

COLUMBIA GAS OF KENTUCKY, INC.
UPDATED RESPONSE TO STAFF'S SECOND REQUEST FOR INFORMATION
DATED JULY 8, 2016

4. Refer to the Miller Testimony, page 13, line 1, where Columbia's proposal to seek recognition and recovery in the forecasted test period of the positive 5.3 percent slippage factor which it experienced over the past ten years for capital expenditures is discussed. Also refer to the Direct Testimony of Eric T. Belle ("Belle Testimony") and the Direct Testimony of S. Mark Katko ("Katko Testimony").

a. Provide a breakdown of Columbia's budgeted and actual capital expenditures for the ten years mentioned in the Miller Testimony. Where applicable, separate the capital expenditures broken down by Accelerated Main Replacement Program ("AMRP") and non-AMRP capital investments.

b. Explain what steps Columbia has taken to mitigate the positive slippage factor over this ten-year period.

c. Explain why Columbia believes that using the prior ten years' positive slippage factor is a better indicator of capital investment than its own internal planning processes.

d. For the three most recent historical fiscal years. 2013, 2014, and 2015, provide side-by-side monthly comparisons of budgeted additions to gross plant and actual additions to gross plant broken down by AMRP and non-AMRP capital expenditures.

e. For the available months of fiscal year 2016, provide a side-by-side monthly comparison of budgeted and actual additions to gross plant broken down by AMRP and non-AMRP capital investments. This should be considered an ongoing request to be updated monthly.

f. The forecasted test year in Columbia's most recent general rate case, Case No. 2013-00167, was the 12 months ended December 31, 2014. The 13-month average of total utility plant included in the net investment rate base filed by Columbia in that proceeding was \$356,161,789. Provide Columbia's actual 13-month average of total utility plant for that period. Include the actual monthly amounts and the calculation of the 13-month average balance in the response.

Response:

e. Please see Staff 2-4 Attachment C for the September update.

Columbia Gas of Kentucky, Inc.
Capital Expenditures
2016 Budget v. Actual by Month
(\$000)

	2016								
	AMRP			Non-AMRP			Total		
	Budget	Actual	Inc (Dec)	Budget	Actual	Inc (Dec)	Budget	Actual	Inc (Dec)
January	588	994	406	453	975	522	1,041	1,968	928
February	300	908	608	826	1,132	306	1,126	2,040	914
March	350	1,367	1,017	1,128	1,556	428	1,478	2,922	1,445
April	550	2,374	1,824	1,175	1,821	645	1,725	4,194	2,469
May	950	2,039	1,089	990	1,295	305	1,940	3,334	1,394
June	1,300	2,183	883	1,521	726	(795)	2,821	2,909	88
July	1,344	1,366	22	1,594	676	(918)	2,938	2,042	(896)
August	2,400	1,255	(1,145)	1,662	1,204	(458)	4,062	2,459	(1,603)
September	2,318	1,391	(927)	1,637	1,280	(357)	3,955	2,671	(1,284)
Total Year-to-Date	10,100	13,876	3,776	10,987	10,664	(323)	21,087	24,541	3,453