proposed annual accrual rates.
 - b. Provide a similar schedule of Columbia's depreciation expense for the forecasted test period using the current annual accrual rates.
 - c. Provide a similar schedule of Columbia's depreciation expense for the forecasted test period using the annual accrual rates based on the Average Service Life procedure.

Response:

- a. Please see Staff 3-35 Attachment A for a schedule showing pro forma annual depreciation expense based on proposed annual accrual rates applied to the projected original cost as of December 31, 2017 in a format similar to the schedule provided in Columbia's response to AG 1-13.

- b. Please see Staff 3-35 Attachment B for a schedule showing pro forma annual depreciation expense based on current annual accrual rates applied to the projected original cost as of December 31, 2017 in a format similar to the schedule provided in Columbia's response to AG 1-13.
- c. Please see Staff 3-35 Attachment C for a schedule showing pro forma annual depreciation expense based on Average Service Life annual accrual rates applied to the projected original cost as of December 31, 2017 in a format similar to the schedule provided in Columbia's response to AG 1-13.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016-00162
CALCULATION OF PRO FORMA EXPENSE USING CURRENT ANNUAL ACCRUAL RATES
RELATED TO GAS PLANT AS OF DECEMBER 31, 2017

DEPRECIABLE GROUP (1)	ORIGINAL COST AS OF DECEMBER 31, 2017 (2)	CURRENT ANNUAL ACCRUAL RATE (3)	PRO FORMA EXPENSE (4)=(2)*(3)
DEPRECIABLE PLANT			
DISTRIBUTION PLANT			
LAND AND LAND RIGHTS			
374.4	661,305.66	1.53	10,118
374.5	2,755,448.55	1.22	33,616
	<u>3,416,754.21</u>		<u>43,734</u>
STRUCTURES AND IMPROVEMENTS			
375.34	2,379,424.00	1.96	46,637
375.7			
	<u>10,252,742.21</u>	1.99	<u>204,030</u>
			250,667
376	<u>230,358,104.62</u>	1.57	<u>3,616,622</u>
	230,358,104.62		3,616,622
378	10,749,093.26	2.35	252,604
379.1	254,900.59	2.27	5,786
380	133,326,865.77	2.59	3,453,166
381	14,296,032.55	2.59	370,267
381.1	8,863,132.06	2.59	229,555
382	9,667,080.65	2.39	231,043
383	5,873,634.76	1.39	81,644
384	2,257,522.00	1.10	24,833
385	3,529,778.36	2.09	73,772
387.4	<u>6,369,905.40</u>	2.34	<u>149,056</u>
TOTAL DISTRIBUTION PLANT	441,594,970.44		8,782,749
GENERAL PLANT			
OFFICE FURNITURE AND EQUIPMENT			
391.1	855,161.71	5.00	42,758
391.11	18,815.57	6.67	1,255
391.12	<u>1,437,266.41</u>	20.00	<u>287,453</u>
			331,466
392.2	120,240.20	2.94	3,535
394	3,851,387.96	4.00	154,056
395	9,257.77	5.00	463
396	253,134.72	-	0
398			
	<u>323,786.94</u>	6.67	<u>21,597</u>
	323,786.94		21,597
TOTAL GENERAL PLANT	6,869,051.28		511,117
TOTAL DEPRECIABLE PLANT	448,464,021.72		9,293,866
AMORTIZABLE PLANT			
303.00	10,025,526.00	*	1,549,218
375.71	259,808.94	*	58,686
378.21	<u>(777,092.00)</u>	**	<u>(25,903)</u>
TOTAL AMORTIZABLE PLANT	9,508,242.94		1,582,001
TOTAL GAS PLANT	457,972,264.66		10,875,867

* Expense calculated individually for each asset.

** Expense calculated using 30 year amortization period.

COLUMBIA GAS OF KENTUCKY, INC.
CASE NO. 2016-00162
CALCULATION OF PRO FORMA EXPENSE USING ASL ANNUAL ACCRUAL RATES
RELATED TO GAS PLANT AS OF DECEMBER 31, 2017

<u>DEPRECIABLE GROUP</u>	<u>ORIGINAL COST AS OF DECEMBER 31, 2017</u>	<u>ASL ANNUAL ACCRUAL RATE</u>	<u>PRO FORMA EXPENSE</u>
(1)	(2)	(3)	(4)=(2)*(3)
DEPRECIABLE PLANT			
DISTRIBUTION PLANT			
LAND AND LAND RIGHTS			
374.4	661,305.66	1.40	9,258
374.5	2,755,448.55	1.23	33,892
	<u>3,416,754.21</u>		<u>43,150</u>
STRUCTURES AND IMPROVEMENTS			
375.34	2,379,424.00	2.17	51,634
375.7	10,252,742.21	2.13	218,383
	<u>12,632,166.21</u>		<u>270,017</u>
376	230,358,104.62	1.65	3,800,909
	<u>230,358,104.62</u>		<u>3,800,909</u>
378	10,749,093.26	2.20	236,480
379.1	254,900.59	0.52	1,325
380	133,326,865.77	3.80	5,066,421
381	14,296,032.55	2.62	374,556
381.1	8,863,132.06	7.21	639,032
382	9,667,080.65	2.08	201,075
383	5,873,634.76	2.25	132,157
384	2,257,522.00	0.83	18,737
385	3,529,778.36	3.64	128,484
387.4	6,369,905.40	3.13	199,378
	<u>441,594,970.44</u>		<u>11,111,721</u>
TOTAL DISTRIBUTION PLANT			
GENERAL PLANT			
OFFICE FURNITURE AND EQUIPMENT			
391.1	855,161.71	5.00	42,758
391.11	18,815.57	6.67	1,255
391.12	1,437,266.41	20.00	287,453
	<u>2,311,243.69</u>		<u>331,466</u>
392.2	120,240.20	8.27	9,944
394	3,851,387.96	4.00	154,056
395	9,257.77	5.00	463
396	253,134.72	2.11	5,341
398	323,786.94	6.67	21,597
	<u>323,786.94</u>		<u>21,597</u>
	<u>6,869,051.28</u>		<u>522,867</u>
TOTAL GENERAL PLANT			
TOTAL DEPRECIABLE PLANT			
	<u>448,464,021.72</u>		<u>11,634,588</u>
AMORTIZABLE PLANT			
303.00	10,025,526.00	*	1,549,218
375.71	259,808.94	*	58,686
378.21	(777,092.00)	**	(25,903)
	<u>9,508,242.94</u>		<u>1,582,001</u>
TOTAL AMORTIZABLE PLANT			
TOTAL GAS PLANT			
	<u>457,972,264.66</u>		<u>13,216,589</u>

* Expense calculated individually for each asset.

** Expense calculated using 30 year amortization period.